



ADMINISTRATIVE REPORT

Report Date: May 28, 2018
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VanRIMS No.: 08-2000-20
Meeting Date: July 10, 2018

TO: Vancouver City Council

FROM: General Manager, Engineering Services and
General Manager, Arts, Culture and Community Services

SUBJECT: City Support for Free Outdoor Public Events

RECOMMENDATION

- A. THAT Council approve staff to engage in exchange between the event industry and the City through a series of workshops, hosted by City staff or City-hired consultants/service providers within a two-year period, effective May 2, 2018. The workshops will build capacity and foster innovation towards event financial and environmental sustainability.
- B. THAT Council approve the current FEST offset of \$1,000 established in 2004, be increased to \$2,000 for qualifying non-profit events for a two-year period, effective May 2, 2018.
- C. THAT Council approve new temporary security and policing offsets for a two year-period, effective May 2, 2018. These new temporary security offsets are as follows:
 - i. Up to \$1,000 per eligible event to offset city-provided policing and security costs, to aid events with security costs that do not qualify for the FEST offset.
 - ii. Additional offset support for events that have been billed more than \$10,000 in Vancouver Police Department (VPD) charges and who also experience more than a 10% increase in VPD charges over the prior year, after other offsets have been applied. These events may apply for

additional financial relief for the variance over 10%, up to a maximum of \$5,000.

REPORT SUMMARY

The City of Vancouver is committed to supporting a wide variety of small to large-scale outdoor events that reflect Vancouver's diverse populations and contribute to the city's vibrancy and quality of life. This is done through a number of cash and in-kind grant programs and "offsets" to event organizers.

In response to a Motion passed by Council on May 2, 2018, to report back on options to support organizers of free outdoor public events, this Report outlines a framework of support as a two-year long temporary measure until the City's Special Event Policy update and Creative City Strategy are complete and approved by Council. The framework focuses on fostering exchange and mutual peer learning between the City, VPD and event organizers, responding to the challenges to financial and environmental sustainability, and bolstering capacity for innovation given growing financial pressures.

Other recommendations made in this Report contribute to this framework by providing temporary financial relief in the interim to address immediate concerns over increases in security costs and provide a two year response timeframe for innovation and change.

While the May 2 motion was specifically focused on events with attendance greater than 50,000, the recommendations in this report address a broader set of events to align with early findings from the Special Event Policy Update and Creative City Strategy.

The framework described and recommended in this Report will be funded through reprioritization within the City's 2018 operating budget.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

On June 28, 1983 Council adopted policy, stipulating that the costs of providing police services be charged to the organizers of special events, excluding the PNE parade, the Sea Festival Parade, Remembrance Day Service and Parade, and the Grey Cup Parade as "civic sponsored" events, effective January 1984. In addition, Council would consider providing grants for costs of police services to event sponsors of cultural, ethnic or community events where such costs may be a hardship and Council considers the events deserving, effective January 1984.

On September 25, 1984 Council considered a policy review of police services and City engineering charges for parades and special events, and approved recommendations that all events, except those deemed as civic sponsored events, be charged the costs of providing police services; that organizers of all other special events be charged for the costs of police services, including overtime or reserve police, where in the opinion of the Chief Constable these additional costs were unavoidable, except that up to \$500 of such costs be exempted. The exemption policy applied to special events that proceeded through the Festival Expediting Staff Team (FEST) including those with commercial sponsors' content.

On March 11, 2004 (RTS: 03468) Council approved an increase to the amount available for offsets from \$500 to up to \$1,000 of City services, and revised the criteria for these offsets to include only events produced by non-profit societies. The administration of this offset was transferred from the VPD Budget to become the responsibility of the Film and Special Events office.

On May 29, 2013 (RTS: 09782) Council approved the granting of Civic Parade status to the Pride Parade, Vaisakhi Parade, and Chinatown Spring Festival Parade, and grandfathered the Civic designation for the Grey Cup Celebration into this new Civic category. Council further approved on a one-time basis, the allocation of funds to each of the above qualifying parades to assist in the creation of a professional event plan, and to support the development and implementation of a green parade initiative aligning with the City's Green Events Strategy, and consistent with the Greenest City Action Plan.

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

The City Manager recommends approval of the foregoing.

REPORT

Background/Context

City Council adopted the following policy statement in March 2004 as a demonstration of City leadership in supporting celebrations and special events.

“Council welcomes celebrations and special events for their contribution in making Vancouver a vibrant city, in reflecting our cultural diversity and neighbourhood character, and for the economic, cultural and recreational benefits they bring to the City. Council supports the facilitation of these events by staff, encourages mitigation of short-term disruptions in neighbourhoods and encourages citizens to welcome these activities and to participate in them.”

The current array of City support mechanisms for outdoor events includes Civic Event and Civic Parade status, FEST offsets, and cash and in-kind grants through Cultural Services.

In December 2016 Council directed staff to report back to Council with an update to the City's Special Event Policy, including a Destination Event Strategy. The Council Motion recognized that community-driven and destination event costs can be unpredictable, variable and create uncertainty for organizers and asked staff to report back on funding and support for events of all sizes. Staff reported back to Council in November 2017 on progress made to date on the Special Event Policy, and cited a City survey of more than 400 outdoor public event organizers which indicated that access to City services and funding were two of the top three priority areas for increased City support. The recommendations within this Report align with the work already underway to review and update this policy.

In recent years, City staff and Council members have heard concerns from outdoor event organizers over increased City costs associated with event production, including those costs for policing and security, provided by the Vancouver Police Department (VPD).

On May 2, 2018, Council passed a Motion addressing Italian Heritage Month, Italian Day on the Drive as well as City Support for free Outdoor Public Events. This Report responds to Part 2b of the motion, to report back by end of June 2018 on options for City support for free outdoor public events with attendance averaging 50,000 people or more, to assist them in effectively responding to emerging security challenges, and to develop plans for financial and environmental sustainability.

Staff are currently working to implement Part 1 of the Motion regarding the recognition of Italian Heritage Month with “Official Celebration and Observance” designation and Part 2(a) of the Motion to confer Official Celebration and Observance on Car Free Day, Greek Day on Broadway, Dragon Boat Festival, and the Khatsahlano Street Party.

Part 1(a) of the Motion which indicated that funding be provided by the City of Vancouver to Italian Day on The Drive, similar to other events of similar size from 2019 and onward, will be addressed through the evaluation criteria and processes approved by Council for the grant programs administered by Cultural Services, as well as within the context of the Creative City Strategy and Special Event Policy update.

Strategic Analysis

Cost Influencers

There are a number of complex and inter-related factors driving City services costs. Public safety considerations and requirements are influenced by the type, location and size of the event. An event organizer’s decision to increase the number of event days, hours of programming, or size and “footprint”, will impact security costs. Stationary events in a park or on City property have different needs than those on City streets with road closures. Moving, route-based events such as runs and parades, especially those with arterial street closures, are seeing the highest increases. Growth in attendance, the nature of the event, and alcohol serving considerations, are contributing factors to security measures and staffing requirements to ensure a safe event.

The complexity of the world environment relative to public events has changed. In response, safety and security requirements and measures, may impact costs to the City and the organizer. Many events involve traffic management plans that rely on Traffic Authority (TA) members’ deployment. VPD maintains a contingent of TA’s, recruited annually to sustain the team. In cases of TA staff shortages, due to the overall event size or multiple competing events, TA staff roles must be “backfilled” with Police Constables to maintain continuity of the safety plan. Since Constables are billed at a higher hourly rate, this impacts event organizers with an increased cost.

During larger events, further security measures, such as public protection, crowd control and criminal investigation are required and carried out by sworn VPD members. In any case, a police presence is intended to provide safety for all those attending and not just for specific acts of targeted violence.

The VPD annually reviews over 1000 events of all sizes, using principles of threat assessment, and making every attempt to mitigate those threats. Financial implications are always considered.

While the May 2, 2018 Motion was specific to addressing events with attendance figures of 50,000 or more, the data indicates that events with less than this threshold of attendees have

also experienced increased City costs, including policing costs, in line with those events with more than 50,000 in attendance.

Event attendance figures are self-reported by organizers, making tracking and verification of attendance figures a challenge to City staff. Staff has identified approximately 20 events with attendance figures of 50,000 and more, based on self-reported numbers from special event permit applications.

An assessment of City costs charged to a sample of events with attendance of 5,000 people or more (self-reported), show that, between 2015 and 2017, many events experienced increased costs. Increases in the range of 25%-30% were typical regardless of event size. Across event sizes, the primary driver for the increases is a rise in VPD security costs accounting for the majority of the increase in the sample assessed.

Options and Approach

In light of this situation and in consideration of the key themes around reconciliation, equity and access, visibility and investment, capacity, and collaboration, emerging from the Creative City Strategy and Special Event Policy outreach and engagement process thus far, staff are recommending an interim inclusive and equitable approach to address cost increases by providing additional support to all eligible outdoor event organizers over a two-year period, effective May 2, 2018.

The proposed approach and recommendations reflect and align with the emerging themes as they support capacity-building that will enhance the sustainability and community impact of these public events. Reducing financial barriers that prevent community organizers from fully participating and celebrating a diverse range of cultural and heritage opportunities, supports City equity and access goals. Reconciliation includes work that the City and others must do to promote Indigenous peoples art, culture, awareness and understanding, and support full Indigenous inclusion and participation (as artists, participants or audiences). Encouraging collaboration among event organizers and with the City, will achieve overall greater community benefit.

During this two year period, the City will engage internally, as well as externally, to provide clarity and consistency on public realm safety costs passed to events, through a series of workshops hosted by City staff or City-hired consultants/service providers with members of the event industry to build tools and understanding on how to address the financial and sustainability challenges facing organizers.

Recommendations in this Report fulfill the direction to staff, outlined in the May 2018 Council Motion, while also helping to advance aspects of the Special Event Policy update, and Creative City Strategy to lower barriers for organizers of free outdoor public events. The framework of recommended support in this Report lowers barriers and takes an equitable approach to reducing the financial burden of all event organizers, and further enables them to focus resources and time on innovating their business models and practice. The recommended approach includes:

- Workshop series to foster innovation and mutual City staff and event organizer education, as in Recommendation A. Informed by the findings in the recent engagement and surveys through the Special Event Policy update and Creative City Strategy, these workshops will help City staff understand how to better serve the diverse special event

industry. They will also include a component for event organizers wanting to develop capacity in innovative and sustainable practices, such as financial planning and forecasting; program development; resourcing; risk analysis and event security; sponsorship acquisition; and, marketing and promotion. This initiative will promote shared learning between City departments, including the VPD and event organizers, and a deeper understanding of the relationship and influences that site logistics and programming have on security costs. This workshop series will also provide opportunities for Vancouver's event organizers to transform innovative concepts into reality, supporting greater artistic success, economic impact, and environmentally friendly and sustainable growth.

- Provide near-term relief including
 - Increasing the current FEST offset for eligible City services of \$1,000 established in 2004, to \$2,000 for those qualifying non-profit event organizers as in Recommendation B. This impacts approximately 200 events annually. The FEST offset has not been updated in 14 years so this measure would address background inflation as well as security cost pressures.
 - Establishing a new security offset of up to \$1,000 per eligible event to specifically address additional VPD costs for those events not eligible for the FEST offset as in Recommendation C(i). Events without non-profit status or otherwise ineligible for the FEST offset have also experienced increased financial pressures related to an evolving security context, and would have access to this "security offset". This impacts between 50-75 events annually.
 - Mitigating unpredictable security increases by ensuring that VPD costs billed to organizers for larger events do not increase by more than 10% annually, for 2018 and 2019 relative to the prior year. Only events with VPD charges greater than \$10,000 in the previous year, that also experience an increase of 10% or more in the current year are eligible; the maximum offset per event is \$5,000 annually, as in Recommendation C(ii). The relief request would be reviewed by staff to ensure that programming, location or organizer requests did not lead to the increased costs. This would require a case-by-case assessment for approximately 15–20 events annually.

Support is recommended to be retroactive to May 2, 2018 - the date Council directed staff to look into these issues. A mechanism for claiming a refund of eligible costs or events that have taken place since May 2, 2018 and have been invoiced for City services, will be established through the City's FASE office. The City's FASE office will continue to administer the FEST offset and proposed VPD offset through adjusted direction to accounts receivable for all invoices moving forward.

Eligibility criteria to receive this additional security offset support have been developed and are as follows:

- Sanctioned events with approved City and/or Park Board permits;
- Free outdoor events on City and Park Board property, including parades and runs; and,
- Single-day and multiple-day events.

Implications/Related Issues/Risk (if applicable)***Financial***

The financial impact of these changes is \$215,000 per year for the 2 year pilot period, to be funded by reprioritization within the 2018 City operating budget, with 2019 costs managed as part of the annual operating budget.

Table 1 - Estimated Financial Impact

Recommendation	Cost (Annual)	Total Cost over 2 Years
Workshops and engagement to foster innovation and exchange (Recommendation A)	\$30,000	\$60,000
Increase established FEST offset from \$1,000 to \$2,000 (Recommendation B)	\$100,000	\$200,000
Establish new security offsets (Recommendation C)	\$85,000	\$170,000
Total	\$215,000	\$430,000

CONCLUSION

Between 2014 and 2017, there were approximately 1,200 permitted City and Park Board events per year, involving approximately 10 million spectators/participants annually. In advance of the recommendations foreseen in a complete and Council-approved Special Event Policy update and Creative City Strategy, this report recommends a series of support mechanisms as interim measures to support industry transformation and innovation, mitigate the impacts of increased security costs to outdoor event producers, and advance industry financial and environmental sustainability.

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