



STAFF REPORT TO THE CITY COUNCIL

DATE: Special Meeting of March 12, 2024

TO: Mayor and Members of the City Council

VIA: Dante Hall, City Manager

SUBMITTED BY: Timothy Rood, AICP, Community Development Director

SUBJECT: Consideration of Establishing a City-Sponsored Event Policy

RECOMMENDATION ACTION:

Approve a resolution establishing a policy for City-sponsored events that allows the City Manager to fully or partially waive permit fees as an in-kind contribution to community events that the City co-sponsors with City-recognized nonprofit groups.

BACKGROUND:

Since approximately 2007, the City has recognized and supported community-based nonprofit organizations that improve and enhance the quality of life for the residents of Hercules through the City's [Nonprofit Group Recognition Program](#). Each year, the Recreation Department accepts nominations, which are reviewed and acted upon by the City's Community and Library Services Commission. Currently there are 14 nonprofits recognized by the City (Attachment 3). City-recognized nonprofits are eligible for reduced rates on facility rentals and are eligible to use certain City facilities at certain times for business meetings.

In 2023, the City completed its first comprehensive fee study since 2011, and on November 14, 2023 the Council adopted an updated fee schedule based on full cost recovery. The Council adopted new fees for Special Event Permits that vary based on attendance and whether the event is on public or private property. In the past, community events have been permitted through Temporary Use Permits for a nominal fee that essentially only covered printing and mailing the required notices. As the coordination of community events involves considerable staff time from multiple departments, the new cost-based fees are considerably higher than in the past particularly for larger events. For

example, the permit fee for an event on public property with 500 or more attendees is \$3,275, compared to the previous fee of \$415 for any temporary use permit.

ANALYSIS:

The City often participates in the planning and execution of community events sponsored by City-recognized nonprofit organizations, including the Bayfront Chamber and Rotary Club, among others. Although permit fees were not always consistently collected in the past, there has been no basis in City policy allowing staff to waive or reduce permit fees. The proposed policy would allow the City, at the discretion of the City Manager, to contribute to permit fees in kind as a contribution to events that the City cosponsors with City-recognized nonprofit organizations. The policy provides that co-sponsored events must be nonpartisan, nonsectarian and open to the entire Hercules community.

The proposed policy provides that community events would continue to be permitted through Special Event Permits, which are Temporary Use Permits administered by the Community Development Department. In addition, events involving street closures also require an encroachment permit from the Public Works Department, which is responsible for ensuring that street closures have proper signage and are safely barricaded in accordance with state and municipal codes, to protect the public health and safety.

Under the proposed policy, City-recognized nonprofits applying for Special Event permits could request a fee waiver or reduction at the time of application. The City Manager would determine within ten business days whether the City wished to co-sponsor the event and the extent of the fee reduction or waiver. For example, the City Manager might choose to collect a reduced fee sufficient to cover required notification printing and mailing costs, waiving the portion of the fee adopted to cover staff costs for reviewing and approving the permit.

FISCAL IMPACT:

The proposed policy would reduce the Special Event Permit fees accruing to the General Fund. The amount of the reduction would depend on the number of events co-sponsored with City-recognized nonprofits, as well as the extent of the fee reductions or waivers granted by the City Manager.

In 2023, the City issued nine Temporary Use Permits, four of which were for community events sponsored by a City-recognized nonprofit. These were the October 1st Run, Hercules Cultural Festival, Fourth of July, and National Night Out. Assuming 100 to 499 attendees for the October 1st Run and National Night Out, and 500 or more attendees for the Cultural Festival and Fourth of July, the current permit fees for these four events

would total \$11,940, all or part of which could be contributed in kind by the City under the proposed policy.

ATTACHMENTS:

1. Resolution Establishing a City-Sponsored Event Policy
2. City-Sponsored Event Policy
3. City-Recognized Nonprofit Groups