



City Council Report

Date:

To: City Council

Through: Michael Kennington, Chief Financial Officer

From: Ed Quedens, Business Services Department Director
Tim Meyer, Business License and Revenue Collection Administrator

Subject: Establishment of Fees for Escort Services

Strategic Initiatives



Purpose and Recommendation

The purpose of this report is to establish application fees, license fees, and annual renewal fees for escort services, escort runners, and escort bureaus, effective April 1, 2017. The regulation of such services is established in Mesa City Code Title 6, Chapter 24 (Escort Services). The proposed fees are detailed in the attached Exhibit "A".

Background and Discussion

On December 12, 2016, City Council authorized the creation of Mesa City Code Title 6, Chapter 24 (Escort Services) for the regulation of the activities of escorts, escort assistants, and escort bureaus, and to make corresponding amendments to portions of Mesa City Code, Title 6, Chapter 16 (Sexually Oriented Businesses). The Mesa Police Department recommended making changes to the Mesa City Code regarding escort services to enhance the professionalism of the escort industry and provide a more effective tool for law enforcement to protect the health, safety, and welfare of our community by strengthening oversight and enforcement.

To ensure the City recovers the cost of the licensing of such businesses, the Business Services Department is proposing charging application, license, and annual renewal fees

for these services. The proposed fees are consistent with fees paid by other licensees which require similar additional oversight.

As it pertains to the potential fee to be charged by the City for an escort license, City staff looked at the fees of other cities that are collected under their respective escort ordinances. The range of fees charged by the major cities in the Phoenix metro area for an escort industry license are \$23 to \$600. City staff determined that a reasonable licensing fee, based on the time and processing of the license, would be potentially approximately \$200 for an escort or escort runner, and \$400 for an escort bureau.

Alternatives

Take no action. Without establishing the fees, Escort Services would not be subject to fees during the application, license issuance, and renewal process.

Fiscal Impact

No fiscal impact is projected at this time, as no licenses have been issued for Escort Services.

SCHEDULE OF FEES AND CHARGES

Department: Business Services
Revenue Collection Operations

Date Last Reviewed: December 2016
Contact: Edward Quedens, (480) 644-4677

Edward Quedens, Business Svcs Dept. Director

<u>Description of Services</u>	<u>FY 16/17 Fee/Charge</u>	<u>FY 17/18 Fee/Charge (effective 4/1/17)</u>	<u>Unit</u>	<u>Date Last Revised</u>
ESCORT SERVICE				NEW
Application Fee +		\$100		
License Fee		\$100		
Annual Renewal +		\$100	year	
ESCORT RUNNER				NEW
Application Fee +		\$100		
License Fee		\$100		
Annual Renewal +		\$100	year	
ESCORT BUREAU				NEW
Application Fee +		\$200		
License Fee		\$200		
Annual Renewal +		\$200	year	