



# **NATHAN FLETCHER**

## **CHAIR**

**SUPERVISOR, FOURTH DISTRICT  
SAN DIEGO COUNTY BOARD OF SUPERVISORS**

### **AGENDA ITEM**

**DATE:** April 6, 2021

**TO:** Board of Supervisors

#### **SUBJECT**

**RECOVERING FROM COVID-19: FEE WAIVERS FOR THE EVENTS INDUSTRY  
(DISTRICTS: ALL)**

#### **OVERVIEW**

The meeting and special events industry is an essential economic driver for the San Diego region, and in 2019, brought in 2.7 million visitors and \$3.5 billion in spending. However, the events industry has been disproportionately impacted by the COVID-19 pandemic. Statewide restrictions on this industry have persisted, and there have been little or no opportunities for these businesses to operate. Additional relief is needed to assist with a recovery to pre-pandemic levels.

Today's action represents a proactive step to facilitate economic recovery for the events industry. I am proposing to waive permit fees for Fiscal Year (FY) 2021-2022 from the Department of Environmental Health and Quality (DEHQ), Department of Parks and Recreation (DPR), the Sheriff's Department, and the San Diego County Fire Authority. The Chief Administration Officer will return with a resolution within 30 days that includes the fee waiver as part of the Board's regularly scheduled COVID-19 update.

I urge your support for this struggling industry.

#### **RECOMMENDATION(S)**

##### **CHAIR NATHAN FLETCHER**

1. Waive Board Policy B-29, Fees, Grants and Revenue Contracts, Department Responsibility for Full Cost Recovery to waive Fiscal Year 2021-2022 permit fees for the events industry.
2. Direct the Chief Administrative Officer (CAO) to return in 30 days with a resolution that includes a fee waiver for permit fees incurred by the events industry for fees pertaining to the Department of Environmental Health and Quality, Department of Parks and Recreation, Sheriff's Department, and San Diego County Fire Authority.

**SUBJECT:** RECOVERING FROM COVID-19: FEE WAIVERS FOR THE EVENTS INDUSTRY (DISTRICTS: ALL)

**FISCAL IMPACT**

Funds for this request are not included in the Fiscal Year 2021-22 CAO Recommended Operational Plan Change Letter in the Department of Environmental Health and Quality (DEHQ), the Department of Parks and Recreation (DPR), the Sheriff’s Department, and the San Diego County Fire Authority. If approved, the waiver of events industry permit fees will reduce revenues by the following estimated amounts: \$1,137,000 in DEHQ, \$400,000 in DPR, \$118,280 in the Sheriff’s Department, and \$6,000 in San Diego County Fire Authority. Pending guidance from the Treasury Department, the funding source will be American Rescue Plan Act funds. If fee waivers are unallowable expenses for the American Rescue Plan Act, DEHQ, DPR, the Sheriff’s Department, and the San Diego County Fire Authority will return to the Board to propose an alternative funding source. There will be no change in net General Fund cost and no additional staff years.

**BUSINESS IMPACT STATEMENT**

Waiving fees will have a positive impact on the San Diego County events industry and enable a swift recovery from the COVID-19 pandemic.

**ADVISORY BOARD STATEMENT**

N/A

**BACKGROUND**

The events industry has been disproportionately impacted by the COVID-19 pandemic. Statewide restrictions on this industry have persisted throughout the pandemic, and there have been little to no opportunities for these businesses to operate. Additional relief is needed to assist with a recovery to pre-pandemic levels.

The meeting and special events industry is an essential economic driver for the San Diego region and brought 2.7 million visitors and \$3.5 billion in spending to the region in 2019. These revenues have fallen as a result of the pandemic. Globally, the events industry has lost \$9.9 billion during the pandemic compared to the same months in 2019. According to the San Diego Association of Governments (SANDAG), there have been 77,000 jobs lost in the events industry locally, which is among the worst of any business sector. Prior to the pandemic, one in eight San Diegans were employed in the events industry sector.

Businesses are now starting to reopen, residents are receiving their vaccinations, and statewide public health restrictions are loosening. There has been little relief targeted specifically toward this industry, which is why I am bringing forward this proposal today to ensure a robust economic recovery for the events industry. The events industry includes event organizers, vendors, and operators.

I am proposing that our Board direct staff to adopt permit fee waivers for the events industry for a full year. Permit fees would be waived from the Department of Environmental Health and Quality (DEHQ), the Department of Parks and Recreation (DPR), the Sheriff’s Department, and San Diego County Fire Authority. These fees would be waived for Fiscal Year (FY) 2021-2022 to allow for an equitable recovery.

**SUBJECT: RECOVERING FROM COVID-19: FEE WAIVERS FOR THE EVENTS INDUSTRY (DISTRICTS: ALL)**

Within DEHQ, there are four categories of related permit fees that would be waived. We have approximately 450 Annual Organizers and Vendors who have made a living out of events. If they were able to operate during the pandemic, it was in a very limited capacity. The approximate number of Single Event Organizers and Vendors permits is 3,100. For the combined Annual and Single events, the income generated from permit fees is approximately \$1,137,000.

Within DPR, the event related permit fee that would be waived is the base area rental fee. Approximately 50 recurring public events are hosted in DPR facilities annually. The base area rental fees range from \$180 – \$57,000 depending on the facility, the areas rented, and duration of the rental. In 2019, the income generated from base area rental fees exceeded \$400,000.

Within the Sheriff's Department, certain licensing fees were waived as a result of Board action in November 2020. These fees were related to entertainment establishments and included amusement establishment, entertainment establishment, public dance, and circus/carnival licenses and registrations (November 17, 2020, Item 19). These waivers are conditioned to sunset at the end of the public health emergency. Today's action proposes to extend those waivers through FY 2021-22 and to additionally waive fees for outdoor assemblies, swap meets and casino parties. Entertainment license fees are estimated to generate about \$75,000 annually. The fees from amusement parks, swap meets, casinos and outdoor assemblies result in \$43,280 annually.

Within the San Diego County Fire Authority, the Special Event/Fire fee has been deferred by previous Board action. This proposal is to waive the Special Events/Fire fee beginning July 1 for FY 2021-22. Income generated from the Special Event/Fire fee is estimated to be \$6,000 annually.

Today's action requests that the Chief Administrative Officer (CAO) take necessary steps to adopt permit fee waivers for the events industry from the DEHQ, DPR, the Sheriff's Department, and San Diego County Fire Authority. A resolution authorizing these fee waivers will be developed and brought back as a recommendation under the Board of Supervisors' next regularly scheduled COVID-19 update from the CAO. It is expected that any State or Federal COVID-19 relief funds would be utilized to address any operating budget shortfall to these Departments as a result of this action.

Furthermore, this Board has adopted an equity lens for all funding decisions in relation to the pandemic. For this allocation of funds, the equity lens represents the fact that the events industry has been disproportionately affected by the tier system compared to other sectors and has been extremely limited in their ability to operate during the pandemic. As such, to help address this inequity, the event industry should receive accommodation by way of permit fee waivers to help rebuild these devastated businesses.

**LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN**

Today's proposed action to waive permit fees for the events industry supports the Operational Excellence Strategic Initiative in the County of San Diego's 2021-2026 Strategic Plan by providing for a robust and equitable recovery to an essential industry in response to the COVID-19 pandemic.

**SUBJECT:** RECOVERING FROM COVID-19: FEE WAIVERS FOR THE EVENTS  
INDUSTRY (DISTRICTS: ALL)

Respectfully submitted,

A handwritten signature in black ink that reads "Nathan Fletcher". The signature is written in a cursive style with a long horizontal stroke extending from the end of the name.

CHAIR NATHAN FLETCHER  
Supervisor, Fourth District

**ATTACHMENT(S)**

N/A

**SUBJECT:** RECOVERING FROM COVID-19: FEE WAIVERS FOR THE EVENTS INDUSTRY (DISTRICTS: ALL)

**AGENDA ITEM INFORMATION SHEET**

**REQUIRES FOUR VOTES:**       Yes     No

**WRITTEN DISCLOSURE PER COUNTY CHARTER SECTION 1000.1 REQUIRED**

Yes     No

**PREVIOUS RELEVANT BOARD ACTIONS:**

November 17, 2020 (19) Waiver of Amusement Establishment, Entertainment Establishment, Public Dance, and Circus/ Carnival Licensing Fees During the COVID-19 Health Crisis

**BOARD POLICIES APPLICABLE:**

N/A

**BOARD POLICY STATEMENTS:**

N/A

**MANDATORY COMPLIANCE:**

N/A

**ORACLE AWARD NUMBER(S) AND CONTRACT AND/OR REQUISITION NUMBER(S):**

N/A

**ORIGINATING DEPARTMENT:** Fourth Supervisorial District

**OTHER CONCURRENCE(S):**    N/A

**CONTACT PERSON(S):**

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