



## #EVENTPERMIT FEES TO CHARGE OR NOT TO CHARGE

### **S**hould we charge events for a Special Event Permit? What should we charge? Are we charging enough? Are our fees equitable and reflective of the type and size of events we host?

These are just some of the questions that Special Event Office staff (and elected officials) may have grappled with at some point during the evolution of their event permitting process.

Although event tourism is a key way to animate a destination, stimulate the economy, and improve the quality of life for locals, they are often produced by non-profit groups and rely on volunteerism, donations, and sponsorship funding. Some communities may avoid charging permit fees because they worry they may discourage events. However, there can be an upside to charging reasonable fees for events. Fees can cover some or most of the cost of administration and, in turn, encourage ongoing support for events at the municipal level. By covering the cost of issuing permits to third party events, there is less tax burden on the Event Office when producing in-house events. A community can also attract responsible event producers and encourage recurring events by adopting a well thought-out permitting process that is easy to navigate and streamlined to avoid unnecessary red tape (ideally coupled with a succinct Special Event Policy).

Even though special event permit fees are becoming more commonplace, they are certainly not consistent and vary significantly between municipalities; for example, they can vary according to type, location, and size.

If you are looking at introducing or updating your fees, here is a breakdown of some of the more common types of fees adopted by municipalities:

1. Special Event Permit Fee (this can be structured in many ways)
2. Application Processing Fee (i.e. the cost of processing an application may be charged separately and is usually reflective of how long it typically takes for the Event Office to process a permit)
3. Expedited Application Processing Fee (i.e. rush processing – this can be a deterrent to late applications especially for resource-starved Event Offices)
4. Usage Fee (e.g. booking a park or venue or closing a street)
5. Fee Per Service (e.g. emergency services such as police and fire)
6. Damage Deposit (refundable)

If your Event Office elects to charge a Special Event Permit Fee, there are several ways in which you can structure your fees. Here are some of the different approaches already used by Special Event Offices:

1. Sliding scale based on attendance, e.g. 100 attendees vs. 1,000 attendees
2. Fee per day (this type of fee often has a maximum charge, e.g. \$50 per day, with a maximum of 10 days or \$500)
3. Annual fee (per event producer – this is more common when there are a handful of producers who oversee several events, e.g. Rotary Club, Chamber of Commerce, or the Downtown

4. Business Association, or there are multiple events at multiple venues over a period of time, e.g. Summer Music Series)
4. Non-profit vs. corporate event (fees for non-profit events are less than corporate events, or waived altogether)
5. Damage deposit (deposits are often required for events held on municipal land in case of damage)

Another approach being considered by many local governments - in an effort to recoup the cost of event oversight and to finance arts and culture infrastructure - is a Percentage Profit Fee directed at for-profit events. For example, if a municipality sets their percentage profit at 10%, a for-profit event that generates a net value of \$1,000 would owe the municipality \$100. There are challenges with this approach, notably tracking down payment after an event and financial transparency. Drawing down on the damage deposit may be one way to address overdue fees.

Aside from charging fees, some municipalities are also considering redirecting a portion of Community Amenity Contributions towards arts and culture. This could be an effective way to offset the financial burden of producing events, in particular events that are un-ticketed and highly valued by locals, e.g. Christmas parades and national celebrations such as Canada Day and US Independence Day.

Ultimately, if you introduce fees, they should be included in your municipality's Fees & Charges Bylaw and ideally be supported by a Special Event Policy. For the event producer, it's important to ensure fees are transparent, easily accessible on your website, and that all fees, charges, and deposits can be paid online, where possible. Most event producers are locally-based, but if you want to attract signature events with strong economic potential, these event producers will most likely be remote and want to apply for their event permit and pay their fees online. Implementing processes and systems to streamline applications and fee payment will also be key to minimizing red tape and reducing overhead costs for events and your Event Office.

If your Event Office has recently implemented a fee structure that is perhaps different to those mentioned in this column, please share by joining the conversation on Twitter and using the hashtag, #eventpermit.

In the next #eventpermit column, I'll dive into what makes a good Special Event Policy.

**Rene Michaely** is the founder and chief visionary of eproval, a software platform designed to automate and streamline complex application and approval processes including event permits. Based in Vancouver, BC Canada, his team has an intimate understanding of government permitting and approval processes through their experience working with and for event offices. Rene has also been a product manager at an event registration startup and founder of a web development firm specializing in event websites and complex applications. You can reach Rene at [rene@eproval.com](mailto:rene@eproval.com), learn more about eproval at [www.eproval.com](http://www.eproval.com), or follow @eproval.