



INFORMATION REPORT

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	April 20, 2016
SUBJECT/REPORT NO:	Fee Reduction or Waiver for Business Improvement Area (BIA) Special Events (PED16079) (Wards 1, 2, 3, 4, 6, 7, 9, 12, 13 and 15) (Outstanding Business List)
WARD(S) AFFECTED:	Wards 1, 2, 3, 4, 6, 7, 9, 12, 13 and 15
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SUBMITTED BY:	Jason Thorne General Manager Planning and Economic Development Department
SIGNATURE:	

Council Direction:

At its meeting on November 25, 2015, Council approved Item 4(d) of the General Issues Committee Report 15-023, which reads as follows:

“4. Business Improvement Area Advisory Committee Report 15-010, October 13, 2015 (Item 8.2)

(d) Fee Reduction or Waiver for Business Improvement Area Special Events

That staff be directed to investigate the feasibility of reducing and / or waiving any fees incurred by Business Improvement Areas (BIAs), for obtaining such things as municipal permits and licences, as well as the option of providing municipal services in-kind, that are associated with holding special BIA-related events on City property, and report to the General Issues Committee.”

Information:

The issue of waiving fees for Business Improvement Area (BIA) events was previously considered by Council in April 2013, albeit in a more limited context. A request to have the City of Hamilton waive its park rental fees was made by the Downtown Hamilton BIA regarding its holding of the Downtown Promenade events in Gore Park (Report

PED13071). At the time, Council chose to receive Report PED13071 and opted not to waive the required fees.

Council also recommended that the Report be referred to the Grants Sub-Committee with the request that “Special Event Park Rental Fees” be included as part of the Community Partnership Program Review.

The Community Enrichment Fund was the result of this review. Rather than have special discounts on various elements, applicants are requested to identify all of their related expenses including any City of Hamilton fees. The applications are then adjudicated and recommendations made based on the strength of their application.

All permit and license fees charged, except for the cost of paid duty policing, are approved annually by Council as part of the User Fee By-law. Any staffing fees and requirements are in alignment with current collective agreements.

In order to gauge the impact that the reduction or waiving of such fees would have on the City of Hamilton, staff from the Tourism and Culture Division sought input from those City departments that were participants on the Special Events Advisory Team (SEAT), the entity tasked with reviewing and approving those special events which take place outdoors on municipal property. Each SEAT member was asked the following:

1. Provide a response as to what the impacts of reducing or waiving / fees incurred by BIAs for their events would have on your budgets.
2. Review your invoices from last year and identify what costs your Divisions charged to the following 2015 BIA events below:

2015 BIA PRODUCED – SEAT APPROVED EVENTS

Halloween Event - Barton Village BIA
Gore Park Summer Promenade – Downtown Village BIA
Christmas in Gore Park – Downtown Village BIA
Dundas International Buskerfest – Dundas BIA
Village Station Bazaar – International Village BIA
Victorian Night in the Village – International Village BIA
Locke Street Festival – Locke Street BIA
Sew Hungry – Ottawa Street BIA
Sidewalk Sale – Ottawa Street BIA
Movies in the Park (x3) – Waterdown BIA
Waterdown Choral & Candle Walk – Waterdown BIA
Westfest – Westdale BIA
Winter Wander – Westdale BIA

In total, the City of Hamilton charged \$10,262.53 in fees, in the course of administering the required approvals for BIA events approved by SEAT in 2015.

Because of the same events, the Hamilton Municipal Parking System had its annual revenues decreased by \$3,389.05.

The Hamilton Street Railway (HSR), based on events which did take place in 2015, has estimated that their fees in 2016 would be \$5,328.

While the financial impact of waiving such fees or offering them in-kind in 2016 cannot yet be calculated, except for the HSR as noted above, the presentation of the information below provides Council with a good estimate of the impact on each of the departments should the fees not be charged to the BIAs.

PARK RENTAL FEES

Park rental fees form part of the annual City of Hamilton User-Fee By-law approved by Council. Each organization is required to pay for the use of City of Hamilton Parks as per the Council-approved user fees. Fees vary based on amenities that are associated with the park.

Insurance coverage for use of City of Hamilton parks and other facilities is also required for all rentals. User groups and organizations can either provide proof of insurance coverage for intended programming from their own insurance provider, or they can purchase insurance based on the activity and approved rate by the City provider.

It should be noted that insurance coverage cannot be waived and would still be a requirement for use of City of Hamilton parks or other facilities. The cost associated with insurance may at times be more costly than the rental of the park or other facility. As noted above, the insurance costs are directly related to the type of programming occurring within parks or other facilities, the potential risk associated with that activity as well as the number of attendees expected at the event.

On January 18, 2016, Council approved amendments to the Recreation Division's "Fee Waiver / Reduction Policy" (CES14001(b)). This policy allows for the Division Director to authorize the reduction of recreation facility rental fees for qualifying groups and activities.

Groups that are eligible to apply for this consideration include:

Minor Youth Sports Organizations;

Community Groups

- Means a non-profit group or organization that is active in a community for a sport and leisure purpose and that operates for the betterment of the community (e.g. neighborhood association, service club, special interest club, arts / culture groups, publicly funded school associated groups not recognized by the reciprocal agreement)
**Under this definition, BIAs would not qualify for a waiver of park rental fees.

Other groups that are also not eligible for consideration include:

Commercial Groups;
Individuals; and,
Non-Residents.

2015 BIA Events Requiring Park Rentals

- a) Waterdown BIA-Movies in the Park (3x) = \$164.16
- b) Barton Village BIA-Halloween Event = \$101.79
- c) Downtown Hamilton BIA-Christmas in Gore Park = \$90.08
- d) Downtown Hamilton BIA-Gore Park Promenade = \$3,332.96

The total fees received from these activities is \$3,688.99

With BIAs not currently qualifying for a waiving of park rental fees, the waiving of such fees in 2016 is not currently budgeted for and would therefore have a negative financial impact on operations of the Recreation Division.

Environmental Services Division, Parks Operations maintenance staff has historically provided many in-kind services supporting events, and a detailed description of the type of in-kind work anticipated to be waived is required for a comprehensive understanding of the impact to the maintenance operations and budget. Further, parks operations costs associated with additional work required outside of normal operational tasks have not been accounted for in the 2016 Operations Budget. As such, the Environmental Services Division would also experience a negative financial impact through the waiving of fees.

ROAD CLOSURE AND POLICE FEES AND PARKING REVENUE

Road Closure fees are also based on Council-approved user fees and collective agreements. We have included these fees here, as it was identified that not every BIA

has access to a park and some BIAs have their events on the road. For events with full road closures the City requires and / or charges:

- Corridor Management: a full road closure permit fee of \$621.75 (2015 user fee that only covers administration costs but does not cover the cost of road closure services required);
- Traffic Operations: the cost to manufacture / install / remove traffic related signs (i.e. advance warning signs, one ways, temporary stops, etc.);
- Road Closure Services: that the event organizer hires a Ministry of Transportation “Book 7” certified company to compile a Traffic Control Plan, provide road closure supplies (barricades, pylons etc.) and to provide “Book 7” trained staff to set up and tear down the closure. The fee for this varies and goes directly to the contractor that the event organizer hires to provide this service;
- Hamilton Police: that paid duty officers are assigned to the event to monitor the road closure (cost varies based on the event); and,
- Hamilton Municipal Parking System: parking charges to cover lost revenue at parking meters and / or municipal lots if the road closures affect the use of these.

2015 BIA Events Requiring Road Closures

Dundas International Buskerfest (Downtown Dundas BIA)

- Full Road Closure Permit: \$621.75
- Warning Boards: \$372.59
- Policing Cost: \$5,019.86

Locke Street Festival (Locke Street BIA)

- Full Road Closure Permit: \$621.75
- Warning Boards and Signs: \$2,040.87

Westfest (Westdale Village BIA)

- Full Road Closure Permit: \$621.75
- Warning Boards: \$292.22
- Policing Costs: \$858.97

Sew Hungry (Ottawa Street BIA)

- Full Road Closure Permit: \$621.75

The total City of Hamilton fees collected from these activities is \$5,192.68.

The total Hamilton Police Service fees collected from these activities is \$5,878.83.

Staff from Corridor Management reported that the full road closure permit fees cover the administrative costs related to processing temporary road closures. It was their opinion that the waiving of such fees for BIAs would result in similar requests from other organizations not getting such a waiver. Any such waiving of fees would have a negative impact on their operating budget.

Staff from the Traffic Section reported that there is no funding in their budget to cover the cost of any waiving of fees. They also expressed an opinion that such a waiving of fees would lead to similar requests from other organizations or even requests for increased services from BIAs since there would be no charge. Were this to come about, it is possible that the Traffic Section would have to provide special event related services when core safety work should be their priority.

It should be noted that the rates charged for the presence of paid duty police officers at all public events including those organized by BIAs are established by the Hamilton Police Service.

2015 BIA EVENTS INCURRING PARKING CHARGES

Westfest (Westdale Village BIA)

- \$920 which included meter charges

Sew Hungry (Ottawa Street BIA)

- \$974.05 which included meter and lot charges

Ottawa Street Sidewalk Sale (Ottawa Street BIA)

- \$1,495 which included meter and lot charges

The total foregone revenue by the Hamilton Municipal Parking System is \$3,389.05.

2015 BIA EVENTS INCURRING HSR COSTS

In 2015, any charges which were incurred by the HSR because there was a disruption to service (i.e. rerouting of buses), a significant impact to service caused by an event (i.e. significant delays or overloaded buses) or where there was a request for added special service dedicated to an event, were absorbed by the HSR Operations Budget. In 2016, such costs will no longer be absorbed but will be charged to the event organizers.

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Based on the costs that were incurred at the following events in 2015, the following are the **projected** costs that will be charged to these events in 2016:

Dundas International Buskerfest (Downtown Dundas BIA)

- \$500 flat administration fee for signs
- Proposed cost of \$1,848 for two additional buses on Saturday and \$660 for one additional bus on Sunday to offset delay impacts associated with the event.

Locke Street Festival (Locke Street BIA)

- \$500 flat admin fee for signs
- Proposed cost of \$1,320 for ten hours of shuttle service to provide link between this event and Supercrawl.

Westfest (Westdale Village BIA)

- \$500 flat administration fee for signs

The total City of Hamilton fees collected from these activities is projected to be \$5,328.

LICENSING COSTS AND BIA EVENTS

There are many elements at SEAT events, including those organized by BIAs, that require licences and permits such as Transient Trader, Pedlar, Food Services (vehicles, vendors, caterers), Amusements Devices and Lotteries. As there are costs associated with these licences that have a financial impact on event organizers and participants, it has been the past practice of the Licensing Division to not proactively enforce all the categories that require licences at approved SEAT events. City staff will investigate if a complaint is received and take the appropriate enforcement action to resolve violations. To date, their practice has been to ensure that only Food Service Vehicles and Amusement devices (including bouncy castles) have a current City of Hamilton licence to ensure the public's health and safety.

Most food service vehicles that participate at BIA SEAT events would also participate at other SEAT events and / or have regular operations in the City where a yearly licence would be required, therefore, City staff would not be able to reduce or waive the yearly licensing fee. It is also important to note that the Licensing Division wants to be consistent and ensure food service vehicles from outside the City of Hamilton have the same rules apply as those businesses in the City.

This approach also applies for amusement rides. A licence is needed for each event to ensure the public's health and safety, however, if the amusement device is a bouncy castle, the service provider only needs to have a yearly licence to participate at all SEAT events.

Licensing Division staff currently has no direction to change their enforcement operations to proactively enforce Transient Trader, Pedlar, Food Service Vendors and Lotteries.

2015 BIA EVENTS INCURRING PUBLIC HEALTH SERVICES COSTS

The total fees collected for inspections of the listed BIA events are \$1,380.86. Staff from Public Health Services (PHS) reported that cost recovery of these inspections could decline if more special events are hosted by the BIAs. Provision has not been made in the PHS Budget to cover the costs of waiving or reducing the fees collected from the listed BIA events. Inspections of these events will continue, as this is mandated under Ontario Public Health Standards. Public Health inspection fees were charged to the following BIAs as follows:

Dundas International Buskerfest (Downtown Dundas BIA) = \$506.24
Locke Street Festival (Locke Street BIA) = \$439.57
Sew Hungry (Ottawa Street BIA) = \$435.05

OTHER CITY DEPARTMENT / DIVISION RESPONSES

- Road Operations and Maintenance Section
Road Operations and Maintenance alter street sweeping schedules to align with the start and end of almost every event that requires road closures. Costs for additional sweeping and / or litter control requested by the event organizer(s) or as required to return the streets to pre-event condition are charged back to the event organizer.
- Building Division
Not currently able to track building permits to see if any BIAs applied and received such a document. It should be noted, however, that the Ontario Building Code requires the payment of the building permit fee for the issuance of a building permit. As the building permit fee is stipulated under a Provincial regulation, the fees may not be simply waived by City of Hamilton Council. To that end, where required, building permit fees will be collected as per the Ontario Building Code and may not be waived.
- Fire Department
No charges to BIAs since the Department has never hired in any stand-in or paid duty role. Any attendance is related to mandated safety programs. Costs related to these activities are never charged back to the event organizer.

- Waste Management Division
Waste management services for special events in BIAs and on City property are administered by the Waste Collection Section. Services include supplying recycling containers and collecting materials after the event. Historically, the cost for providing services for special events on City property and BIAs has been covered through the City's annual operating budget for waste collection services. Information on service levels for festivals and special events was included in Report PW08057(a) in order to provide a fair process for event organizers. User fees for enhanced waste collection services for special events outside of the approved budget are included in the City's User Fees By-Law, and these fees may be applicable depending on the requirements for the event.
- Facilities Section
In 2015, Facilities was not involved with any of the aforementioned BIA events. In the event that any of the BIAs were to hold an event at City Hall after hours, the approximate hourly rate to bring in maintenance staff is \$65 per hour with a minimum of four hours.

Summary:

All permit and license fees charged, except for the cost of paid duty policing, are approved annually by Council as part of the User Fee By-law. Any staffing fees and requirements are in alignment with current collective agreements.

In total, the City of Hamilton charged \$10,262.53 in fees, in the course of administering the required approvals for BIA events approved by SEAT in 2015.

In the case of the Hamilton Municipal Parking System, the charges to the BIAs reflect \$3,389.05 in revenue lost when municipal parking lots or on-street meters are unavailable due to special events.

The HSR, based on events which did take place in 2015, has estimated that their fees for BIA events in 2016 will be \$5,328.00.

Many of the departments involved in the SEAT process charge fees that are set to cover the cost of the service they provide. Provision has not been made in the budgets of these departments to cover the costs listed above nor to offer any in-kind services that would have a similar value.

In the case of the Hamilton Fire Department and the Waste Management Division of the Public Works Department, the costs they incur when servicing BIA special events are included in their respective budgets.

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Regarding the fees charged for the presence of paid duty police officers at all public events including those organized by BIAs, they are established by the Hamilton Police Service.

It should also be noted that there are a multitude of community councils, neighbourhood hubs, sport organizations, etc. that are required to pay user fees. Should the BIAs be granted an exemption from paying such fees, it is probable that these groups would request the same consideration.

It should be noted that there could be further 2016 SEAT applications from BIAs that have not yet been received. So far for 2016, SEAT has already received applications from the following BIAs:

LIST OF 2016 SEAT APPLICATIONS RECEIVED TO-DATE (As of March 18, 2016)

Business Improvement Area	Event Name	Event Start Date	Event End Date	Park Permit Fee
Ottawa Street BIA	Sew Hungry 2016	May 6, 2016	May 6, 2016	n/a
Downtown Hamilton BIA	Gore Park Summer Promenade	June 6, 2016	September 2, 2016	\$3,858.96
Downtown Dundas BIA	Dundas International Buskerfest	June 3, 2016	June 5, 2016	n/a
Waterdown BIA	Movies in the Park	July 16, 2016	July 16, 2016	\$123.40
		August 13, 2016	August 13, 2016	

APPENDICES AND SCHEDULES ATTACHED

N/A

CG/hk