

APPROVED
JUL 08 2015

REPORT OF GENERAL MANAGER

NO. 15-146

DATE July 8, 2015

BOARD OF RECREATION
& PARK COMMISSIONERS

C.D. 14

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: PERSHING SQUARE – EXEMPTION FROM THE DEPARTMENT OF RECREATION AND PARKS ALCOHOLIC BEVERAGE POLICY TO ALLOW FULL SPIRITS TO BE SERVED, AND AMENDMENT TO THE SCHEDULE OF RATES AND FEES

R. Adams _____
R. Barajas _____
H. Fujita _____

V. Israel _____
*K. Regan _____
N. Williams _____


General Manager

Approved

Disapproved _____

Withdrawn _____

AS AMENDED

RECOMMENDATIONS:

That the Board:

1. Authorize an exemption to the Department of Recreation and Parks (Department) Alcoholic Beverage Policy to allow the routine sale and/or serving of beer, wine, and full spirits at various festivals and outdoor special events held at Pershing Square;
2. ~~Approve an amendment to the Pershing Square pages of the Department's Schedule of Rates and Fees as attached, including the establishment of new fees for the sale and/or serving of alcoholic beverages during events as outlined in the Summary of this Report, and to become effective immediately upon approval by the Board; and,~~
3. ~~Authorize Department staff to amend the Schedule of Rates and Fees to incorporate the aforementioned changes.~~

SUMMARY:

Pershing Square hosts a variety of outdoor musical events, concerts, and special events throughout the year. One example is The Pershing Square Summer Concert Series which is attended by more than 50,000 patrons during the six (6) week summer period every year. Pershing Square also receives a large number of requests each year for other outdoor festivals, events, and concerts, which, include the sale and/or serving of alcoholic beverages.

Currently, the Department's Alcohol Beverage Policy requires that an outdoor community event where alcoholic beverages are sold or served beyond the five (5) events already allowed per

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region, per calendar year, must have additional approval from the RAP Board. Pershing Square Park receives a large volume of permit requests each year for outdoor community events and festivals where alcohol is requested to be served.

Pershing Square is located in the Metro Region. Every year, the number of requests for alcohol-related special events in the Metro Region exceed the Board pre-approved established policy limit of five (5). The five (5) events already scheduled in the Metro Region for the year are: the Seoul International Korean Festival, Pershing Square Summer Concert Series, St. Patrick's Day Event at Pershing Square, Debs Parks Audubon Society Event, and the Lummis Days Festival at the Arroyo Seco.

In order to provide more efficient delivery of service, staff is recommending an exemption from the Department's Alcoholic Beverage Policy (Attachment A). The exemption would allow an unlimited number of outdoor special events per year where alcoholic beverages may be sold or served, to take place at Pershing Square. This exemption will allow Pershing Square to attract more community events, and will generate additional revenue for the park, which will be used for additional programming.

The Assistant General Manager of the Operations Branch, the Pershing Square Park Advisory Board, the Los Angeles Downtown Center Business Improvement District (BID), and the office of Councilmember Jose Huizar support this request.

Accordingly, staff is recommending revising the Pershing Square section of the Schedule of Rates and Fees to establish Events with Alcohol Usage fees (Attachment B).

Staff has also reviewed the Pershing Square section of the Schedule of Rates and Fees and determined that the existing fees needed clarification, and restructuring in order to better reflect the variety of programming, events, and rentals requiring various types of permits. Permit fees for Pershing Square have not been adjusted since 2009. The following are explanations of the areas requiring a change in fees:

Events Open to the Public – These fees are proposed to be decreased to make the use of the venue more accessible to the public, community organizations, and small businesses.

Utility Fee - These fees are proposed to be increased to reflect higher City of Los Angeles utility costs. In addition, Pershing Square has upgraded, and increased the amount of power available to user groups.

Community Artisan Booths for Exhibit Only – These fees are proposed to be decreased to make the costs of booths more affordable to the public, community organizations, profit and non-profit

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organization, and small businesses, allowing more activity and programming throughout the year.

Specific changes to the Pershing Square section of the Schedule of Rates and Fees are identified in Attachment B. New items are identified by **bold** text and items proposed for deletion indicated by ~~strikeout~~ text.

FISCAL IMPACT STATEMENT:

Pershing Square is a full cost recovery center and must generate its own operating revenue. These changes will allow Pershing Square Park to generate additional revenue for funding for day-to-day operations and programs.

This report was prepared by Bertha Calderon, Management Analyst II, Metro Region.

EXCERPT FROM THE MINUTES OF THE SPECIAL MEETING
BOARD OF RECREATION AND PARK COMMISSIONERS
JULY 8, 2015

15-146

PERSHING SQUARE – EXEMPTION FROM THE DEPARTMENT
OF RECREATION AND PARKS ALCOHOLIC BEVERAGE
POLICY TO ALLOW FULL SPIRITS TO BE SERVED, AND
AMENDMENT OF SCHEDULE OF RATES AND FEES

The Board and Department staff discussed the proposed exemption to the Department's Alcoholic Beverage Policy (Policy) to allow for beer, wine, and full spirits to be served at various festivals and special events held at Pershing Square, as well as the proposed adjustments to the Schedule of Rates and Fees presented in Attachment B. The Policy currently allows the sale and serving of alcoholic beverages for up to five (5) outdoor community events per calendar year within each Region, at the discretion of each Region Superintendent. Any requests for such festivals and special events that exceed the Region's annual limit are subject to Board approval. Staff recommended a Policy exemption to exclude Pershing Square from the Metro Region's annual limit. After detailed discussion on the rates for Community Artisan Booths and the Café/Commissary Fee, Assistant General Manager Regan recommended that the General Manager's Report be amended to remove Recommendation Nos. 2 and 3 so that the Board would only consider Recommendation No. 1, and bring back the proposed amendments to the Schedule for Rates and Fees for the Board's consideration at a later date.

Public comments were invited. Seven requests for public comment were received, and such comments were made to the Board.

Commissioner Sanford moved that General Manager's Report 15-146 be amended to strike out Recommendation Nos. 2 and 3, and amend Recommendation No. 1 to exempt Pershing Square events from the Metro Region's limit of five (5) events per calendar year to allow the routine sale and/or serving of beer, wine, and full spirits at various festivals and outdoor special events. Commissioner Sanford further moved to impose a separate limit of eight (8) events for Pershing Square per calendar year, and allow for one (1) of the eight (8) events to be a series event. Any events or series events that exceed the limits set forth for Pershing Square shall be brought forth for the Board's consideration. The Motion was seconded by Commissioner Culpepper. There being no objections, the Motion was unanimously approved.

DEPARTMENT OF RECREATION AND PARKS
ALCOHOLIC BEVERAGE POLICY
SALE, SERVING AND CONSUMPTION OF ALCOHOLIC BEVERAGES
(BEER & WINE ONLY) REVISED APRIL 1986

The provisions set forth within this policy govern the sale, service and/or consumption of alcoholic beverages in all Department operated parks and recreation facilities with the exception of those facilities where ongoing alcoholic beverage sales have been authorized by the Board pursuant to a written concession agreement or separate board policy. The major factors to be considered in determining approval of alcoholic beverage sales on Department property are patron safety, property protection, and prevention of minors' consumption of alcoholic beverages. For the purposes of this policy the term "alcoholic beverages" refers only to beer and wine. The sale, serving and/or consumption of any other type of liquor is not permitted on Recreation and Parks Department property except at specific locations where permission is granted by contract or separate Board Policy (i.e. Friendship Auditorium).

All persons and/or agencies wishing to sell, serve or consume alcoholic beverages on Department property must either comply with the provisions listed herein or apply for and obtain a special waiver of provisions(s) from the Board of Recreation and Park Commissioners. Department staff shall notify the Los Angeles Police Chief's Office of the date of Board consideration of any request to waive this policy or any of its provisions.

1. Department Authority for Approval

The General Manager is responsible for approving or disapproving requests for alcohol consumption in Department parks and recreation facilities within the parameters of this policy, and to issue instructions to Department employees in connection with the enforcement of this policy.

The criteria to be considered in the General Manager's determination for approval includes but are not limited to, the following: applicant's past performance under similar conditions; expected community involvement in proposed event and/or community sensitivity or resistance to alcohol consumption in proposed area; capability and availability of City resources to support event; proposed utilization of revenues generated by sales; applicant's experience, resources, and ability to appropriately conduct alcoholic beverages sales or service; possible interruption of Department sponsored programs or previously scheduled events; Department experience with similar events; general interference with or disruption of the public's normal enjoyment of Department facilities; etc.

If the General Manager determines that a permit should not be issued because the conditions of this policy have not or cannot be complied with, the General Manager shall so inform the applicant by delivering a brief written statement explaining the reason(s) for denial.

The General Manager may not approve the sale or serving of alcoholic beverages at more than five public open-area events per region per year, or more than one event for any one park per year. However this limitation does not pertain to events conducted exclusively within Department buildings provided that the number of persons in attendance shall not exceed the occupancy load established by the Fire Department and the Department of Building and Safety; or to small private gatherings which are conducted during weekdays in remote areas away from the general public and are not open to the public.

Pursuant to the General Manager's approval, considerations listed herein above, the five allowable alcoholic beverage events per year shall be determined on a first-come, first-served basis, but cannot be requested or approved prior to January 1, of the year of the proposed event.

ALCOHOLIC BEVERAGE POLICY - (continued)

Permittee shall instruct security officers to maintain order within the area, prevent ingress and egress of minors unattended by adults, prevent patrons from carrying drinks out of the area, and prevent over-consumption of alcoholic beverages. If the required security officers fail to report to duty and/or are unable to remain on duty for the duration of the event, the Department shall enlist its own security officer(s) and assess the permittee for reimbursement of their salaries. Two weeks prior to the scheduled date of the event, the permittee shall present to the General Manager a signed security contract or equivalent verification of adequate proposed security for the event.

4. Licenses and Permits

The permittee must submit in writing to the General Manager a plot plan of the controlled area, the proposed number of security guards, the security contract, and the proposed method of accounting for and verification of sales; and obtain the General Manager's written approval of same. The permittee shall also obtain the necessary licenses and permits from the California State Alcoholic Beverage Control Board, City Clerk, Fire Department, Police Department and County Health Department; and shall meet all other requirements and restrictions applicable to the special use of Department Facilities. Permittee shall present copies of all permits and required documents at least two weeks in advance of the scheduled event. The approved Department permit, ABC License, and plot plan shall remain at the sales or serving site during all hours of operation and be available for inspection upon request by a Department representative or law enforcement official.

At least thirty (30) days prior to the scheduled event, Permittee must complete and submit to the LAPD Area Division Commander, a "Request for consideration of Beer or Wine Dispensing Permit" and receive written recommendation of the Division Area Commander. (See Attached Form "Request for LAPD Consideration of Beer or Wine Dispensing Permit Form No. RP 0029.")

5. Insurance

The permittee must meet the Department's regular insurance requirements for special events. Additionally, the permittee's required insurance policy of public liability and property damage which additionally insures the Department must also include liquor liability coverage. The limits of liability must be at least \$1,000,000.

The permittee's paid employees must also be covered by worker's compensation and permittee must provide the Department proof of such coverage. All necessary insurance documents must be submitted to the Department Insurance Coordinator at least two weeks prior to the event.

6. Department Permit Fees

For the privilege of selling alcoholic beverages on Department owned and/or operated facilities, the permittee shall remit to the Department an agreed upon percentage of gross receipts from all alcoholic beverage sales (which percentage shall not be less than 20%).

The Department shall designate a Department employee to be on duty at the alcohol sale or serving site at all times during the event. Permittee shall reimburse the Department for the full cost of any overtime worked by the employee during the scheduled event. Scheduling of said employee shall be at the sole discretion of the General Manager.

The permittee must also remit to the Department in advance of the event, a refundable deposit of \$150 for each day alcoholic beverages are to be sold. The deposit shall be refunded to the permittee if all provisions of the policy have been complied with and no additional expenses have been incurred as a result of the permitted

PERSHING SQUARE

(Revised 11/09 1/15)

Pershing Square Park is a concert and event center located in the middle of Downtown Los Angeles. The facility occupies an entire city block, is approximately five acres, and has a maximum occupancy of 6,000 people. With its unique fountain and amphitheater it is a popular location for filming and special events.

Pershing Square is exempt from the following sections of the Department of Recreation and Parks Alcoholic Beverage Policy: Page 1, paragraph 1, regarding the type of liquor; and Page 1, Section 1 Department Authority for Approval, paragraph 4, regarding the amount of events allowed to sell and/or serve alcoholic beverages.

92% of the fees will be deposited into the Special Fund Account for Pershing Square with 8% deposited into the Finance Special Fund Account.

~~Fifty percent (50%) of the fees will be deposited into the MRP account for Pershing Square Amphitheater and Fountain Area Park. The other 50% goes to the Department General Fund.~~

FILM FEES

First two hours	\$450.00
Each additional hour	\$100.00
Maintenance/breakage fees	\$600.00 (\$400.00 refundable if no damages)
Catering Fee	\$250.00
Student Films	\$50.00 (4 hours maximum, one day only)
Still photos	\$100.00 every two hours (1 camera)

These fees are for the use of a portion of Pershing Square. You may choose the amphitheater (north) and/or fountain (south) end. Staff will determine additional costs for unique situations or activities. All fees must be paid in full at least 48 hours prior to permit. The Park Film Office must also be contacted.

SPECIAL EVENTS REQUIREMENTS

INSURANCE:

Event holder must submit proof of insurance by a licensed carrier to the City Administrative Officer (CAO) of the City of Los Angeles at least seven days prior to the scheduled event. The insurance policy must meet all of the requirements specified by the CAO for such coverage, **and must be submitted via Track4LA.**

PORTABLE SANITARY FACILITIES:

Requirement meets Health Department Standards one (1) for every 200 (or fraction thereof) participants.

EVENT FEES

EVENTS OPEN TO THE PUBLIC, NON-FEE GENERATING

<u>Non-profit Group/Event</u>	<u>First 2 hours</u>	<u>Each additional hour</u>
Amphitheater North Park	\$450.00 \$350.00	\$125.00
Fountain Area South Park	\$450.00 \$350.00	\$125.00

EVENT OPEN TO THE PUBLIC, FEE GENERATING

<u>Profit Group/Event</u>	<u>First 2 hours</u>	<u>Each additional hour</u>
Amphitheater North Park	\$550.00	\$125.00
Fountain South Park	\$550.00	\$125.00

EXCLUSIVE USE (Closed to Public)

1 – 250 persons

Amphitheater North Park	\$650.00	\$125.00
Fountain Area South Park	\$650.00	\$125.00

251 or more persons

Amphitheater North Park	\$900.00	\$200.00
Fountain Area South Park	\$900.00	\$200.00

Exclusive use fee generating permits are negotiated by the Recreation Superintendent.

ADDITIONAL CHARGES SPECIAL USE FEE FOR CITY AGENCIES AND DEPT. SPONSOR GROUPS

Special Use Fee \$300.00 (plus deposit and event monitor fee)

Special use of the Pershing Square ~~Amphitheater North Park~~ and ~~Fountain Area South Park~~ is available for City agencies and Department sponsored groups.

DEPOSITS

<u>Anticipated Attendance</u>	<u>Refundable</u>	<u>Maintenance fee</u>	<u>Total deposit</u>
1 – 500 persons	\$300.00	\$500.00	\$800.00
501 – 1,000 persons	\$500.00	\$500.00	\$1000.00
1,001 + persons	\$700.00*	\$800.00*	\$1,500.00*

***Minimum fees — higher Fees are negotiated based on group size and must be approved by the appropriate Recreation Supervisor. Region Superintendent.**

EVENTS WITH ALCOHOL USAGE

<u>Types of Bar Services</u>	<u>Use Fee</u>
Non-fee generating Bar Services	\$200.00 Serving Fee
Fee Generating Bar Services	\$200.00 plus 20% of gross sales

Accountability of gross sales may be subject to Department audit.

STAFF FEES

Management will determine what additional personnel will be required, based on the scope of the event and the number of people anticipated. An estimated cost will be provided in advance, but permittee will be charged the actual cost of service provided on the day(s) of the event.

If Full-time staff may be is required for the event/activity, **in such instances**, permittee will be charged at the current ~~overtime~~ rate plus an 8% administrative fee ~~for that individual~~. **Overtime rates will be charged as needed.**

Potential additional staff include: Event monitor(s), maintenance staff, security staff: minimum of two security officers for a minimum of four hours.

EQUIPMENT RENTAL (each, per day, includes set up)

Tables, round with four (4) chairs and umbrella	\$25.00	\$50.00 per set,
Chairs, plastic (50 minimum)	\$4.00 (ea)	\$200.00 (for 50)
Tables, plastic round	\$25.00	
Umbrella	\$20.00	
Tables, six foot banquet	\$25.00	
Canopies (each, includes setup)	\$100.00 per canopy	
Refundable breakage deposit	\$100.00-	50% of total equipment rental fee

AUDIO SYSTEM AND ENGINEERS

Audio systems may be rented through the venue. Fees are negotiated by Region Superintendent or designee.

UTILITY FEE

The basic electrical hook-up fee is for minimum usage and will be applied when PA systems or individual musical instruments are used.

Basic fee	\$25.00 \$50.00
Water (per event)	\$25.00 \$50.00
Daily electrical per food booth	\$25.00 (is included in food vendor fee)

COMMERCIAL PRODUCT PROMOTION

4 hour flat fee	\$500.00 per day, per vendor
All Day (5-12 hours) flat fee	\$1,000.00 per day, per vendor

~~VENDOR FEES~~ COMMUNITY ARTISAN BOOTHS FOR EXHIBIT ONLY

Community Artisan Booths' fees apply to the approved or the sponsored vendors located within the confines of the downtown community.

~~In addition to the vendor fee, a deposit and cancellation fee will be charged.~~

~~Booth: Unless otherwise indicated, a booth will be defined as a 10 foot x 10 foot booth or equivalent activity area.~~

Basic vendors

Public Agency/Education booths (no sales of any kind)	No Fee
Non-Profit Organizations	\$150.00 \$25.00 per day, per vendor

For-Profit Organizations \$300.00 \$50.00 per day, per vendor

Arts & Crafts Vendors/Fee Generated

Non-Profit Organizations \$75.00 per day, per vendor

For Profit Organizations \$150.00 per day, per vendor

FOOD VENDORS

Vendors must provide, in advance, all Recreation and Parks Department required permits and insurance.

Food Truck and/or Food Booths \$50.00 per day

Special Events \$125.00 per day

Catering/No Sales \$250.00 per day

Catering/Sales \$350.00 per day

~~One day event~~

~~4 hour flat fee \$200.00 per day, per vendor~~

~~5-12 hours: flat fee \$400.00 per day, per vendor~~

~~Weekly rate* (Monday through Sunday, or any part thereof)~~

~~4 hour flat fee \$500.00, per vendor~~

~~5-12 hours flat fee \$600.00, per vendor~~

~~Monthly rate* (calendar month, unless otherwise indicated)~~

~~Flat fee \$1,000.00, per vendor~~

~~*February through October only~~

~~Winter Holiday Season Rates (November through January)~~

~~One day event Flat fee \$500.00, per vendor~~

~~Weekend Flat fee \$250.00, per vendor~~

~~Season Flat fee \$2,500.00, per vendor~~

CAFE/COMMISARY

Use of Café PLUS utilities \$ 75.00/day

Permittee is responsible for obtaining all required health department permits and insurance.

PAYMENT OF FEES

For an event reservation a deposit of 50 % of the invoiced fee must be paid more than 91 days in advance of the scheduled event. The remaining 50% is due ten days prior to the event.

There is a specific schedule of forfeiture of a deposit if reservations are canceled: cancellation 91 or more

days prior to the event is 25% of deposit; 61 to 90 days is 50%; and, 60 days or less prior to the event will result in the forfeiture of 100% of the deposit.