



Legislation Details (With Text)

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Title: RESOLUTION ADOPTING A LINE ITEM BUDGET IN AN AMOUNT NOT TO EXCEED \$726,700 IN SPONSORSHIP FUNDING AND WAIVED DISTRICT SERVICES NOT TO EXCEED \$1,148,096 TO SUPPORT 66 EVENTS THROUGH THE PORT OF SAN DIEGO FY 2019 TIDELANDS ACTIVATION PROGRAM; FUNDS REQUIRED FOR FY 2019 WILL BE BUDGETED IN THAT FISCAL YEAR, SUBJECT TO BOARD APPROVAL UPON ADOPTION OF THAT FISCAL YEAR'S BUDGET

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Attachments: 1. 24. 2018-0065 Attachment A - color 11x17, 2. 24. 2018-0065 Attachment C, 3. 24. 2018-0065 Attachment B - color, 4. 24. 2018-0065 Attachment D, 5. 24. 2018-0065 Draft Resolution

Date	Ver.	Action By	Action	Result
4/10/2018	1	Board of Port Commissioners	adopted	Pass

DATE: April 10, 2018

SUBJECT:

RESOLUTION ADOPTING A LINE ITEM BUDGET IN AN AMOUNT NOT TO EXCEED \$726,700 IN SPONSORSHIP FUNDING AND WAIVED DISTRICT SERVICES NOT TO EXCEED \$1,148,096 TO SUPPORT 66 EVENTS THROUGH THE PORT OF SAN DIEGO FY 2019 TIDELANDS ACTIVATION PROGRAM; FUNDS REQUIRED FOR FY 2019 WILL BE BUDGETED IN THAT FISCAL YEAR, SUBJECT TO BOARD APPROVAL UPON ADOPTION OF THAT FISCAL YEAR'S BUDGET

EXECUTIVE SUMMARY:

The District sponsors a significant number of diverse events each year as part of its Tidelands Activation Program (TAP). The program was established to attract people to the Tidelands, promote the District's mission, enhance stakeholder relationships, and generate economic and/or promotional impact to the District and its tenants. The program is governed by BPC Policy No. 771: Tidelands Activation Program (Attachment C), which outlines the objectives, criteria, and processes for TAP.

The sponsorship recommendations being presented are based on a comprehensive analysis of all applications by a cross-functional team comprised of District staff and the Tidelands Activation Program Advisory Committee (TAPAC) that was conducted between December 2017 and March 2018.

During the Fiscal Year (FY) 2019 TAP cycle, the Port received 88 sponsorship applications requesting more than \$1.97 million in funding, and more than \$1.5 million in District service fee

waivers (Attachment A - See columns under “Applicant”).

Of the 88 applicants, staff initially recommended funding and/or service fee waivers for 66 events in an aggregate amount of \$698,000 in sponsorship funding and \$1,136,356 in service fee waivers. (Attachment A - See “Staff Initial Recommendations” column)

The TAPAC reviewed staff’s recommendations during a public meeting on March 14, 2018, and recommended that 66 events receive funding and/or service fee waivers. The TAPAC’s recommended funding for sponsored events is \$726,700, or \$28,700 above what staff initially recommended; and the TAPAC’s recommended service fee waiver sum is \$1,148,096, or \$11,740 above the amount initially recommended by staff. The TAPAC’s recommendations are listed in Attachment A in the “TAP Advisory Committee Recommendations” column.

Following the TAPAC review, staff refined its recommendations to mirror the changes in funding and service fee waivers recommended by the TAPAC, meaning that staff’s final recommendations for the FY 2019 TAPAC are \$726,700 in funding and \$1,148,096 in waived District service fees.

RECOMMENDATION:

Adopt a Resolution adopting a line item budget in an amount not to exceed \$726,700 in sponsorship funding and waived District services not to exceed \$1,148,096 to support 66 events through the FY 2019 Tidelands Activation Program; funds required for FY 2019 will be budgeted in that fiscal year, subject to Board approval upon adoption of that fiscal year’s budget.

FISCAL IMPACT:

Funds have been included in the District’s proposed FY 2019 Waterfront Arts & Activation budget and are subject to Board approval. The \$1,148,096 in recommended waived fees for use of District facilities and services will be tracked throughout the year. With Board approval of this recommendation, the District will receive an estimated total of \$84,400 in revenue in FY 2019 from fees paid by 16 TAP recipients that are recommended for a partial rather than full waiver of fees for use of District facilities. No other ongoing costs are associated with this action.

COMPASS STRATEGIC GOALS:

The Tidelands Activation Program supports the District’s mission through Return on Investment in the form of promotional benefit and incremental revenue derived from events; and through Return on Involvement or the attracting of visitors to enjoy a variety of events and recreational opportunities on and adjacent to District tidelands. This agenda item supports the following Strategic Goal(s).

- A Port that the public understands and trusts.
- A vibrant waterfront destination where residents and visitors converge.
- A Port with a healthy and sustainable bay and its environment.
- A financially sustainable Port that drives job creation and regional economic vitality.

DISCUSSION:

The TAP Process

On Wednesday, November 8, 2017, District staff released the FY 2019 TAP review cycle application on the Port website. In addition, prior recipients and applicants received three email reminders of the January 5, 2018 submittal deadline, and program information was distributed via social media outlets.

Each of the 88 sponsorship applications received for the FY 2019 TAP was analyzed in the following sequence:

1. The District's Waterfront Arts & Activation (WAA) staff reviewed the applications for clarity and completeness, calculated the value of District services requested, and developed a written summary evaluation of each application.

Based on its review, WAA staff then classified each application as either a Community Event or Signature Event. Per BPC Policy No. 771, a Community Event promotes one or more of the District's mission areas, with an emphasis on attracting the public to District Tidelands to recreate, and on educating or providing the District a means of educating the public regarding the District and its mission. A Signature Event attracts large numbers of people to the Tidelands and generates significant, documented levels of financial and/or promotional return to the District, while giving the District title sponsorship or similarly valuable consideration.

2. The evaluations developed by staff were then reviewed by a cross-departmental team of District staff, which generated the results listed as staff's initial recommendations for funding and waived service fees for each event. The staff evaluations, which include its initial funding and services recommendations, are contained in Attachment B.
3. The Tidelands Activation Program Advisory Committee (TAPAC) then reviewed District staff's evaluation summaries and initial recommendations. The TAPAC is a Board advisory committee charged with reviewing staff's TAP recommendations. The TAPAC has the option of supporting staff's recommendation or proposing its own recommendation for funding and/or services for each application. The TAPAC consists of a Chairperson, Commissioner Bonelli and an Alternate Chairperson, Commissioner Valderrama; seven at-large (voting) members, and additional Advisory (non-voting) members who represent each of the District's member cities and the San Diego Port Tenants Association. The TAPAC roster is included as Attachment D.

The TAPAC conducted its review on March 14, 2018. At this publicly noticed meeting, applicants were invited to address the committee regarding their events, and the members asked questions of the applicants and District staff to gain further clarification to inform their decision-making.

TAP Budget and Recommendations

Staff reviewed and developed evaluations for all 88 applications (Attachments A and B). The evaluations included staff's initial recommendations for funding and services for these events. Of the

88 applicants, staff initially recommended funding and/or service fee waivers for 66 events, for an aggregate amount of \$698,000 in sponsorship funding and \$1,136,356 in waived fees (Attachment A - See "Staff Initial Recommendations" column). The 22 events that were not recommended by staff for funding and/or service fee waivers were either determined to be located off tidelands, or did not demonstrate a sufficient nexus with the TAP mission, did not contain the necessary detail for staff to complete a comprehensive review, and could be considered more appropriate as candidates for a table sponsorship versus a Community or Signature event sponsorship. One signature event was pulled from the TAP program review because the size and scope of the event required additional levels of analysis and consideration by staff.

In addition to the Community and Signature events sponsored through the TAP, the District purchases tables or seats, or provides services in support of regional, community, non-profit and civic events where the presence of the Board of Port Commissioners and/or other District representatives directly supports one or more of the District's mission areas or fosters District relationships with stakeholders. In January 2018, a number of updates to BPC Policy No. 771 were adopted, including the management of table sponsorships by the Marketing and Communications Department.

During its review of staff recommendations, the TAPAC recommended that funding be provided to two applicants for whom staff had recommended no funding, and the TAPAC recommended greater funding than staff's funding recommendation be provided to an additional seven events. As a result, the TAPAC recommends greater funding than staff's recommended levels for a total of nine events. The TAPAC recommended not funding an applicant event that staff initially recommended be funded at \$2000. The net amount of the TAPAC's funding recommendations is \$28,700, bringing the total FY 2019 funding recommended by the TAPAC to \$726,700 for all 66 recommended events.

The TAPAC further recommended that waived services be provided to two applicants, for whom staff had recommended none; and the TAPAC recommended a larger fee waiver for one event than staff recommended. As a result, the TAPAC recommended increasing fee waivers above staff's recommended levels for a total of three events, and recommended no fee waivers for one applicant event which staff had initially recommended be given \$5,060 in fee waivers. The net amount of the TAPAC's fee waiver recommendations is \$11,740, bringing the total FY 2019 fee waivers recommended by the TAPAC to \$1,148,096 for 66 recommended events. The TAPAC itemized event recommendations, totaling \$726,700 in funding and \$1,148,096 in waived District service fees, are included in Attachment A in the "TAP Advisory Committee Recommendations" columns.

FY 2019 TAP RECOMMENDATIONS

	STAFF	TAPAC	+/-	Number of Recommendations Modified by TAPAC		
				Increase	Increase from 0	Decrease
FUNDING	\$698,000	\$726,700	\$28,700	7	2	1
WAIVED FEES	\$1,136,356	\$1,148,096	\$11,740	1	2	1

Following the TAPAC review, staff refined its recommendations to mirror those changes recommended by the TAPAC, meaning that staff's final recommendations for funding and service fee waivers for the FY 2019 TAPAC are \$726,700 in funding and \$1,148,096 in waived District service fees as part of this agenda item.

TAP 3-YEAR BUDGET TRENDS

TAP FUNDING

YEAR	STAFF	TAPAC	BPC
FY 2018	\$650,000	\$684,000	\$726,500
FY 2017	\$648,500	\$723,500	\$738,550
FY 2016	\$650,000	\$707,500	\$732,500

TAP SERVICES/FEE WAIVERS

YEAR	STAFF	TAPAC	BPC
FY 2018	\$1,178,192	\$1,189,324	\$1,189,324
FY 2017	\$954,804	\$924,164	\$924,164
FY 2016	\$879,272	\$896,272	\$896,272

General Counsel’s Comments:

The Office of the General Counsel has reviewed and approved the agendas as to form and legality.

Environmental Review:

The proposed Board action does not constitute a project or an “approval” under the definition set forth in California Environmental Quality Act (CEQA) Guidelines Section 15352 because the Board’s adoption of the proposed line item budget does not constitute a binding commitment to proceed with any of the individual events. Once the description of each proposed event is sufficiently defined, individual sponsorship agreements for each event shall be prepared by the District. Additionally, pursuant to Section 15378(b)(4) of the State CEQA Guidelines, a project does not include the creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project that may result in a potentially significant impact on the environment. The District’s consideration of the sponsorship agreements for proposed funding shall be subject to appropriate environmental analysis under CEQA. If after considering the environmental analysis (including feasible mitigation measures and alternatives, if applicable), the District disapproves a proposed sponsorship agreement and funding, the funds identified for the line item in the budget may be available to other sponsorship opportunities subject to appropriate approvals. Each event may require additional federal, state, and local approvals before they may proceed, which also may require discretionary permits and appropriate analysis pursuant to CEQA and/or the California Coastal Act.

Furthermore, the proposed Board action allows for the District to implement its obligations under the Port Act and/or other laws. The Port Act was enacted by the California Legislature and is consistent with the Public Trust Doctrine. Consequently, the proposed Board actions are consistent with the Public Trust Doctrine.

Equal Opportunity Program:

Not applicable.

PREPARED BY:

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Attachment(s):

Attachment A: TAPAC and Staff Recommendations for Community Event and Signature Event Sponsorships, FY 2019
Attachment B: Staff Application Evaluations
Attachment C: BPC Policy No. 771: Tidelands Activation Program
Attachment D: Tidelands Activation Program Advisory Committee (TAPAC) Roster