



DATE: November 14, 2017

TO: Mayor and City Council

FROM: Police Chief and Finance Director

SUBJECT Introduction of Ordinance Amending Chapter 6, Article, 2, Section 6-2.15 of the Hayward Municipal Code To Allow The Hayward Police Department To Accept Payment For Cabaret License Application Fees

RECOMMENDATION

That the Council introduces an ordinance amending Chapter 6, Article 2, Section 6-2.15 of the Hayward Municipal Code (“HMC”) to allow the Hayward Police Department to accept payment for cabaret license application fees.

SUMMARY

Currently, the Hayward Municipal Code requires applicants of cabaret licenses to submit payments to the Finance Department before submitting their applications to the Hayward Police Department, which ultimately processes and approves the applications. In an effort to streamline the process, staff recommends that the HMC be amended so that applicants can submit application payments directly to the Police Department, such that the processing for applications can be handled solely by the Police Department without the involvement of the Finance Department.

This amendment is necessary because the HMC explicitly directs applicants to make cabaret license application fee payments to the Finance Department and the City Manager does not have the discretionary authority to direct the Police Department to accept those payments.

This report and accompanying ordinance recommend that the City Council introduces an ordinance amending Chapter 6, Article 2, Section 6-2.15 of the Hayward Municipal Code.

BACKGROUND

Section 6-2.12 of the HMC generally provides that no person shall operate any cabaret (a place where live entertainment is provided for patrons) unless that cabaret is maintained pursuant to a valid cabaret license issued by the Chief of Police. Section 6-2.14, which governs the application process, specifically provides that “an application for a cabaret license shall be completed by the applicant and filed with the Police Department...the Police Department shall forward copies of the application to the Director of Finance Department and the Planning Manager.”

The cabaret permit application requires the applicant to identify information, including but not limited to, a business and security plan, description of proposed activities, staffing, and hours of operation. Once this information is provided, HPD conducts appropriate background checks, which include: running criminal history records (outstanding warrants or probation, prior felony convictions related to business fraud, alcohol violations, or immoral offenses); background checks on the location for the cabaret permit (to check for prior calls for service and activity); and validating the legitimacy of the security company hired by the applicant. Only after the Police Chief examines the application and determines that a business has complied with necessary requirements is a cabaret permit issued (HMC Section 6-2.16).

Municipal Code Section 6-2.15, which addresses License Application Fees, provides, in part: “The application fee shall be paid to the Revenue Department before the application is submitted to the Police Department.” In practice, this section requires cabaret license applicants to go to the Finance Department to submit application fees, and are then instructed to submit their applications to the Police Department for review.

This process has recently resulted in confusion as the Finance Department issues applicants a receipt of payment of the application fee and some applicants have started operating cabaret type operations at their businesses without submitting their application to the Police Department. This confusion will be mitigated by streamlining the process and amending the Municipal Code to allow the Police Department, instead of the Finance Department, to accept and process cabaret permit application payments.

DISCUSSION

In order to change the Municipal Code such that the Police Department will begin accepting payments for the cabaret license applications, it is necessary to introduce and adopt an ordinance amending Chapter 6, Article 2, Section 6-2.15 of the HMC. This amendment will streamline the cabaret permit application process because it will allow the Police Department to handle the entire application, from submittal to approval. Specifically, applicants will be able to pay the fees directly to the Police Department instead of having to go to the Revenue Department and then be referred to the Police Department for submittal of the application. Therefore, City staff recommends revising Chapter 6, Article 2, Section 6-2.15 of the Hayward Municipal Code.

When the amendment to Chapter 6, Article 2, Section 6-2.15 is approved by the City Council, the City Clerk’s office will work with MuniCode to update the Code accordingly.

STRATEGIC INITIATIVES

This agenda item is a routine operational item and does not relate to one of the Council’s Strategic Initiatives.

FISCAL IMPACT

There is no fiscal impact associated with this amendment to the HMC.

PUBLIC CONTACT

If introduced, the City Clerk will publish a legal notice of the introduction of the ordinance prior to its adoption in the manner provided in the Charter.

NEXT STEPS

If introduced on November 14, 2017, the City Council will consider adoption of the ordinance on November 28, 2017. The ordinance would become effective thirty days after adoption.

Prepared and Recommended by: Mark Koller, Police Chief
Dustin Claussen, Finance Director

Approved by:



Kelly McAdoo, City Manager