

REPORT OF GENERAL MANAGER

NO. 05-269

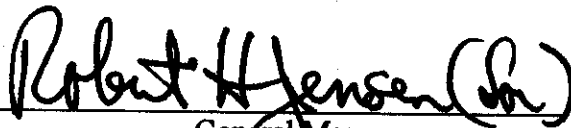
DATE October 6, 2005

C.D. ALL

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: VARIOUS RECREATION FACILITIES -- PERMIT, PROCEDURES,  
AND GUIDELINES AND FEES FOR SPORTS TEAM AND SPECIAL  
EVENT PHOTOGRAPHY

J. Combs _____	*F. Mok <u>SM.</u>
H. Fujita _____	K. Regan _____
B. Jensen _____	M. Shull _____
J. Kolb _____	S. Huntley _____

  
General Manager

Approved \_\_\_\_\_ Disapproved \_\_\_\_\_ Withdraw \_\_\_\_\_

RECOMMENDATION:

That the Board:

1. Adopt the proposed permit guidelines and procedures for the administration of photography permits;
2. Adopt the rates for photography permits proposed within the body of this report and direct staff to amend the Department Schedule of Rates and Fees accordingly, effective upon Board approval.

SUMMARY:

For over 15 years, participation in our sports program has included receiving a uniform, trophy, and a basic set of team/individual photos as part of the registration fee. The sports programs have utilized numerous outside photographers to take photos, which are generally scheduled at multiple facilities within a three week span of the opening of each sport season. This trend of high-demand coming periodically with no service need inbetween season starts makes it unfeasible to hire a Department staff photographer to meet this program need.

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The advancement of digital photography technology has now also drastically changed services and products offered by the industry. Likewise, the sports team photographers utilized by the Department offer a wide range of products beyond the basic photo package so that patrons' images can be imposed on mugs, bobble-head dolls, t-shirts, magazine covers, cereal boxes, etc. At some recreation centers, the Department pays photographers for basic photo packages for each program participant and the photographers offer additional items for sale to the patrons. Parents like the option of purchasing these additional items. Alternatively, at most centers, at the invitation of the facility director, the photographer is permitted on site to sell basic packages and extras; however there is no mechanism in place for remuneration to the Department for the revenue generated by the photographer. Despite the lack of a formal mechanism, photographers have traditionally provided donations to the facility, averaging \$1.50 for each photo package sold to patrons. These donations are at the photographer's option, occurring at only about one-half of the centers, and were not subject to any reconciliation or oversight.

Currently, the Department's Schedule of Rates and Fees allows the City to receive remuneration for money-making activity on park property. In general, commercial or money-generating permittees are charged a flat fee which is three times the basic facility use fee for personal or non-revenue use. However, a facility use fee is not applicable to this situation since the photographers are on site at the Department's request. The most analogous fees are the percentages of gross revenue which have been charged for carnivals, special events, booths, or concessions. Without any documentation from past sales revenues, or profit margins on the products, staff can only propose establishing percentages typical of merchandise concessions and revisiting these fees next year when staff has had sufficient opportunity to gather data.

The proposed rates are percentages beginning at 3% for a small group of participants where the opportunity to make a profits are less, and gradually increasing to 10%. The proposed rates also incorporate the standard Vendor Fee of \$200 for commercial vendors, as found the Special Events rate page. This fee will be charged when photographers initiate the request to offer photographs to our patron. Conversely, when the Department invites the vendor to provide service for our program participants, only the percentage is charged. In either circumstance, a deposit, to be credited against the revenue owed to the Department, acts as a measure of assurance that the Department will receive a fair accounting of revenue earned.

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### COMMERCIAL SALES

Department shall receive the following percentage of total sales generated by permittee:

Program size by registered participants	Percentage to Dept of TOTAL Sales to Patrons
Up to 50	3%
51-200	7%
201-400	8%
401-600	9%
Over 600	10%

### VENDOR USE FEE

Commercial Entities	<u>Per Day Per 20x20 activity area</u>
By request of Facility Director	\$0
All Others	\$200.00

### ADDITIONAL FEES

DEPOSIT                      \$ .50 cents per registered team participant

*100% of the fees will be deposited in the facilities' MRP.*

Permit applications shall be accepted on an annual basis for ease of monitoring and efficiency of processing and will be handled centrally by the Administrative Resource Division or other division as assigned by the General Manager. Photographers must submit with their application an annual price list of the goods they will be selling to patrons. Photographers who agree to abide by the terms of the permit, and continue to be compliant, will be issued an annual permit and will be placed on an approved list to be circulated to MRP Managers and posted on the Department Intranet. Directors will be assisted in soliciting photography permittees through this posting, as well as bulletins and training. Facility Directors may invite approved photographers to provide services directly to patrons and will receive a deposit from the photographer. On occasion, when the Department has not initiated a request for a photographer, a photographer will initiate an offer to provide "action shots" to patrons, in this instance, photographers must also apply for a permit and agree to adhere to permit terms. When the services are completed, the photographers are required to submit a summary sheet of sales and a revenue check.

The following guidelines will be incorporated in the fee schedule and in the annual permit:

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### Guidelines For Photography Sales Permits

1. Vendor must complete an application for a Photography Sales Permit. Permits will be issued to one photographer per day per facility as arranged by the Facility Director.
2. Permittee must adhere to all conditions of the permit. Permit shall require permittee to provide a complete summary of sales with each group of photographs to be distributed to park patrons. Department reserves the right to refuse issuance of permits to any permittee who fails to provide accurate sales summaries.
3. Permittee is solely responsible for adherence to all Federal, State, and Local tax requirements.
4. Recreation and Parks makes no guarantee of any minimum business volume.

### FISCAL IMPACT STATEMENT:

The annual photography permits could generate up to \$100,000 in revenue to the Department. These funds would be deposited into the facilities MRP account to subsidize operating costs. There will be no impact on the City General Fund except some potential savings as this revenue is used to subsidize operations.

Report prepared by: Dale Wong Nguyen, Administrative Resource Division