



Legislation Text

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SUBJECT:

RESOLUTION ADOPTING A LINE ITEM BUDGET IN AN AMOUNT NOT TO EXCEED \$420,200 IN SPONSORSHIP FUNDING AND NOT TO EXCEED \$1,079,387 IN WAIVED DISTRICT SERVICES TO SUPPORT 68 EVENTS THROUGH THE PORT OF SAN DIEGO FY20 TIDELANDS ACTIVATION PROGRAM; FUNDS REQUIRED FOR FY20 WILL BE BUDGETED IN THAT FISCAL YEAR, SUBJECT TO BOARD APPROVAL UPON ADOPTION OF THAT FISCAL YEAR'S BUDGET

EXECUTIVE SUMMARY:

The District's Waterfront Arts & Activation Department is responsible for administering the annual Tidelands Activation Program (TAP). Each year, under the TAP, the District sponsors diverse events to attract people to the waterfront, promote the District's mission, enhance stakeholder relationships, and generate economic and/or promotional impact to the District and its tenants. The annual TAP is a way for the District to ensure a variety of events are held year-round throughout its five cities. This agenda sheet includes the budget funding recommendations for FY20 TAP events that will occur from July 1, 2019 through June 30, 2020.

The FY20 TAP funding recommendation included a comprehensive analysis of TAP applications by a cross-functional team of District staff, followed by review by the Tidelands Activation Program Advisory Committee (TAPAC). This process was completed between January and March 2019 and included the evaluation of 77 applications from organizations requesting approximately \$1.6 million in funding and \$1.2 million in waived fees for District services.

Of the 77 applications received, District staff initially recommended sponsorship of 68 events for an aggregate amount of \$369,000 in funding and \$1,075,387 in waived services. On March 19, 2019, the TAPAC reviewed staff's recommendations and recommended an increase of \$36,700 in funding and an additional \$28,000 in waived services. In preparing the final recommendations for the Board, staff accepted the TAPAC's increased funding recommendations and staff recommended an additional \$14,500 in funding for four events, bringing the total funding recommendation \$420,200. The final recommendation for District services totals \$1,079,387. Summaries of the event applications and the recommendations from both staff and the TAPAC are included in Attachments A and B.

RECOMMENDATION:

Adopt a Resolution adopting a line item budget in an amount not to exceed \$420,200 in sponsorship funding and not to exceed \$1,079,387 in waived District services to support 68 events through the

FY20 Tidelands Activation Program; funds required for FY20 will be budgeted in that fiscal year, subject to Board approval upon adoption of that fiscal year's budget.

FISCAL IMPACT:

Funds for the FY20 Tidelands Activation Program will be included in the District's Waterfront Arts & Activation Department's non-personnel expense budget, subject to Board approval. The \$1,079,387 in recommended waived services fees will be tracked and accounted for throughout the year. Additionally, the District is estimated to receive approximately \$60,000 in revenue from District event-related fees paid by TAP recipients. No other ongoing costs are associated with this action.

COMPASS STRATEGIC GOALS:

The Tidelands Activation Program (TAP) promotes a return on investment and a return on involvement through attracting visitors to enjoy a variety of events and recreational opportunities on 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:

On November 8, 2018, the Waterfront Arts & Activation Department released the FY20 TAP application with an improved user-friendly and efficient online submittal form. Program information was also disseminated via social media outlets, and prior applicants received email reminders. At the close of the application period on January 6, 2019, 77 applications were received and included 21 first-time TAP applicants.

As part of the TAP process, applicants can apply for two types of District sponsorship: (1) funding; and/or (2) waived service fees (services). Funding requests are for cash funding in support of event-related fees. Services requests are for the District to waive its regular fees associated with park permitting, facility rentals at the District's two cruise ship terminals, parking, and stage rental. The total value of waived services is calculated for the applicant by staff. Staff may also recommend full or partial services; if staff recommends partial services, the applicant is responsible for paying the District the balance of fees or services associated with the event. TAP applications include requests for either funding or services or both.

For each of the 77 applications, staff classified each proposed event as either a TAP Community Event or TAP Signature Event, pursuant to BPC Policy No. 771 (Clerk's Document No. 67736). A total of sixty-nine (69) events were designated as TAP Community Events and eight (8) events were designated as TAP Signature Events. TAP Community Events promote 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 way to educate the public about the District and its mission. TAP Signature Events attract large numbers of people to the Tidelands and generate significant documented levels of financial and/or promotional return to the District, while giving the District title

sponsorship or similarly valuable consideration.

Two former TAP Signature Events, “Big Bay Boom July 4th Fireworks Show” and the “Holiday Bowl Parade,” did not apply for sponsorship funding under the FY20 TAP, as these events are being considered by the District under its business-negotiated special-event process. The District evaluates certain events as business-negotiated special events, due to the complexity of the negotiations required for sponsorship, the significant level of District-wide staffing resources required to support the event, the amount of logistical planning that often spans fiscal years, and the collaboration and involvement of multiple entities that include agencies and jurisdictions with permitting authority. These events are not included in the FY20 TAP, and the budget for TAP has been reduced to reflect this change of category. Due to the complexity of these types of special events and workload impacts across organization, the District only partners and supports a small number of business negotiated events each year. The District budgets separately for business-negotiated special events in the Waterfront Arts & Activation Department’s non-personnel budget.

On March 19, 2019, the Tidelands Activation Program Advisory Committee (TAPAC) reviewed staff’s recommendations for funding the FY20 TAP as part of the committee’s annual workplan. At this publicly noticed meeting, applicants were invited to address the TAPAC regarding their events, and the committee asked questions of the applicants and District staff to gain further clarification to inform their recommendation to the Board. At the meeting, the TAPAC recommended increased funding for nine (9) events and increased services for two (2) events.

Following the TAPAC review, staff refined its final recommendations to accept the changes in funding recommended by the TAPAC and one of the two changes in service fee waivers that the TAPAC recommended. For application No. 49 - San Diego Convention Center’s 30th Anniversary “Winter Wonderfront Celebration” - the TAPAC recommended waiving all \$39,000 in District service fees; however, staff’s final recommendation is to waive only the portion of parking that would accrue to the District from use of the Convention Center parking facility by the public attending this event, in an amount not to exceed \$15,000. Staff thereby recommends \$24,000 less in services than TAPAC recommended for this event. Staff also recommends that the Convention Center be responsible for compensating the District for the operation of the parking facility at a rate of \$1.35 per vehicle.

Additionally, in finalizing its recommendations for the Board under this agenda item, staff subsequently increased funding recommendations for four (4) other long-standing member city events to match their current FY19 funding levels. The total amount of funding increases for those four events is \$14,500.

The following tables outline the 14 events that reflect changes from staff’s initial recommendation and are highlighted in the far-right column.

TAP FY20 FINAL FUNDING RECOMMENDATIONS

No.	Applicant	Event	Applicant Request	Staff Initial Recommendation	TAPAC Recommendation	Staff Final Recommendation
5	City of Coronado	Coronado Fourth of July Celebration	\$25,000	\$20,000	\$22,500	\$25,000
7	City of Coronado	Snow Mountain and Holiday Events	\$30,000	\$20,000	\$20,000	\$25,000
8	City of Imperial Beach	4 th of July Fireworks	\$27,500	\$20,000	\$20,000	\$25,000
9	City of Imperial Beach	Symphony by the Sea	\$25,000	\$15,000	\$15,000	\$17,000
19	Good Neighbor Project	48th Annual San Diego Bay Parade of Lights	\$4,200	\$4,000	\$4,200	\$4,200
26	Kiwanis Club of Imperial Beach/ South Bay	Kiwanis Kids Ocean Science Discovery Day	\$2,500	\$0	\$1,000	\$1,000
35	National City Chamber of Commerce	3rd Annual Bayside Brew and Spirits Festival	\$15,000	\$5,000	\$10,000	\$10,000
40	Point Loma Rotary Club	Ride the Point	\$4,500	\$0	\$4,500	\$4,500
49	San Diego Convention Center Corporation	San Diego Convention Center's 30th Anniversary "Winter Wonderfront" Celebration	\$15,000	\$0	\$15,000	\$15,000
54	San Diego Sportfishing Council	Port of San Diego's Day at the Docks	\$35,000	\$20,000	\$25,000	\$25,000
58	South Bay Alliance Association Inc.	The 12th Annual South Bay PRIDE Art & Music Festival	\$25,000	\$2,500	\$5,000	\$5,000
69	Zeta Sigma Foundation	Martin Luther King Jr. Parade	\$6,000	\$5,000	\$6,000	\$6,000

TAP FY20 FINAL SERVICES RECOMMENDATIONS

No.	Applicant	Event	Applicant Request	Staff Initial Recommendation	TAPAC Recommendation	Staff Final Recommendation
49	San Diego Convention Center Corporation	San Diego Convention Center's 30th Anniversary "Winter Wonderfront" Celebration	\$39,000	\$15,000	\$39,000	\$15,000
56	SDPAC (San Diego Professionals Against Cancer)	SDPAC San Diego Festival of Beer	\$10,500	\$6,500	\$10,500	\$10,500

With the modifications described in the tables above, staff's total funding recommendation being brought forward under this agenda item is \$420,200 in funding and \$1,079,387 in waived services in support of 68 events under the FY20 TAP.

The following chart shows a three-year trend of the TAPAC's recommendations and Board's

approved funding and services for TAP for comparison.

TAP FUNDING TRENDS BY FISCAL YEAR

YEAR	TAPAC		BPC	
	FUNDING	SERVICES	FUNDING	SERVICES
FY19	\$411,700	\$998,567	\$441,771	\$998,567
FY18	\$359,000	\$1,033,749	\$401,500	\$1,033,749
FY17	\$418,500	\$867,479	\$433,550	\$867,479

Note: For purposes of more accurate fiscal-year comparisons, the sums in this chart do not include the previously awarded dollar amounts for funding and services for The Big Bay Boom and Holiday Bowl Parade, which are being evaluated by the District as business-negotiated events (as opposed to TAP events) in FY20.

General Counsel's Comments:

The Office of the General Counsel has reviewed and approved the agenda and proposed resolution as to form and legality.

Environmental Review:

The proposed Board direction or action, including without limitation, adopting a line item budget to support events, does not constitute an "approval" or a "project" under the definitions set forth in California Environmental Quality Act (CEQA) Guidelines Sections 15352 and 15378 because the Board's adoption of the proposed additional line item budget does not constitute a binding commitment to proceed with the individual event. Once the description of the proposed event is sufficiently defined, an individual sponsorship agreement for the 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 agreement 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.

In addition, the proposed Board direction or action complies with sections 21, 35, and 81 of the Port Act, which allow for the Board to pass resolutions, to do all acts necessary and convenient for the exercise of its powers, and to use District funds for expenses of conducting the District. The Port Act was enacted by the California Legislature and is consistent with the Public Trust Doctrine. Consequently, the proposed Board action is consistent with the Public Trust Doctrine.

The proposed Board direction or action does not allow for "development," as defined in Section 30106 of the California Coastal Act, or "new development," pursuant to Section 1.a. of the District's Coastal Development Permit (CDP) Regulations because they will not result in, without limitation, a physical change, change in use or increase the intensity of uses. Therefore, issuance of a Coastal Development Permit or exclusion is not required. However, development within the District requires processing under the District's CDP Regulations. Future development, as defined in Section 30106 of

the Coastal Act, will remain subject to its own independent review pursuant to the District's certified CDP Regulations, PMP, and Chapters 3 and 8 of the Coastal Act. The Board's direction or action in no way limits the exercise of the District's discretion under the District's CDP Regulations. Therefore, issuance of a CDP or exclusion is not required at this time.

Equal Opportunity Program:

Not applicable.

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Attachment(s):

Attachment A: FY20 TAPAC and Staff Recommendation Spreadsheet
Attachment B: FY20 Staff Application Evaluations