



THE CITY OF SAN DIEGO  
**MANAGER'S REPORT**

DATE ISSUED: May 30, 2003 REPORT NO. 03-116

ATTENTION: Honorable Mayor and City Council  
Docket of June 10, 2003

SUBJECT: Approval of Rate Revision, New Fee and Cost Recovery  
Recommendations

SUMMARY

Issue(s) – Should the City Council adopt and approve the following rate revision, new fee and cost recovery recommendations which would generate an estimated \$2,542,100 in new net revenue to the General Fund?

Manager's Recommendation(s) – Adopt and approve the following rate revision, new fee and cost recovery recommendations:

A. Library Department

1. Library Meeting Room Fee Schedule Revision.
2. Establish Library Reserve Re-Stocking Fee.
3. Non-Resident Library Card Fee Revision.
4. Juvenile Library Material Overdue Fines Rate Revision.
5. Test Monitoring Fee Revision.

B. San Diego “6 to 6” Program

1. Establish Annual Program Registration Fee.

C. Catering on Public Property

1. Establish Catering on Public Property Fee Schedule.

D. Special Events on Public Property and Special Event Support Services

1. Establish Citywide Special Event Permit Fee.
2. Amend Municipal Code, Rescind Council Policy, Public Safety Services Rate Revision.

3. Establish Pyrotechnic/Firework/Special Effect/Laser Permit Fee Schedule.
4. Establish Public Assembly Permit Fee.
5. Establish Tent Permit Fee Schedule.
6. Establish Trade Show and Exposition Permit Fee.

E. Filming on Public Property

1. Establish Public Property Daily Filming Use Fee.
2. Police Department Support Services Rate Revision.

F. Park and Recreation Department

1. Non-Resident Learn to Swim Rate Schedule Revision.
2. Showmobile Fee Schedule Revision.
3. Mount Hope Cemetery Fee Schedule Revision.

G. Real Estate Assets Department

1. Real Estate Transaction Processing Rate Schedule Revision and New Fees.
2. City Parkade and World Trade Center Parking Rate Schedule Revision.

H. Direct the City Manager to return within two weeks to City Council with all Municipal Code and Council Policy amendments necessary to implement the approved actions.

I. Authorize the City Manager or his designee to review rate revisions annually and make adjustments as needed in accordance with Council Policy 100-05.

Other Recommendation(s) – On June 17, 1999 the Select Committee on Government Efficiency and Fiscal Reform approved the Zero Based Management Review (ZBMR) recommendation to establish park commercial caterer user fees.

Fiscal Impact – \$2,542,100 in net new cost recoverable income to the General Fund. A total of \$2.4 million in new or increased cost recovery revenues was included in the FY04 Budget presented to the City Council on May 5, 2003.

## **BACKGROUND**

As part of the FY04 budget process, the City Manager's Office appointed an internal Task Force to review a broad range of activities that receive permit, operational support, and the use of public land and facilities from the City of San Diego. This effort resulted in the identification of a number of services provided by the City of San Diego for which permit fees, hourly rates and other cost recovery methods have not been reviewed or changed in a number of years. Additionally, the Task Force identified a number of services provided by the City of San Diego that currently have no fees associated with them and for which the primary recipients of the service do not provide any direct level of reimbursement to the City of San Diego through permit fees or other cost recovery mechanisms.

Throughout the review process City staff remained committed to developing proposals that acknowledge the difficult economic situation at all levels of the community and the contributions many of these programs provide to the region. As part of this commitment to the community, City staff met with a broad range of representatives from a number of industries that would be affected by recommendations made in this report. Meetings were held with a variety of representatives and leaders including:

- The San Diego “6 to 6” Providers Advisory Board
- Park and Recreation Board
- Library Commission Representatives
- Business Improvement District Council
- Mission Bay Lessees Association
- Pyrotechnic, Trade Show, and Party Equipment Rental Industries
- Special Event Industry Representatives
- Catering Companies
- San Diego Film Commission

In all cases, with the exception of the San Diego Film Commission, industry representatives and community leaders chose to be actively engaged in the discussions and made constructive contributions to the process whether they supported the ultimate recommendations made in this report or not. In the case of the Film Commission, the City Manager’s Office was notified by letter that the organization declined to support the effort.

Staff received valuable input from industry representatives and leaders and carefully considered the wide variety of comments they provided. The following recommendations have been developed to reflect fees and rates that, in most cases, strike a balance between the need to more directly correlate City revenue to the services being provided while acknowledging the economic and community development role many of the programs and services provide to the citizens of San Diego.

## **DISCUSSION**

The purpose of this report is to provide the Mayor and City Council with a comprehensive document that outlines City programs and services for which new fees or cost recovery rates are recommended or for which fees and cost recovery rates have not been adjusted in sometime. Should the City Council adopt all of the recommendations, the estimated new net revenue to the General Fund would be \$2,542,100. A concerted effort was made to notify interested parties of the proposed recommendations. The public hearing notice was widely distributed through mailings by a number of City departments, postings in City facilities, and publication of the notice in the Daily Transcript. Pending City Council approval, the effective implementation date for the proposed recommendations will be July 1, 2003.

Following is a description, recommendation and revenue projection for each proposed item:

## A. San Diego Library Department

### 1. Library Meeting Rooms

#### ***Background***

The Library Meeting Room Fee Schedule was established in 1996 and has not been revised since that time. Subsequent to the adoption of the Fee Schedule, there has been an increasing trend in the use of library meeting rooms by for-profit and non-library-sponsored not-for-profit groups that fall outside the scope of usual and customary library services. Staff time is spent booking and monitoring the rooms, and added utility and security costs are incurred by keeping rooms open after regular hours. In some cases, the size and amenities of the meeting room have provided a venue for private parties during non-business library hours, particularly during the holiday season, thereby placing additional stress on the library's staff and resources. Additionally, the cleaning and maintenance costs associated with the use of the rooms have increased substantially over the years. In some branches, heavy use of the rooms by outside groups has resulted in the need to replace carpeting at an earlier date than anticipated and budgeted.

#### ***Recommendation***

Increase the current room rental fee structure as follows:

#### ***Summary***

Category	Current Rate	Recommended Rate
Library Sponsored Groups	<ul style="list-style-type: none"> <li>• None</li> </ul>	<ul style="list-style-type: none"> <li>• None</li> </ul>
Non-Profit 501[c] Organizations, Religious Groups, Clubs, Any Fundraising Use with Entry Fee <ul style="list-style-type: none"> <li>• Small Room</li> <li>• Large Room</li> </ul>	<ul style="list-style-type: none"> <li>• \$20/hr</li> <li>• \$50/hr</li> </ul>	<ul style="list-style-type: none"> <li>• \$50/hr</li> <li>• \$100/hr</li> </ul>
Commercial Groups <ul style="list-style-type: none"> <li>• Small Room</li> <li>• Large Room</li> </ul>	<ul style="list-style-type: none"> <li>• \$20/hr</li> <li>• \$50/hr</li> </ul>	<ul style="list-style-type: none"> <li>• \$100/hr</li> <li>• \$200/hr</li> </ul>
Closed Hours Use	<ul style="list-style-type: none"> <li>• Open Hour Rate Plus \$20/hr</li> </ul>	<ul style="list-style-type: none"> <li>• Open Hour Rate Plus \$50/hr</li> </ul>
Refundable Cleaning Deposit <ul style="list-style-type: none"> <li>• Small Room</li> <li>• Large Room</li> </ul>	<ul style="list-style-type: none"> <li>• \$50</li> <li>• \$50</li> </ul>	<ul style="list-style-type: none"> <li>• \$100</li> <li>• \$200</li> </ul>
Catering Fee Per Person	<ul style="list-style-type: none"> <li>• \$2/pp</li> </ul>	<ul style="list-style-type: none"> <li>• \$5/pp</li> </ul>

Revenue	<ul style="list-style-type: none"> <li>• \$19,000 in increased cost recoverable revenue to the General Fund</li> <li>• Amount is based on projected revenue of \$75,000 under the recommended rate structure in comparison to FY02 revenue of \$56,000</li> </ul>
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## 2. Reserve Re-Stocking Fee For Material Not Picked-Up

### ***Background***

In FY02, 7,345 books were reserved by library patrons who, in turn, never picked them up. Filling a patron reserve request requires staff time to pull and place the material on hold. Additionally, first-class postage is spent to notify the borrower that their requested material is available for pick-up. Reserved material that is not picked-up by the patron is generally out of circulation for a minimum of ten days. Most requests for reserved material are for “bestsellers” and new books, thereby, preventing other patrons from borrowing the materials.

### ***Recommendation***

Implement a \$1 Re-Stocking Fee per request for library material not picked-up by the patron. This fee would partially recover staff and postage costs while holding patrons more accountable for the material that is out of circulation.

### ***Summary***

Current Reserve Re-Stocking Fee For Material Not Picked-Up	<ul style="list-style-type: none"> <li>• None</li> </ul>
Recommendation	<ul style="list-style-type: none"> <li>• \$1 per request</li> </ul>
Revenue	<ul style="list-style-type: none"> <li>• \$5,000 in new cost recoverable revenue to the General Fund</li> </ul>

## 3. Non-Resident Library Card Fee

### ***Background***

In FY02, 256 non-residents requested City of San Diego library cards. Non-residents are defined by the Library Department as individuals who live outside the State of California and who do not own property in San Diego County, or are not stationed with the armed forces in San Diego County. Many of the non-resident library cardholders are visitors who wish to use the full range of library services while they are living in San Diego during the winter season. Based on the FY03 budget, the current per capita cost of library services for residents of San Diego County is \$30.58.

**Recommendation**

Adopt an annual \$30 Non-Resident Library Card Fee.

**Summary**

Current Annual Non-Resident Fee	<ul style="list-style-type: none"><li>• \$15 per year</li></ul>
Recommendation	<ul style="list-style-type: none"><li>• \$30 per year</li></ul>
Revenue	<ul style="list-style-type: none"><li>• \$3,800 in increased cost recoverable revenue to the General Fund</li><li>• Amount is based on projected revenue of \$7,600 under the recommended rate structure in comparison to FY02 revenue of \$3,800</li></ul>

**4. Juvenile Library Material Overdue Fines**

**Background**

Overdue fines for juvenile library materials have remained at .05 cents per day with a maximum fine of \$1.00 since 1988. In 1993, fines for overdue adult library materials were increased to .25 cents per day with a maximum fine of \$10.00. The current fee structure provides little incentive for patrons to return juvenile library materials by the due date.

**Recommendation**

Increase fines for overdue juvenile library material to .10 cents per day with a \$5.00 ceiling.

**Summary**

Current Juvenile Library Material Overdue Fines	<ul style="list-style-type: none"><li>• .05 cents/day with a maximum fine of \$1.00</li></ul>
Recommendation	<ul style="list-style-type: none"><li>• .10 cents/day with a maximum fine of \$5.00</li></ul>
Revenue	<ul style="list-style-type: none"><li>• \$64,000 in new revenue to the General Fund</li><li>• Amount is based on projected revenue of \$150,000 under the recommended rate structure in comparison to FY02 revenue of \$86,000</li></ul>

## 5. Test Monitoring Fee

### *Background*

A \$10 flat fee is currently charged to individuals who need to take proxied examinations and choose to do so at their local library. Providing examination proxy services is beyond the scope of customary services the library provides and requires staff time to monitor the test-taker and provide certification for the examination.

### *Recommendation*

Increase the Test Monitoring Fee to a \$20 flat fee which would defray overall costs.

### *Summary*

Current Test Monitoring Fee	<ul style="list-style-type: none"><li>• \$10 Flat Fee</li></ul>
Recommendation	<ul style="list-style-type: none"><li>• \$20 Flat Fee</li></ul>
Revenue	<ul style="list-style-type: none"><li>• \$500 in new cost recoverable revenue to the General Fund</li><li>• Amount is based on projected revenue of \$1,000 under the recommended rate structure in comparison to FY02 revenue of \$500</li></ul>

## B. San Diego's "6 to 6" Extended School Day Program

### 1. Establish Annual "6 to 6" Program Registration Fee

#### *Background*

San Diego's "6 to 6" Extended School Day Program began in 1998 with 31 schools and \$1.7 million in funding. Currently, San Diego's "6 to 6" is in every elementary and middle school throughout the city, encompassing 202 schools, in nine school districts serving 25,000 students before and after school during the hours most parents work. The current budget is \$22.62 million derived from \$14.20 million in State After School Education and Safety (ASES) program funds, \$4 million from the City General Fund, \$2 million in Tobacco Settlement funds and \$2.42 million in Federal funds. Since its inception, San Diego's "6 to 6" has been a free program for families of all income levels. With the recent proposed cuts to funding from the Federal (40%), State (10%), and City (10%) funding grants that support the program, the concept of charging a sliding scale annual registration fee to help insure sustained funding is proposed.

#### *Recommendation*

Provide first priority enrollment to lower income families whose students qualify for the Federal Department of Agriculture (FDA) free or reduced lunch program. These families would continue to receive "6 to 6" services free of charge. All other families would be required to pay a \$90 Annual Registration Fee for the first student in each qualifying family which equates to .50

cents per day for 180 days of the program. Siblings of a student registered at the initial \$90 rate would be charged at an annual rate of \$75 per child thereafter. While it is anticipated that 4,500 students would qualify for the registration fee under the proposal, the number of siblings qualifying for the reduced rate is not known. City staff estimates that the proposed annual registration fee would generate \$400,000 in new revenue.

**Summary**

Current Annual Registration Fee	<ul style="list-style-type: none"> <li>• None</li> </ul>
Recommendation	<ul style="list-style-type: none"> <li>• Priority placement and no fee for families whose students qualify for the FDA free or reduced lunch program</li> <li>• All other families would be required to pay a \$90 annual registration fee per year for the first student and an annual \$75 per child sibling rate thereafter</li> </ul>
Revenue	<ul style="list-style-type: none"> <li>• \$400,000 in new cost recoverable revenue to the General Fund</li> </ul>

**C. Catering on Public Property**

**Background**

Over the years, the City of San Diego’s regional parks, especially Mission Bay Park, have become popular venues for holding large catered events such as corporate gatherings, weddings, picnics and other organized activities that typically are held in rented facilities such as restaurants, ballrooms, public halls, and private venues. Currently, the City of San Diego is one of the few jurisdictions with large regional parks that does not charge a special fee for conducting catered events on public park land. The only fees paid to the City for such events is the standard Park Use Permit processing fee of \$34.50 plus an equipment fee of \$12.75 for each unit of equipment, i.e., canopies, inflatables, seating.

During the past 10 years, various alternatives have been discussed regarding large catered events in Mission Bay Park. City staff has looked into a fair share fee to charge large groups that use catering services on public parkland. Various approaches were analyzed: a per-person flat fee, a percentage of gross sales method, a Request for Proposal (RFP) approach, to either select several full service caterers to exclusively provide catering services to park patrons, or select one entity to develop an area to be set aside as a corporate picnic area. The per-person flat fee was determined to be difficult to implement since it would require Park Rangers to count the number of people attending each event. The percentage of gross sales approach was also determined to be too difficult to implement because it would require City staff to send bills to the caterers and perform regular audits of the catering companies, and the RFP approach had the potential to penalize the smaller catering businesses. The approach found to be the most simplistic to



implement as well as the most equitable to park patrons and catering companies is the sliding scale fee approach based on group size as outlined below.

***Recommendation***

Require large groups of 75 people or more to pay a fee for the use of a reserved space on public park land for private catered events. The proposed catered event fee would be added to the Park Use Permit application fee and collected when the permit is issued. The recommended fee structure would be a sliding scale based on the size of the group. The catered event would be assigned a particular area in the park and would be allowed to identify the site with a “reserved” sign on the day of the event. A map outlining the reserved space would be included with the approved permit.

**Proposed Catered Event Fee Rates**

<b>Group Size (people)</b>	<b>Proposed Rate</b>	<b>FY 02 No. of Events</b>	<b>Projected New Fee Revenue</b>
Under 75	\$0	135	\$0
75 – 100	\$250	386	\$96,500
101 – 150	\$350	260	\$91,000
151 – 200	\$500	125	\$62,500
201 – 300	\$750	130	\$97,500
301 – 500	\$1200	60	\$70,800
501 – 750	\$2000	15	\$30,000
751 - 1000	\$2500	8	\$20,000
1001 - 1250	\$3000	2	\$6,000
1251 - 1500	\$3600	3	\$10,800
1501 - 1750	\$4200	0	\$0
1751 - 2000	\$4800	3	\$14,400
2001 - 2250	\$5400	0	\$0
2251 - 2500	\$6000	1	\$6,000
Over 2500	\$7500	2	\$15,000
<b>Totals</b>		<b>1130</b>	<b>\$521,700</b>

Based on the number of catered events in Mission Bay Park and other shoreline parks including Kellogg Park, Cuvier Park, and Calumet Park in FY02 (1,130 events), the total projected revenue would be \$521,700. Specific tracking records on catered events in the other regional parks such as Balboa Park and community parks have not yet been developed.

***Summary***

Current Catered Event Fee	<ul style="list-style-type: none"> <li>• None</li> </ul>
Recommendation	<ul style="list-style-type: none"> <li>• Sliding scale flat fee based on size of catered event</li> </ul>
Projected Revenue	<ul style="list-style-type: none"> <li>• \$521,700 in new cost recoverable revenue to the General Fund</li> </ul>

**D. Special Events on Public Property and Special Event Support Services**

**1. Citywide Special Event Permit Application Fee**

***Background***

In FY02, the City of San Diego reviewed and permitted 270 special events through the Citywide Special Event Permitting Process. Currently there is no fee associated with the submission of a Citywide Special Event Permit Application. City departments absorb the cost for the review of Citywide Special Event Permit Applications and the development of public safety event management plans and other operational plans to support each event at the time the activity takes place. In many instances the review process can involve the coordination of numerous City departments and other government agencies in order to ensure the success of an event.

For example, even a small community festival located in an area with a relatively low level of density, construction and other neighborhood issues, requires coordination with a number of entities including:

- San Diego Police Department Area Command for coordination with other activities within the region;
- SDPD Vice Unit and State Alcohol Beverage Control if the service of alcohol is proposed;
- County Health Department for approval of food storage, cooking and service plans;
- Emergency Medical Services Program to review the medical plan and ensure emergency access to the neighborhood throughout the duration of the event;
- San Diego Fire-Rescue Department Fire to review crowd exiting plans, cooking structures, fuel management and the use of pyrotechnics and other special effects;

- Disability Services for compliance with state and federal accessibility laws;
- Plan Review and Building Inspection if large temporary tents, grandstands or other structures are involved;
- Electrical Inspection for the review of electrical distribution plans associated with the use of portable generators and temporary wiring;
- Development Services Traffic Control Permitting to ensure there are no conflicting construction projects within the venue and that construction safety issues have been addressed by the contractor and event organizer;
- San Diego Transit in order to coordinate rerouting of bus lines affected by street closures and traffic plans associated with the event;
- Risk Management to review the insurance coverage of the applicant in relation to the proposed event components; and
- Office of Special Events to review community input and mitigation issues and to oversee the overall process.

Larger events or events in areas with multiple uses such as the downtown area may require additional coordination with entities such as AMTRAK and Santa Fe railroads; the Coaster and San Diego Trolley; the Port of San Diego, San Diego Convention Center, the Park and Recreation Department, along with community groups and numerous individual private entities that might be impacted by an event who may have special needs, ranging from the coordination of deliveries within a secure venue to residential issues and access to schools and places of worship.

While the City provides the first \$3,000 of City services free of charge to non-profit 501[c] organizations as described in the next section, the review and coordination services described in this section are not calculated as part of the first \$3,000 of free City services. In essence, applicants have received an additional benefit since, historically, the City has only estimated and billed applicants for costs such as Police and Fire Department services that are directly related to the onsite management and support of the event venue site.

***Recommendation***

Adopt a permit fee to partially recover the cost of the permit review and event coordination process and to provide an incentive for applicants to submit permit applications on time or prior to the minimum sixty days required by the Municipal Code.

**Summary**

Current City Special Event Permit Application Fee	<ul style="list-style-type: none"><li>• None</li></ul>
Recommendation	<ul style="list-style-type: none"><li>• Establish a \$150 permit application fee for applications received 60 or more days prior to an event per the Special Events Ordinance submission requirements</li><li>• Assess a \$10 per business day late fee in addition to the application fee for submissions less than 60 days prior to an event</li></ul>
Revenue	<ul style="list-style-type: none"><li>• \$50,000 in new cost recoverable revenue to the General Fund</li></ul>

**2. Provision of Public Safety Services at Special Events**

**Background**

Over the years a number of historical practices and informal policies have evolved that relate to the reimbursement and cost recovery rates assessed to event organizers for the provision of direct operational public safety support services during the set-up, operation, and dismantle times associated with an event. Following is an overview of current City business practices:

*San Diego Police Department*

In the mid-1990's, the San Diego Police Department, in conjunction with the Manager's Office, developed a Special Services Rate that partially recovers the cost of support services related to special events and other requests the City receives for police support such as the provision of traffic control services during construction concrete pours, assistance with crowd and traffic control for the opening of each semester at SDSU, traffic and police support when radio promotions impact public property and other miscellaneous activities. The current Special Services Rate is \$22 per hour for Special Event Traffic Controllers (SETC) and a flat \$55 per hour for any level of Police Officer required to support the activity or event. While the \$22 per hour rate for SETC support represents a full cost recovery rate, the Police Officer rate does not reflect full cost recovery and has evolved over the years as an amount that is somewhat representative of the average cost of an officer plus fringe benefits and an amount event organizers are willing to pay. The discounted rates have also been established in acknowledgement of the community and economic development contributions events and other activities contribute to the San Diego economy. The San Diego Police Department does not typically bill for additional equipment and services such as portable command posts, prisoner processing, mounted horse patrol, and the presence of undercover units or additional presence of the Area Command on the day of the event.

### *San Diego Fire-Rescue Department*

The Fire-Rescue Department provides a number onsite inspection services along with the provision of operational public safety support equipment and services at special events. Traditionally, the Fire Prevention Unit of the Fire-Rescue Department has provided free onsite inspection and stand-by services to permit applicants during the Unit's customary business hours of Monday through Friday from 7:00 a.m.– 4:00 p.m. Currently, the Unit bills at a rate of \$60.00 per hour with a two hour minimum for onsite inspection and stand-by services during non-business hours. Similar to the Police Department, the Fire-Rescue Department Stand-by and Inspection Rate is a reduced rate used to bill for any level of personnel assigned to the event or activity that roughly reflects an average Fire Fighter salary plus fringe benefits. Historically, Fire Operations has not billed for the presence of operational support services except when provisions to do so have been defined in an Agreement between the City and an event organizer.

### *Other City Departments*

Other City Departments that may be involved in the onsite management of events typically bill at full cost recovery rates or predetermined City Council approved rates. Involvement from City departments varies on an event-by-event basis depending upon the components of an activity. An example would be the involvement of Development Services for the review of grandstands and major tent structures or the Park and Recreation Department should the event take place on park land.

In addition to the various cost recovery practices that have been informally established over the years, a number of conflicting Municipal Code regulations, Council Policies, Council approved fees, agreements and managerial policies have emerged that not only impact the costs associated with the permitting and management of citywide special events, but have created an inequitable situation between organizations that manage and sponsor special events that are similar in nature.

San Diego Municipal Code Sections 22.4001 - 22.4038 provide the framework and guidance for the management of the special events on public property. The Special Events Ordinance was first approved in 1989 and last updated in 1997. Of fiscal significance, the Municipal Code requires:

- The provision of the first \$3,000 of City services, free to bona fide tax exempt 501[c] nonprofit organizations.
- The negotiation of revenue sharing agreements for commercial events taking place on public property

In 1989, when the original Ordinance addressing special events was approved, the City Council created Council Policy 100-06. The Council Policy was developed to address concerns that some longstanding community events with a history prior to the passage of the Ordinance already exceeded, or had the capacity to exceed, the \$3,000 limit of free City services. These events were termed "Traditional Events" by the Council Policy and exempted from paying the cost of City services in excess of the \$3,000 threshold. In 1996, the Council Policy was amended to add one event to the Traditional Event list.

There are a total of 29 events on the Traditional List and, as of the end of FY02, 23 of these events continue to take place on an annual basis. In FY02, the San Diego Police and Fire-Rescue Departments accrued \$210,887 in direct costs calculated at a full cost recovery rate to support these events. Of note, in FY02, these events received an additional \$119,221 in Transient Occupancy Tax (TOT) funding from separate programs administered by the Commission for Arts and Culture. The combined total including Police, Fire and TOT in direct City support for these events in FY02 was \$330,108. Fire Inspection and Stand-by fees of \$960 were recovered (Attachment 1).

In 2001, the City Manager's Office negotiated an Agreement with the Business Improvement District Council that recognizes the importance of special events as an economic development tool for a business improvement association managing a business improvement district under the aegis of the City. In FY02, the Agreement called for the City to provide City services free of charge, exclusive of Fire Inspection and Stand-by fees, for two special events scheduled to take place within each of the 18 Business Improvement District boundaries each fiscal year provided that the designated events were sponsored by the Association and adopted by resolution of the Association Board of Directors and submitted to the City of San Diego Office of Small Business. This Agreement was approved by the City Council in July 2001 as part of the annual contract approval process between Business Improvement Districts and the Office of Small Business.

In FY02, the San Diego Police and Fire-Rescue Departments accrued \$277,154 in direct costs calculated at full cost recovery rates to support 14 events that qualified for the BID exemption. Again, under separate funding programs administered by the Commission for Arts and Culture, events in this category were awarded \$252,607 in funding during FY02. The combined total including Police, Fire and TOT in direct City support for these events in FY02 was \$529,761. Fire Inspection and Stand-by fees of \$1,050 were recovered (Attachment 2).

Of the remaining events, 212 qualified as 501[c] non-profit organizations to receive up to \$3,000 in free City services and 20 were deemed to be commercial events. In FY02, the San Diego Police and Fire-Rescue Departments spent \$460,841 in direct costs calculated at full cost recovery rates to support events sponsored by non-profit organizations. Events in this category received a total of \$145,110 in TOT funding from the Commission for Arts and Culture. The combined total including Police, Fire and TOT in direct City support for these events in FY02 was \$605,951. The City, in turn, billed a total \$70,900 to events in this category (Attachment 3).

Finally, events deemed to be commercial in nature accrued \$339,562 in direct police and fire support calculated at full cost recovery rates and were billed \$172,350. None of these events qualified for TOT funds from the Commission for Arts and Culture (Attachment 4).

In all of the instances cited above, none of the events were assessed the costs related to the permit review process nor the development of operational support plans as described in the previous section. Moreover, when billed, events were assessed at the Police and Fire-Rescue Department managerially established reduced rates rather than at full cost recovery rates. This practice has, ultimately, resulted in a situation wherein event organizers receive multiple financial benefits from the City above and beyond the provision of up to \$3,000 in City services free of charge to qualifying 501[c] organizations as provided for in the Municipal Code.

Following is a summary of this discussion:

**Summary FY02 Citywide Special Event Costs and Revenues**

Event Category	No. Events	SDPD & Fire @ Full Cost Recovery	SDPD & Fire @ Reduced Rates	SDPD & Fire. Billed	Commercial & Other Fees Billed	TOT Award
Traditional	23	\$210,887	\$154,444	960	\$0	\$119,221
BID	14	\$277,154	\$186,852	\$1,050	\$0	\$252,607
501[c]	213	\$460,841	\$320,807	\$70,900	\$0	\$145,110
Commercial	20	\$339,562	\$239,154	\$18,124	\$154,226	\$0
<b>Total</b>	<b>270</b>	<b>\$1,288,444</b>	<b>\$901,257</b>	<b>\$91,034</b>	<b>\$154,226</b>	<b>\$516,938</b>

Event Category	Total City Direct Support*	Total City Support @ SDPD & Fire Reduced Rates**	Total City Billed
Traditional	\$330,108	\$273,665	\$960
BID	\$529,761	\$439,459	\$1,050
501[c]	\$605,951	\$465,917	\$70,900
Commercial	\$339,562	\$239,154	\$172,350
<b>Total</b>	<b>\$1,805,382</b>	<b>\$1,418,195</b>	<b>\$245,260</b>

\*SDPD and Fire at full cost recovery rates plus TOT awards.

\*\*SDPD and Fire at reduced rates plus TOT awards.

***Recommendation***

Rescind Council Policy 100-06 which provides unlimited free City services to some events that have been identified as “Traditional Events”. Additionally, enter into an Agreement with the BID Council for the partial reimbursement of City services for events within BID boundaries that are sponsored by a BID in acknowledgement of the business improvement districts’ statutory obligations under state and local law to provide events as part of their commercial revitalization mission. Concurrently, reduce the provision of \$3,000 in free City services to \$1,000 for 501[c] organizations.

Also, continue to calculate police services at the Special Services Rate established by the San Diego Police Department while increasing the Fire-Rescue Department rate to \$80 when charges apply and begin billing for Fire Department Operational Support when the service is used. The provision of the flat Police and Fire-Rescue Department rates will, in effect, continue to provide a discount to all special events and other activities requiring police, fire and life safety support services.

**Summary**

<p>Current Public Safety Cost Recovery</p> <ul style="list-style-type: none"> <li>• Traditional Events</li> <li>• Agreement with BID</li> <li>• 501[c] Non-Profit Organizations</li> <li>• Commercial &amp; Agreement Events</li> </ul>	<ul style="list-style-type: none"> <li>• Unlimited free City services</li> <li>• Unlimited free City services</li> <li>• First \$3,000 of City services free</li> <li>• Cost recovery and other fees as negotiated</li> </ul>
<p>Recommendations</p>	<ul style="list-style-type: none"> <li>• Rescind Council Policy 100-06 which provided unlimited free City services to 29 events that have been identified as “Traditional Events”</li> <li>• Enter into an Agreement with the BID Council for the partial reimbursement of City services for events within BID boundaries that are sponsored by a BID in acknowledgement of the business improvement districts’ statutory obligations under state and local law to provide events as part of their commercial revitalization mission</li> <li>• Reduce the \$3,000 in free City services to \$1,000 for 501[c] organizations</li> <li>• Continue to calculate police services at the Special Services Rate rather than at full cost recovery rates</li> <li>• Increase the Fire-Rescue Department rate to \$80 per hour with a two hour minimum during non-business hours</li> <li>• Provide the first two hours of Stand-by and Inspection services free of charge during customary business hours and bill at the recommended Fire-Rescue Department rate with a two hour minimum following the initial two hours</li> <li>• Begin to charge for operational support services at the recommended Fire-Rescue Department rate</li> </ul>
<p>Revenue</p>	<ul style="list-style-type: none"> <li>• \$555,000 in increased cost recoverable revenue to the General Fund</li> <li>• Amount is based on projected cost recovery of \$800,000 in comparison to \$245,000 in FY02</li> </ul>



### 3. Traffic Control Services at San Diego Sports Arena

#### ***Background***

Historically, the Police Department has not charged for the provision of Special Event Traffic Controllers to support events at the San Diego Sports Arena. In FY02, the San Diego Police Department provided \$30,000 in traffic control services to support predominately commercial events taking place at the Sports Arena facility.

#### ***Recommendation***

Bill the San Diego Sports Arena at the Special Services Rate for the provision of traffic control services.

#### ***Summary***

Current Sports Arena Traffic Control Cost Recovery:	<ul style="list-style-type: none"><li>• None</li></ul>
Recommendation	<ul style="list-style-type: none"><li>• Bill the San Diego Sports Arena for the provision of traffic control services at the rate established by the Police Department for special event support services</li></ul>
Revenue	<ul style="list-style-type: none"><li>• \$30,000 in new cost recoverable revenue to the General Fund</li></ul>

### 4. Firework/Pyrotechnic/Special Effect/Laser Permits

#### ***Background***

In compliance with the California Fire Code as adopted by the City of San Diego, all activities associated with the use of pyrotechnics and open flame must be reviewed and approved by the San Diego Fire-Rescue Department. Examples of activities in this category include indoor and outdoor fireworks, lasers, model rocket launches, open flame activities such as fire walking and special effects using pyrotechnical devices. Combined, the San Diego Fire-Rescue Department issued 270 Firework/Pyrotechnic/Laser/Special Effect/Model Rocket Permits in FY02.

Currently, should the plan review and site inspection required to receive this type of permit be completed during customary business hours, there is no fee associated with the process.

However, due to the size, complexity and unique safety issues regarding these activities, which frequently occur at night, hourly stand-by is almost always involved and is billed at the current Stand-by and Inspection Rate of \$60 per hour with a two hour minimum.

**Recommendation**

Adopt a \$64 permit application fee for plan check and site inspection activities that take place during customary business hours and require less than two hours of site inspection and stand-by time.

**Summary**

Current Firework/Pyrotechnic/Special Effect/Laser Permit Application Fee	<ul style="list-style-type: none"><li>• None for plan review and site inspection during customary business hours</li><li>• \$60/hour stand-by fee during non-business hours with a two hour minimum</li></ul>
Recommendation	<ul style="list-style-type: none"><li>• \$64 permit application fee for plan review and site inspection requiring less than two hours during customary business hours.</li></ul>
Revenue	<ul style="list-style-type: none"><li>• \$34,000 in new cost recoverable revenue to the General Fund</li></ul>

**5. Public Assembly Permits**

**Background**

In compliance with the California Fire Code as adopted by the City of San Diego, the San Diego Fire-Rescue Department must review and approve all public assemblies of more than 49 people in buildings or areas that are not regularly classified for use as public assembly sites. Examples include fenced beer gardens, concerts, tent events, trade shows, or use for a special event venue of a warehouse or other building not classified for public assembly, etc. In FY02, the San Diego Fire-Rescue Department issued approximately 960 Public Assembly Permits. Currently, should the plan review and site inspection required to receive this type of permit be completed during customary business hours, there is no fee associated with the process.

**Recommendation**

Adopt a \$64 permit application fee for plan check and site inspection activities that take place during customary business hours and require less than two hours of site inspection and stand-by time.

**Summary**

Current Public Assembly Application Fee	<ul style="list-style-type: none"><li>• None for plan review and site inspection during customary business hours</li><li>• \$60/hour stand-by fee during non-business hours with a two hour minimum</li></ul>
Recommendation	<ul style="list-style-type: none"><li>• \$64 permit application fee for plan review and site inspection requiring less than two hours during customary business hours</li></ul>
Revenue	<ul style="list-style-type: none"><li>• \$61,000 in new cost recoverable revenue to the General Fund</li></ul>

**6. Tent, Canopy and Membrane Structure Permits**

**Background**

In compliance with the California Fire Code as adopted by the City of San Diego, the San Diego Fire-Rescue Department must review and approve all tent and membrane structures having an area in excess of 200 square feet and all canopies in excess of 400 square feet. In many instances it is necessary to issue a Tent, Canopy and Membrane Structure Permit in conjunction with a Public Assembly Permit, in which case, the review process is combined. The San Diego Fire-Rescue Department issued approximately 580 Tent, Canopy and Membrane Structure Permits in FY02. Currently, should the plan review and site inspection required to receive this type of permit be completed during customary business hours, there is no fee associated with the process. However, due to the size, complexity and unique safety issues related to an application, applicants are billed at the current Stand-by and Inspection Rate of \$60 per hour with a two hour minimum.

**Recommendation**

Adopt permit application fees based on the following square footage for plan check and site inspections during customary business hours and require less than two hours of site inspection and stand-by time. These fees would be in addition to the Public Assembly Permit application fee of \$64, if required.

**Summary**

<p>Current Tent, Canopy and Membrane Structure Application Fee</p>	<ul style="list-style-type: none"> <li>• None for plan review and site inspection during customary business hours</li> <li>• \$60/hour stand-by fee during non-business hours with a two hour minimum</li> </ul>										
<p>Recommendation</p>	<ul style="list-style-type: none"> <li>• Plan review and site inspection requiring less than two hours during customary business hours:</li> </ul> <table border="1" data-bbox="880 604 1334 787"> <thead> <tr> <th>Fee</th> <th>Square Footage</th> </tr> </thead> <tbody> <tr> <td>\$0</td> <td>0 - 400</td> </tr> <tr> <td>\$50</td> <td>401 - 2,000</td> </tr> <tr> <td>\$100</td> <td>2001 - 10,000</td> </tr> <tr> <td>\$250</td> <td>10,001+</td> </tr> </tbody> </table>	Fee	Square Footage	\$0	0 - 400	\$50	401 - 2,000	\$100	2001 - 10,000	\$250	10,001+
Fee	Square Footage										
\$0	0 - 400										
\$50	401 - 2,000										
\$100	2001 - 10,000										
\$250	10,001+										
<p>Revenue</p>	<ul style="list-style-type: none"> <li>• \$58,000 in new cost recoverable revenue to the General Fund</li> </ul>										

**7. Trade Show and Exposition Permits**

**Background**

In compliance with the California Fire Code as adopted by the City of San Diego, the San Diego Fire-Rescue Department provides plan check services to review booth layout, pedestrian flow, aisle width, exiting plans and other crowd safety issues associated with the temporary use of facilities for Trade Shows and Expositions. The San Diego Fire-Rescue Department issued approximately 330 Trade Show and Exposition Permits in FY02. Currently, should the plan review and site inspection required to receive this type of permit be completed during customary business hours, there is no fee associated with the process. Applicants are billed at the current Stand-by and Inspection Rate of \$60 per hour with a two hour minimum if services are required during non-business hours.

**Recommendation**

Adopt a \$128 permit application fee for plan check and site inspection activities that take place during customary business hours and require less than two hours of site inspection and stand-by time.

**Summary**

Current Trade Show and Exposition Application Fee	<ul style="list-style-type: none"><li>• None for plan review and site inspection during customary business hours</li><li>• \$60/hour stand-by fee during non-business hours with a two hour minimum</li></ul>
Recommendation	<ul style="list-style-type: none"><li>• \$128 permit application fee for plan review and site inspection requiring less than two hours during customary business hours</li></ul>
Revenue	<ul style="list-style-type: none"><li>• \$42,000 in new cost recoverable revenue to the General Fund</li></ul>

**E. Filming on Public Property**

**Background**

The San Diego Film Commission takes the lead in promoting the San Diego area as a destination for feature films, television movies and series, documentaries, commercials, industrials, music videos and print photography. The Film Commission also serves as the liaison between the production industry and the City of San Diego, County of San Diego and the Port District. They coordinate amongst all public agencies and their respective departments through roundtable meetings to discuss details of each film production project. These roundtable meetings are held in lieu of a permit and include applicable public entities such as police, fire, traffic control, etc. This forum provides the opportunity to discuss issues and concerns with many of the entities that may be impacted by filming.

Some of the incentives the Film Commission offers to production companies to promote the City of San Diego include: free use of public property, no permit fees, no cost for street closures, discounted police and fire fees, fire personnel required only under special circumstances, discounted hotel room rates, and free prime locations for filming including Mission Bay Park, Balboa Park, the Gaslamp Quarter, as well as City beaches and parks.

The Film Commission also partners with the California Film Commission in providing additional incentives to production companies. One such program is the State of California's Film California First Program that was initiated by Governor Gray Davis in 2001 to increase California's competitive edge in attracting and retaining film projects. This program reimburses qualified production companies for up to \$300,000 per production for costs incurred while filming on public lands. Filming costs eligible for reimbursement include local film public property use fees, local public employee costs for police, fire and non-police public safety; and costs of public equipment owned by a public agency. The amount allocated in FY03 was \$7.9 million and the Governor has proposed that \$8.2 million of State funds be allocated for this program in FY04.

Currently, the City of San Diego does not charge production companies a film permit fee or public property use fees. However, some City departments have established policies to charge for the use of their facilities, e.g., the Library Department charge \$500 a half day to close off portions of a library facility for filming and the Metro Waste Water Department charges use fees for filming at treatment plants. Additionally, the Real Estate Assets Department has established a processing fee of \$360 for right-of-entry permits and document review in granting permission to film on city-owned property and leaseholds managed by the department.

The City also charges a discounted rate for police officers (\$22 per hour), special event traffic control (\$19 per hour), and a vehicle use fee (\$25 per day). These rates are in contrast to the Special Services Rate established by the Police Department and discussed previously in this report of \$55 per hour for police officers, \$22 per hour for traffic control personnel that is charged to all other entities that require special support services from the Police Department. Additionally, the San Diego Fire-Rescue Departments charges a Stand-by and Inspection Fee of \$60 per hour with a two hour minimum during non-business hours which was also discussed in greater detail in this report. All of these expenses are reimbursable expenses under the State of California’s Film California First Program.

While acknowledging that the filming industry is an important economic development program providing many benefits to the citizens of the region, the extent that filming impacts public usage of public facilities and services, can be partially off-set by requiring production companies to pay for the use of public property, again, all of which is reimbursable through the Film California First Program. The use of public property or facilities by production companies requires additional public services from various City departments including Police, Fire-Rescue, Park and Recreation, and the City Manager’s Office. Additionally, in surveying several other jurisdictions throughout the region, California and the United States, user fees and location fees are very common in cities that can offer prime amenities such as good climate, beautiful natural settings, the ocean, beaches, bays, and vibrant urban settings.

As shown in the comparison table below, the majority of our peer cities charge filming permit/use fees, application fees, various location fees, as well as spot-check fees, street closure fees, and fees for film preparation and strike days.

Comparison of Filming Fees by Jurisdiction

Jurisdiction	App. Fees	Permit/Use Fees	Location Fees	Personnel Fees	Special Fees
San Diego	none	none	none	police/fire discounted rate	various fees
Carlsbad	none	rental fees for parks	none	\$60/hour traffic control	public works and security fees if needed
Coronado	\$50	\$50-\$600/day	varies	charge time and a half	parking fees \$25-\$50
Del Mar	none	\$100-\$250/day	none	varies	parking fees \$25-\$50

<b>Jurisdiction</b>	<b>App. Fees</b>	<b>Permit/Use Fees</b>	<b>Location Fees</b>	<b>Personnel Fees</b>	<b>Special Fees</b>
Solana Beach	none	\$85 on public streets	\$125/day on beaches	full cost recovery	\$3400/day for road closures
Long Beach*	\$200	\$450/day	\$200/hour on park property	police & fire costs	various fees for public property, \$50/hour spot-check fee (starting 10/1/03)
Los Angeles* (city)	\$450	\$300/day	\$350/day in parks	various city departments charge	\$85 spot-check fee, \$100 prep and strike, street closure fees
Los Angeles* (county)	\$450	\$400/day	included in use fee	sheriffs, fire and CHP plus mileage	\$243 road use fee; \$25 spot-check fee, plus prep and strike
San Francisco	none	\$100-\$300/day	\$500-\$1000/day in parks	case-by-case, \$50/hour for police	\$80-\$250 street closure fees
Austin	none	none	varies	varies, \$20-\$40/hr	None
Denver	none	none	none	up to 90 free police hours	street occupancy permit fees apply, other fees vary
Miami	none	none	none	various city departments charge	fees apply for use of some public properties
Seattle	\$75 for park use	\$50-\$300/day	\$15-60/hour in parks	police & fire costs	meter hooding fees apply; police vehicle rental fees vary

\*Denotes that the jurisdiction is in the “30-mile zone” which means it is within a 30-mile radius of the major production studios. This is important to note because these areas are generally more impacted by the filming industry and; therefore, tend to charge higher fees than other jurisdictions in the state.

***Recommendation***

Adopt a filming use fee of \$450 per day for filming on public property including streets and right-of-ways, park land and at public facilities without pre-existing filming fee policies and increase public safety reimbursement rates to that which is charged to all other special service users.

**Summary**

Current Filming Use Fee	<ul style="list-style-type: none"><li>• None</li></ul>
Recommendation	<ul style="list-style-type: none"><li>• \$450/day on public property including streets and right-of-ways, park land and at public facilities without pre-existing filming fee policies *</li><li>• Increase fire and police reimbursement rate to the discounted SDPD Special Services Rate and recommended Fire-Rescue Rates charged to all other special users*</li></ul>
Revenue	<ul style="list-style-type: none"><li>• \$180,000 in new cost recoverable revenue to the General Fund from the per day use fee*</li><li>• \$30,000 in new cost recoverable revenue to the General Fund from increased public safety reimbursement rates*</li></ul>

\* Fees are currently reimbursable to qualified production companies through the State of California Film California First Program. The amount allocated in FY03 was \$7.9 million and the Governor has proposed that \$8.2 million of State funds be allocated for this program in FY04.

**F. Park and Recreation Department Services**

**1. Non-Resident Fees for Learn-to-Swim Classes**

***Background***

The City of San Diego Park and Recreation Department offers learn-to-swim classes at all thirteen public swimming pools. Approximately 10% of class participants are non-residents and are currently paying the same rate as residents. Non-resident rates previously established in the City for various Park and Recreation services include field rentals, building use rentals, and day camps. Generally, non-resident rates are twice the resident rate. Other cities within the region currently charging non-resident rates for swim lessons include La Mesa, Coronado, Chula Vista, El Cajon, and Poway. Low income fee waivers are available for qualifying participants.

***Recommendation***

Establish non-resident rates for Learn-to-Swim classes at approximately twice the rate charged to residents.



**Summary**

Non-Resident Learn-to-Swim Fees	Current Rate	Recommended Rate
<ul style="list-style-type: none"> <li>• Large Group</li> <li>• Small Group</li> <li>• Semi-Private</li> <li>• Private</li> </ul>	<ul style="list-style-type: none"> <li>• \$29.25 per session per person</li> <li>• \$44.00 per session per person</li> <li>• \$66.75 per session per person</li> <li>• \$83.00 per session per person</li> </ul>	<ul style="list-style-type: none"> <li>• \$64.00 per session per person</li> <li>• \$96.50 per session per person</li> <li>• \$144.50 per session per person</li> <li>• \$182.00 per session per person</li> </ul>

Revenue	<ul style="list-style-type: none"> <li>• \$45,000 in new cost recoverable revenue to the General Fund</li> <li>• Amount is based on an estimated non-resident participation rate 10% for all learn-to-swim programs</li> </ul>
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**2. Showmobile Fees**

**Background**

The Park and Recreation Department operates two mobile stages. Staff is responsible for booking, delivering, setting up tables, chairs and audio equipment, and staffing the showmobiles during special events throughout the City. Events include street fairs, special events, and Park and Recreation Department programs and City sponsored events. Currently there is a fee for rentals on weekends, however, to-date no revenue has been received. It has been the policy not to charge non-profit or community events for use of the showmobiles. In FY02, regardless of efforts to adjust staff schedules, more than \$100,000 in overtime was accrued by the Park and Recreation Department to support service requests.

**Recommendation**

Establish a flat fee and increase overtime rates to be assessed to all groups exclusive of Park and Recreation Department uses and City sponsored events.

**Summary**

Current Showmobile Rates	<ul style="list-style-type: none"><li>• \$113 per hour</li><li>• Additional \$64 per hour for overtime</li></ul>
Recommendation	<ul style="list-style-type: none"><li>• \$250 per event flat fee exclusive of Park and Recreation Department uses and City sponsored events</li><li>• Additional \$100 per hour with a two hour minimum during non-business hours</li></ul>
Revenue	<ul style="list-style-type: none"><li>• \$39,000 in new cost recoverable revenue to the General Fund</li></ul>

**3. Mount Hope Cemetery**

**Background**

Mount Hope Cemetery has a long history of providing low cost burial services. The rate schedule associated with the services provided at the cemetery has not been increased in twelve years. A comparison of other facilities within the region indicates that a 10% increase in service fees would continue to place Mount Hope's rates below other cemeteries in the San Diego area. Moreover, an increase in the fee schedule would not impact an existing agreement which was renegotiated in January 2002 with the County of San Diego for indigent burials.

**Recommendation**

Increase fees for all services and products by 10 percent as depicted in Attachment 5.

**Summary**

Current Fees	<ul style="list-style-type: none"><li>• Various (See Attachment 5)</li></ul>
Recommendation	<ul style="list-style-type: none"><li>• Increase fees for all services and products by 10 percent.</li></ul>
Revenue:	<ul style="list-style-type: none"><li>• \$57,600 in new cost recoverable revenue to the General Fund</li><li>• Amount is based of projected revenue of \$749,519 under the recommended rate structure in comparison to FY02 revenue of \$691,919</li></ul>

## G. Real Estate Assets Department

### 1. Real Estate Transaction Processing Fees

#### *Background*

The Real Estate Assets Department provides a wide variety of services to public agencies, current lessees of City-owned land, and to the general public at no charge or for a nominal fee that is not proportional to the service provided. The Department receives numerous requests for information, review of unsolicited proposals and requests for various other agreements. The review of these proposals can take a substantial amount of staff time to complete, up to thousands of hours for complex transactions and, as a result, the requesting party often receives a substantial monetary benefit. Because the current fees have not been updated since 1990 and some services have been offered free of charge, staff reviewed and analyzed the typical categories of transactions and promulgated the proposed fees based upon actual staff time spent and overhead costs. With respect to non-profit leases, a full discussion of the City's non-profit leasing policies is tentatively scheduled to be heard by the Natural Resources and Cultural (NR&C) Committee on June 25, 2003 and therefore is not included in this fee recommendation.

#### *Recommendation*

Adopt the new rate structure as outlined below. Additionally, all fees should be paid at the time of the request, are non-refundable and in some circumstances more than one fee could apply.

#### *Summary*

Category	Current Rate	Recommended Rate
Consent to Sublease	• \$310	• \$600
Consent to Assignment of Leasehold Interest or Other Modification/Document for Lessee's Benefit		
• Short-term or Non-Revenue Agreements <sup>1</sup>	• \$250	• \$560
• Long-term Agreements <sup>1</sup>	• \$780	• \$1,680
Easements or Rights on City Property	• \$400	• \$1,590
Permits, Rights of Entry & Other Temporary Uses	• \$360	• \$600
Valuation Processing Fee	• \$250/\$500	• \$1000 min. <sup>2</sup>
Leases – New, Renewed or Amended		
• Short-term or Non-Revenue Agreements <sup>1</sup>	• None	• \$600
• Long-term Agreements <sup>1</sup>	• None	• \$3,970
Unsolicited Proposals	• None	• \$1,030
Exclusive Negotiation Agreements (ENA) Minimum Fee – Actual to be based on time and expenses	• None	• \$9,950 min. <sup>3</sup>

Category	Current Rate	Recommended Rate
Option Fee	<ul style="list-style-type: none"> <li>• None</li> </ul>	<ul style="list-style-type: none"> <li>• % of Value</li> </ul>

<sup>1</sup> Short Term Agreements: 3 years or less; Long Term Agreements: over 3 years.

<sup>2</sup> City should be reimbursed for the actual cost of the valuation which can range from \$1,000 (in-house) to in excess of \$5,000 (third party consultant).

<sup>3</sup> Fee should reflect cost recovery based on an estimated budget including third party consultants.

Revenue	<ul style="list-style-type: none"> <li>• \$46,000 in new cost recoverable revenue to the General Fund.</li> <li>• Amount is based on projected revenue of \$69,550 under the recommended rate structure in comparison to FY02 revenue of \$23,550</li> </ul>
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## 2. City Parkade and World Trade Center Parking Facilities

### ***Background***

In February 2002, the City's Audit Division performed an audit of the Parkade and World Trade Center Parking facilities. In cooperation with Ace Parking, the operator of both parking facilities, Real Estate Assets staff has developed recommendations to enhance the City's parking operations. The prices charged to the public are currently well below prevailing market rates. A recent market survey shows the monthly rate should be \$145. However, staff is recommending an increase to \$130 per month as a transition since monthly rates have not increased since 1992. In addition, the over use and misuse of validation stamps (which have an artificially low price) has placed an even greater demand on the limited number of available parking spaces. Currently it is less expensive to use validation stamps than to purchase a monthly pass.

The agreement between the City and the San Diego Convention Center Corporation (SDCCC) requires the City to reimburse SDCCC for expenses, security and a portion of the parking revenues. The parking reimbursement rate to SDCCC is 20% of the daytime transient and visitor use and 100% of night and weekend use. In FY 02, the Parkade and World Trade Center Parking facilities generated approximately \$1,660,000 in revenue, out of which \$525,000 was reimbursed to SDCCC, however this number has fluctuated between \$525,000 and \$693,000 over the past 5 years. The City also reimbursed \$265,000 to Ace Parking for operational expenses, thus leaving a net revenue to the City of \$870,000 in FY02.

### ***Recommendation***

Adopt the new fee structure as outlined below. City staff recommends redistributing AR45.15 (Concourse Parkade Parking Stamps) to all City Departments and directing City Stores to discontinue selling validation stamps to non-City users. Staff also recommends implementing additional measures to balance supply and demand including alternate parking programs, shuttles, and eliminating the use of validation stamps by City employees who are on the Parkade and World Trade Center waiting lists.

**Summary**

Category	Current Rate	Recommended Rate
Public Monthly Rate	• \$110.00	• \$130.00 <sup>1</sup>
City Employee Monthly Rate <sup>2</sup>	• \$55.00	• \$65.00
Visitor Rate	• \$1.75/per 30 min.	• \$1.75 per 20 min.
Daily Maximum Rate	• \$12.50	• \$15.00
Evening/Weekend Rate	• \$6.00	• 8.00
Validation Stamps	• .26	• .94
World Trade Center Monthly	• \$65.00	• \$100.00

<sup>1</sup> Market Rate is \$145.00 a month.

<sup>2</sup> The Memorandum of Understanding with the City Employee Labor Unions requires the City to provide a subsidy of 50% of the prevailing general public monthly parking rate.

**Summary**

FY02 Revenue and Expenses	\$1,660,000 gross revenue - \$525,000 reimbursed to SDCCC* <u>- \$265,000</u> reimbursed to Ace \$870,000 net revenue for FY02
Projected FY04 Revenue	\$2,160,000 in gross revenue - \$650,000 reimbursed to SDCCC* <u>- \$340,000</u> reimbursed to Ace \$1,170,000 projected net revenue for FY04
New Net Revenue	\$300,000 new net revenue to the General Fund

\*The parking reimbursement rate under the current agreement with SDCCC is 20% of the daytime transient and visitor use and 100% of night and weekend use in addition to security and expenses.

**CONCLUSION**

Should the City Council opt to adopt all of the recommendations made in this City Manager's Report, the anticipated new net cost recoverable revenue to the General Fund would be \$2,542,100. A total of \$2.4 million in new or increased cost recovery revenues was included in the FY04 Budget presented to the City Council on May 5, 2003.

Following is a review of the items discussed in this Manager's Report along with a summary of increased cost recoverable revenue that would be generated by the recommended actions:

City Manager's Recommendation	FY02 Revenue	FY04 Projected Revenue*	FY 04 Projected Net New Revenue*
<b>A. LIBRARY DEPARTMENT</b>			
1. Library Meeting Room Rate Schedule Revision	56,000	75,000	19,000
2. Establish Library Reserve Re-Stocking Fee	0	5,000	5,000
3. Non-Resident Library Card Rate Revision	3,800	7,600	3,800
4. Juvenile Library Material Overdue Fine Rate Revision	86,000	150,000	64,000
5. Test Monitoring Fee Revision	500	1,000	500
<b>Subtotal</b>	<b>\$90,356</b>	<b>\$238,600</b>	<b>\$92,300</b>
<b>B. SAN DIEGO "6 TO 6" PROGRAM</b>			
1. Establish Annual Program Registration Fee	0	400,000	400,000
<b>Subtotal</b>	<b>\$0.00</b>	<b>\$400,000</b>	<b>\$400,000</b>
<b>C. CATERING ON PUBLIC PROPERTY</b>			
1. Establish Catering on Public Property Fee Schedule	0	521,700	521,700
<b>Subtotal</b>	<b>\$0.00</b>	<b>\$521,700</b>	<b>\$521,700</b>
<b>D. SPECIAL EVENTS ON PUBLIC PROPERTY AND SPECIAL EVENT SUPPORT SERVICES</b>			
1. Establish Citywide Special Event Permit Rate Schedule	0	50,000	50,000
2. Amend Municipal Code, Rescind Council Policy, Public Safety Services Rate Revision	245,000	800,000	555,000
3. Sports Arena Traffic Control	0	30,000	30,000
3. Establish Pyrotechnic/Firework/Special Effect/Laser Permit Fee	0	34,500	34,500
4. Establish Public Assembly Permit Fee	0	61,000	61,000
5. Establish Tent Permit Fee Rate Schedule	0	58,000	58,000
6. Establish Tradeshow and Exposition Permit Fee	0	42,000	42,000
<b>Subtotal</b>	<b>\$245,000</b>	<b>\$1,075,500</b>	<b>\$830,500</b>
<b>E. FILMING ON PUBLIC PROPERTY</b>			
1. Establish a Public Property Daily Use Fee**	0	180,000	180,000
2. Police Department Support Services Rate Revision**	63,000	93,000	30,000
<b>Subtotal</b>	<b>\$63,000</b>	<b>\$273,000</b>	<b>\$210,000</b>
<b>F. PARK AND RECREATION DEPARTMENT</b>			
1. Non-Resident Learn to Swim Rate Revision	45,000	90,000	45,000
2. Showmobile Fee Schedule Revision	0	39,000	39,000
3. Mount Hope Cemetery Fee Schedule Revision	691,900	749,500	57,600
<b>Subtotal</b>	<b>\$736,900</b>	<b>\$878,500</b>	<b>\$141,600</b>
<b>REAL ESTATE ASSETS DEPARTMENT SERVICES</b>			
1. Real Estate Transaction Processing Rate Schedule Revision and New Fees	23,550	69,550	46,000
2. City Parkade & World Trade Center Parking Rate Revision	870,000	1,170,000	300,000
<b>Subtotal</b>	<b>\$893,550</b>	<b>\$1,239,550</b>	<b>\$346,000</b>
<b>GRAND TOTAL</b>			<b>\$2,542,100</b>

\*FY04 Projected Revenue and Projected Net New Revenue incorporates City Manager's Recommendations

\*\*Currently reimbursable to qualified production companies through the State of California Film California First Program. The amount allocated in FY03 was \$7.9 million and the Governor has proposed that \$8.2 million of State funds be allocated for this program in FY04.

ALTERNATIVE(S)

Do not adopt any or all of the recommend cost recovery mechanisms.

Respectfully submitted,

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Bruce A. Herring  
Deputy City Manager

Herring / CW: BM

Attachment(s):

1. [FY02 Traditional Events](#)
2. [FY02 BID Events](#)
3. [FY02 501\[c\] Events](#)
4. [FY02 Commercial Events](#)
5. [Mount Hope Cemetery Fee Schedule](#)