



CITY OF CARSON

Legislation Text

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Report to Mayor and City Council

Tuesday, April 06, 2021

Discussion

SUBJECT:

DISCUSS AND PROVIDE DIRECTION TO STAFF REGARDING ISSUING FIREWORKS PERMITS AND STREET CLOSURE PERMITS FOR THE 2021 FIREWORKS SEASON (CITY COUNCIL)

I. SUMMARY

At the Disaster Council meeting on March 25, 2021, staff provided an update on the City's Fireworks permit program with the current COVID restrictions and guidelines. The Disaster Council did not take an action, instead deferring to the City Council. Staff is seeking direction from the City Council on how to proceed with the 2021 Fireworks permits and Street Closure permits. Because the City's Fireworks permit program is specified by the municipal code, in the absence of Council action to the contrary, permitting of temporary fireworks retail stands and public displays will proceed as provided for in the code.

II. RECOMMENDATION

1. DISCUSS and PROVIDE DIRECTION regarding issuing Fireworks permits to approved organizations for the 2021 season.
2. DISCUSS and PROVIDE DIRECTION regarding issuing Street Closure Permits and/or establishing additional regulatory criteria regarding issuance of Street Closure Permits.

III. ALTERNATIVES

TAKE another action the City Council deems appropriate.

IV. BACKGROUND

The City's municipal code outlines the required dates for accepting and issuing Fireworks permits. Associations and organizations have until April 1st to submit their Fireworks Permit application as stated in the City's municipal code that governs the permit timeline (Exhibit 1). In 2020, there were 16 non-profit organizations who obtained a permit and no more than 16 permits will be issued this year. All organizations that receive a Fireworks Permit are a nonprofit, charitable corporation, or association and are recognized as a 501 (c)(3) organization. As of the completion of this report, 16 organizations have submitted applications.

Organization Revenue

All net proceeds from the sales of fireworks are to be used for nonprofit, charitable, or religious service projects that shall be a direct benefit to the City of Carson. The 2020 Fireworks Permit holders garnered almost \$196,000. Those funds were used for such things as special projects, school supplies, and sending kids to educational camps.

The chart represents gross sales, all expenses (purchased fireworks, site security, generator rental for lights, credit card fees, and stand location fee), and net proceeds.

2020 FIREWORKS SEASON SUMMARY OF EXPENSES AND PROCEEDS					
<u>ORGANIZATION</u>	<u>GROSS SALES</u>	<u>COST OF FIREWORKS</u>	<u>EXPENSES</u>	<u>TOTAL EXPENSES</u>	<u>NET PROCEEDS</u>
#1	\$34,559	\$18,029	\$6,428	\$24,457	\$10,102
#2	\$31,228	\$15,613	\$4,933	\$20,546	\$10,682
#3	\$53,727	\$24,377	\$11,373	\$35,750	\$17,977
#4	\$36,068	\$19,033	\$7,234	\$26,267	\$9,801
#5	\$30,151	\$13,437	\$11,744	\$25,181	\$4,970
#6	\$25,610	\$12,805	\$6,378	\$19,183	\$6,427
#7	\$61,480	\$30,740	\$15,411	\$46,151	\$15,329
#8	\$52,664	\$25,121	\$12,564	\$37,685	\$14,979
#9	\$61,384	\$32,176	\$14,903	\$47,079	\$14,305
#10	\$43,500	\$21,817	\$9,439	\$31,256	\$12,244
#11	\$89,859	\$48,967	\$21,591	\$70,558	\$19,301
#12	\$40,527	\$20,263	\$9,905	\$30,168	\$10,359
#13	\$25,400	\$12,348	\$4,506	\$16,854	\$8,546
#14	\$40,683	\$21,963	\$13,813	\$35,776	\$4,907
#15	\$30,400	\$15,745	\$9,354	\$25,099	\$5,301
#16	\$74,075	\$32,255	\$11,070	\$43,325	\$30,750
TOTAL	\$731,315	\$364,689	\$170,646	\$535,335	\$195,980

Fireworks Wholesalers

In accordance with the municipal code, the wholesalers provide numerous required items to the organizations at no cost such as fire extinguishers, credit card machines, stand rentals and delivery of fireworks. They also pay the Fireworks stand permit fee to the City. Since the organizations are not responsible for purchasing the above items, it allows the organizations the opportunity to provide more financial opportunities to the community.

Wholesaler Revenue

The revenue the City receives from the wholesalers is from Business Licenses, Fireworks Permits, processing and state fees and the organizations' Fireworks stand fee (\$1530 per location). Due to the COVID-19 pandemic, in 2019, the wholesalers did not hold their Seminar in the Community Center; but instead the wholesalers met with the organizations individually. Therefore, no room rental was necessary.

2020 FIREWORKS WHOLESALERS	
FEES PAID TO THE CITY	
<u>WHOLESALE COMPANY #1</u>	
BUSINESS LICENSE	\$174
FIREWORKS PERMIT	\$150
CITY PROCESSING/STATE FEE	\$19
WHOLESALE PERMIT	\$21,420
SAFETY SEMINAR ROOM RENTAL	\$0
GRAND TOTALS	\$21,763
<u>WHOLESALE COMPANY #2</u>	
BUSINESS LICENSE	\$174
FIREWORKS PERMIT	\$150
CITY PROCESSING/STATE FEE	\$19
WHOLESALE PERMIT	\$3,060
SAFETY SEMINAR ROOM RENTAL	\$0
GRAND TOTALS	\$3,403

Street Closure Permits

In the 2020 Fireworks Permit season, the City Engineering Department issued four (4) Street Closure Permits. Each permit is \$100 with a \$200 refundable deposit for barricades. With the onset of the COVID-19 pandemic, which created public gathering restrictions, the City Council advised staff to notify the applicant that if a Street Closure Permit is granted, the following restrictions are in place:

- No high contact activities (e.g., bounce houses)
- No shared food (potlucks/barbeques) unless prepackaged

- All participants/attendees must wear masks

If the City Council chooses to allow Street Closure Permits, staff would recommend restrictions be in accordance with the Department of Public Health's advisements. It is anticipated that COVID-19 restrictions will remain into the summer months.

At the Disaster Council meeting on March 25, 2021, staff was asked to consult with the City Attorney's Office to determine if the City had leniency in issuing or not issuing Street Closure Permits. The City Attorney's Office advised that, as a general matter, the City can control the public right-of-way and determine issuance of Street Closure Permits. However, best practices would suggest that the City establish an ordinance for street closures and special events. If this is an interest of the City Council, staff will bring back a proposed ordinance at a subsequent meeting for consideration.

Public Display Permit

Staff has been advised that the Dignity Health Sports Park is planning on a fireworks display this year. Tickets for the Galaxy game and fireworks show will range from \$30 - \$100. A ticket is required if you want to view the fireworks show from inside the stadium; however, the display can also be viewed from the surrounding neighborhoods. Beginning April 1, the Dignity Health Sports Park can host events at 20% capacity and the attendance capacity should increase as the County moves into the orange and yellow tiers for more permitted activities.

The City's Municipal Code, Section 3101.9 (Exhibit 2), explicitly outlines the permit process for large fireworks shows.

V. FISCAL IMPACT

The total revenue generated for the City from Fireworks Wholesalers is anticipated to be approximately \$25,000.

VI. EXHIBITS

1. Fireworks Permit Issuance Timeline (pg. 5)
2. Fireworks Ordinance (pgs. 6-24)

1.

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