



Seattle City Council

Central Staff – Memorandum

Date: August 18, 2015

To: Members of the Housing Affordability, Human Services and Economic Resiliency Committee

From: Mark Baird, Council Central Staff

Subject: Proposed Special Events Permitting Legislation

On August 20th, the Housing Affordability, Human Services and Economic Resiliency Committee will discuss Executive-proposed legislation that amends and modifies the existing Special Events permit fee process (Section 15.52 of the Seattle Municipal Code (SMC)). This memo summarizes two key provisions of the proposed legislation: (1) expanding the membership and powers of the Special Events Committee; and (2) restructuring the event type designations and related fees, which creates a new fee structure that better reflects the resources expended by the City. Additionally, there are several options for adjusting the proposal for the Council to consider. These are also briefly discussed in a section of this memo.

1. Expanded Membership and Powers of the Special Events Committee

Currently, the Special Events Committee is comprised of nine City entities that represent the Mayor's Office and the heads of City departments (Budget, Fire, Police, Parks and Recreation, Transportation, Planning and Development, Finance and Administration, and Neighborhoods). A representative from the King County transit division and three citizens with experience organizing various sized events also sit on the Special Events Committee.

The proposed legislation adds the Directors of Economic Development, Seattle Center, and Seattle Public Utilities. It also adds a stipulation to one of the three citizen organizer positions. The individual must have experience organizing community-based events. King County participation is bolstered to include representation from the Metro Transit Division and the Health Department. Finally, the Washington State Liquor and Cannabis board is also added to the committee.

Additional Special Events Committee Powers

Currently, the Special Events Committee has the power to evaluate special events; determine if a permit is required; represent the City in negotiations for special events permits; issue or deny permits; and review the fees, classifications, and other aspects of the special events permitting process.

The proposed legislation gives the Special Events Committee several additional powers. It would allow the committee to calculate special events fees; negotiate and finalize agreements with organizers of citywide events concerning services, resources, fees, and safety and security; and determine and require (based on the type, size, location, time, and scope of event) the organizer’s notification and outreach requirements to adjacent area. It would also charge the committee with updating special events fee components.

2. Restructuring Type of Special Events and Associated Fees

Currently, the Seattle Special Events Permit Fee Schedule is based on anticipated attendance. There are six categories comprised of wide ranges of anticipated participants for either a parade or sporting events (that also add a \$0.50 per entrant for sporting events) or a day event. Event organizers pay the permit fee that corresponds with the anticipated number of participants – regardless of the requirements for City services (e.g., closed street, blocked intersections, and need for police officers).

The proposed legislation reflects a fee for use philosophy that better reflects the time and resources expended by the City to permit and support the various special events. It also takes into account the impact of special events on traffic, neighborhoods, and other public places. Table 1, below, shows the new event types and the corresponding fees associated with them.

Table 1: Proposed Special Events Fee Structure

Event Type	Brief Description	Application Fee ¹	Administration Fee ²	Police Dept. Fee ³
Community Parade	Free and open to the public	Yes	Yes	No
Commercial Athletic	Controlled-entry and/or commercial promotion	Yes	Yes	Yes
Free Speech	Solely activities protected by 1 st Amendment	Yes	No	No
Mixed Free Speech	Free speech and other activities	Yes	Lower of: Admin. Fee or actual City cost	
Citywide	Large events viewable outside event boundaries	Yes	Yes, but requires custom fee	

¹Application fee is \$75 and due with application.

²Administration fee amount varies based on size and scale of event. The fee calculation worksheet is attached to this memo.

³Police Department fee is an upfront fee to recover the cost of police officers for traffic control and safety and security services in the event footprint. The cost per hour per officer amount is \$67. The fee is calculated by multiplying the number of officers by the number of hours and the fee amount.

Phase-in Schedule

The proposed legislation offers a phase-in schedule for police department fees. In 2016, if the same event took place in 2015, the police department fees would be calculated in full but the

event organizer would pay 50% of the full amount. All other event organizers would pay the full police officer fee. In 2017, all events would pay the full police department fee.

3. Options for Council Consideration

Event organizers and the Committee Chair voiced some interest in looking at several options for amending the proposed legislation. These options center on ways of providing some relief from rising permit fees – largely due to Police Department fees – for a greater period of time, collecting organizer input, and instilling faith in the proposed fee structure. The Council could:

- 1) Add an additional year to the phase-in of the new Special Events Fee Structure. Currently, the proposal offers a one year phase-in where event organizers pay 50% of the Police Department costs in 2016 and 100% of these costs in 2017. To provide additional time for event organizers to deal with the change, the Council could add another phase-in year. It might look as follows:

2016 – 50% of police department costs;
2017 – 75% of police department costs; and
2018 – 100% of police department costs.

- 2) Adjust the hourly rate for police officers in the fee model. Currently, at \$67 per hour per officer, the cost represents approximately 85% of the true overtime cost for an officer. This hourly rate could be on a phase-in schedule similar to the aforementioned concept related to the percentage of the total Police Department fee. It could also be adjusted to recoup a greater percentage of the actual cost incurred by the City.
- 3) Add an event type for strictly non-profit events that have no commercial interests, are run by volunteers, and donate all proceeds of the events to an entity as a charitable contribution. Organizers of purely non-profit events that raise money for specific charities are concerned about rising fee costs that dilute their fund raising efforts. This would decrease the City's cost recovery for such events.
- 4) Include a year-one stakeholder check-in to allow the Office of Economic Development to hear and consider changes or adjustments to the new fee structure before the phase-in reached the 100% level. Event organizers who are impacted by the change in fee structure are nervous about how it will impact their events. This would provide a built-in platform for them to discuss any issues related to the new structure.
- 5) Ask the City Auditor to review the SPD special events staffing process. Recognizing that the SPD staffing component comprises 80%-90% of the special events fee, the Council could have this process audited. This could instill

confidence in the process and alleviate event organizer concerns about how staffing levels are determined.

- 6) Consider a combination of any or all of the above options. None of these options is contingent on any other option. The Council could adjust the cost of the police officer fee, add a non-profit event type, design a post year-one stakeholder check-in, and request an audit of the SPD special events staffing process.

There is also some interest in clarifying the various event type definitions – especially the citywide and mixed free speech events. Additionally, there is interest in looking at how application and administrative fees are assessed for free speech events.

Implementation Issues and Fiscal Implications of the Proposed Legislation

The proposed legislation expands the membership of the Special Events Committee and gives more explicit powers to the committee and the chair. This includes the ability to negotiate a custom service and cost recovery agreement for major citywide events such as the Fremont Solstice Parade and various Seafair events. This adjustment would be needed to make the new Special Events Fee Structure work efficiently.

The proposed Special Events Fee Structure creates a permitting process that is more representative of the actual City resources that are necessary for the event to take place. This means some events with many participants but few City resource needs would realize a decrease in the permit fee (e.g., Susan G. Komen Seattle 3-Day Walk) while others with a greater need for City resources would go up (e.g., Hot Chocolate 15K/5K Run and Rock ‘n’ Roll Marathon and ½ Marathon). The two year phase-in approach allows event organizers time to plan accordingly for the change in fee structure.

There are fiscal implications associated with this legislation. The police officer hourly rate used in the model is approximately 85% of the actual average hourly overtime rate for officers. As a result, in 2017 when the Police Department Fee is paid in full, it is still only approximately 85% of the true cost to the City. Where the cost per hour per officer in the model is \$67, the true cost is near \$79 per officer per hour.

The proposal does anticipate increases in revenue each year. However, the collected fees would remain significantly lower than the City’s cost for the events. Currently, the City recoups approximately 23% of its costs for special events. This figure would increase to 30% in 2016 and more than 46% in 2017.

If you have questions about the information contained in this memo or other questions related to the proposed legislation, please contact Mark Baird (4-5509).