

CITY OF REDONDO BEACH

Budget Response Report

#27

June 9, 2026

Question:

What is the City's current process for considering waivers for business licenses, including the annual fiscal impact of the current process? What is the process to update the City's Municipal Code to more effectively license special events? What steps could the City take to streamline the processing of business license applications and what funding sources are available to support the cost of business license administration?

Response:

The City's business licensing requirements are established in Redondo Beach Municipal Code (RBMC) Title 6, Chapter 1. Section 6-1.06 establishes requirements, including the presumption of doing business, and Section 6-1.08 lists exemptions, including the option to request a business license waiver through written application of the City Council¹.

Over the past few years, the City Council has supported business license waivers for businesses participating in special events for which there is a community benefit, including for those that the City Council has designated as Signature Events.

Waiver Process and Fiscal Impact

To request a waiver, organizers and participants complete a form and submit to the City's business license office including event information, participating vendors for which the license waiver is being requested, and a description of the event's community benefit, which serves as the basis for the waiver approval (the form is included as Attachment 1). City staff submits an Administrative Report presenting the waiver application as a consent item for City Council consideration, including the completed waiver application. The Administrative Report summarizes the waiver process, provides event-specific information, and estimates revenue loss expected if the waiver request is approved. Following Council consideration, staff communicates the result of the waiver request to the event organizer and/or participating vendors.

The table below shows Council-approved waiver requests from the past two fiscal years with their associated estimated revenue loss. Note that the business license payment is one of multiple event costs and does not represent the only City fee applied to special events. There are a number of fees that may still apply, including facility rental fees (e.g.

¹ Upon a written application to the Council, a person or organization may request an exemption from the business license requirements imposed by this chapter, and the Council may waive the provisions of this chapter if the Council finds and determines that the community benefit will be promoted by granting such an exemption ([RBMC 6-1.08c](#))

Seaside Lagoon) and reimbursement for other City costs, such as Police and Fire Department support.

FISCAL YEAR	ORGANIZER	EVENT	EST REVENUE LOSS
2023-24	NRBBA	SpringFest*	5,000
2023-24	NRBBA	SummerFest*	20,000
			\$ 25,000
2024-25	H2O Events	HoliFest (H2O Events)	400
2024-25	BIH LLC	HoliFest (BIH LLC)	266
2024-25	Holi & the Beach	HoliFest (Holi & the Beach)	665
2024-25	City of Redondo Beach	Juneteenth	399
2024-25	NRBBA	SummerFest*	25,000
			\$ 26,730
2025-26	Come Together	Come Together Market	2,394
2025-26	In'n'Out	Slave 2 Nothing Foundation Fundraiser	2,383
2025-26	Chamber of Commerce	Superbowl 10K*	1,862
2025-26	BIH LLC	HoliFest (BIH LLC)	484
2025-26	City of Redondo Beach	City's 100th Birthday	266
2025-26	NRBBA	SpringFest*	3,798
			\$ 11,187
	Total		\$ 62,917

* City Signature Event

Proposed Special Event Licensing Changes and Municipal Code Update Process

The City Council has expressed interest in alternatives to the current process that would accomplish the following:

- 1) Clarify and streamline City procedures for special events organizers
- 2) Create a fee structure that is more appropriate for special event organizers and participating vendors
- 3) Help ensure the City maintains knowledge of businesses operating in the City for special events
- 4) Retain some business license tax revenue for the City related to special events, where appropriate

City staff reviewed neighboring cities and identified alternate approaches to license special events, summarized in the table below.

Option	Cities with this model
Daily rate	Hermosa Beach Torrance Carson Culver City El Segundo Newport Beach
Based on Gross Receipts	Santa Barbara
Fees are part of contract with organizer	Manhattan Beach Brentwood
Special events are exempt	Santa Monica

Within these broad categories, cities offer further differentiation based on number of vendors, and most differentiate between within-city and outside of city organizers, with within-city vendors charged a lower rate.

The City Council could direct staff to create a City policy using one of the methods above, or a combination. For example, the Council could create rules based on:

- Whether the event is a designated City signature event
- The number of events a vendor participates in annually (e.g. a vendor could be exempt for a certain number of events in a year, but pay a daily rate beyond that number)
- Whether or not the event generates revenue for the event producer

Any changes to the Business License Tax Ordinance that either increase the rate or charge entities that were not originally subject to the tax would require voter approval. However, since the proposed changes would only result in decreases to existing rates, or potential exemption from the tax, staff believes that changes could be completed through the passage of a City ordinance.

Following Council direction on a structure for business license tax related to special events, staff would return with draft ordinance language for approval. This would include additional legal review with proposed language to confirm that the changes would not require voter approval. Staff could aim to complete initial research with proposed ordinance updates by November/December 2026, so that if voter approval is required, there would be the option to place proposed changes on the March 2027 ballot.

Business License Process Streamlining

The City currently manages and processes business licenses through a module in Tyler Munis, the City's Enterprise Resource Planning (ERP) system. In its current version, the City enters and monitors business information, generates invoices and renewals, generates licenses, and assesses payments. Business owners can pay online through the Tyler Munis payment portal and can renew their business licenses entirely online.

However, other customer service items, such as requesting a business license number, requesting a reprint of a business license, and checking payment status, still require phone calls or email inquiries to the business license office and rely on City staff response.

Staff has reviewed options for additional customer-facing functionality, including a customer portal that would allow business owners to access their information, view and print business licenses, view payment history and due dates, and make payments. This added functionality would improve customer experience, improve processing times for all licenses, and provide staff additional time to focus on processing and handling complex questions. In addition to the customer-facing functionality, new systems would provide better internal data management and reporting.

There are a range of options that vary in price and relative functionality. Initial research indicates the following general cost ranges:

- One-time Setup: \$10,000-\$25,000
- Annual cost: \$21,000-\$50,000

With this type of service, staff could also consider functions like tax discovery and audit functions to help identify and recover unpaid and/ or delinquent business license tax.

To cover the cost of this service, the City could implement a business license application fee tied to the administrative costs for reviewing and processing business license applications as part of the City's regulatory function. This fee could be structured as a single, flat charge for all licenses, or differentiated between license type where a slightly higher fee is charged for new licenses and a lower fee for renewals, which would reflect the additional time required to process new licenses.

Examples of similar fees from other cities are included below.

City	Rates
Montebello	Application/ Processing Fee: \$80 Renewal Processing Fee: \$31
Manhattan Beach	\$17.45 (New and Renewal) Note: set by Ordinance at \$17, increasing annually by CPI
Santa Monica	\$40 (New and renewal)
Twentynine Palms	\$119.55 (first year license) \$43.03 (business license renewal)

Given that the City processes between 8,000-9,000 licenses annually, a flat fee as low as \$6 for new and renewal licenses could generate approximately \$50,000 in revenue. Staff believes that an increase in fees would provide value to businesses, which would benefit from independent access to their information and improved processing times.

If the City Council supports enhancing the technology behind business license processing, staff will further research options and return with a report that includes the recommended software enhancement and a new proposed fee. Implementing the

software, including vendor selection, testing, and data validation, is expected to take up to six months.



Financial Services

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APPLICATION OR WAIVER OF BUSINESS LICENSE TAX

Pursuant to Section 6-1.08(c) of the Redondo Beach Municipal Code

Instructions

- **Complete and return this application** to blmail@redondo.org
- **Please submit** waiver request **four weeks prior to event date** to provide for sufficient time to place on the City Council Agenda for consideration.
- Please contact blmail@redondo.org or at the phone number listed in the form heading with questions.

Section 1: Applicant Information

Name of Event: _____

Organization or Individual Business Name: _____

Telephone Number: _____

Organization or Individual Business Address: _____

Mailing Address _____

(If Different from Organization or Individual Business Address)

Applicant's Name _____

Applicant's Address: _____

Applicant's Relationship to Organization or Individual Business: _____

Email Address: _____

Describe Business or Activity for which waiver is requested: _____

Date(s) of the Event: _____

Event Hours: _____

Location Address of the Event: _____

Organization or Individual Business website: _____

Please list below all the vendors that will participating in the event:

Crafting Vendors:

[illegible]

Food Booth Vendors (non food truck):

(Please note these vendors will be still be required to provide their Health Permit and Food Handler Certificates prior to event)

[illegible]

Food Trucks:

(Please note these vendors will be still be required to provide their Health Permit and Food Handler Certificates prior to event)

[illegible]

Section 2: Waiver Request Statement

I request a waiver from the business license requirements as specified in Redondo Beach Municipal Code 6-1.08(c).

Section 3: Community Benefit Overview

Describe how your business or organization benefits the community, including charitable activities, community service programs, educational initiatives, and job fairs.

Attach additional documentation as needed.

Section 4: Compliance with all Laws

I shall comply with all applicable federal, state, and local laws, ordinances, and regulations related to this application.

Section 5: Supporting Documentation

Include any relevant supporting documents, such as evidence of business ownership or position, proof of community recognition, letters of support, or documentation of community benefits. If a food vendor please provide a copy of the Public Health Permit or License, evidencing certification that the vendor is in compliance with the Los Angeles County Department of Public Health requirements.

Section 6: Duration of the Business License Waiver

Any business license waiver approved by City Council pursuant to this application shall only be for a short term, extending from _____ to _____.

Section 7: Signature and Acknowledgment

I declare under penalty of perjury that I am authorized to make this statement and that the information provided is complete and accurate to the best of my knowledge. I understand the City Council will make the final decision on this waiver request.

Signature: _____

Print Name: _____

Title: _____

Date: _____