



## Agenda Report

19-1175

Agenda Date: 10/15/2019

### REPORT TO PARKS AND RECREATION COMMISSION

#### SUBJECT

Review of Municipal Fee Schedule and Room Rental Rates Proposal

#### BACKGROUND

As part of the Fiscal Year 2019/20 User Fee Study (Cost of Service), the City is reviewing and providing opportunities for additional public input on Phase II Community Room Rentals. User fees charged by local public agencies may not exceed the estimated reasonable cost of providing the service for which the fee is charged. The Cost of Service Study identifies the full cost (direct and indirect) for staff and overhead associated with fee-supported services and the associated revenue gaps if less than full cost recovery is implemented as a policy. The analysis helps inform staffing levels, explore preferred service delivery models and highlights any opportunities to streamline fee schedules and/or eliminate outdated fees or inefficient practices. The Study also ensures compliance with State and local laws (e.g., Prop 218 and 26). During the current Study, inconsistencies were noted in facility rentals across various City Departments in the amount of fees charged, staffing levels, restrictions on room use, guidelines for food and beverage, and the categories/types of users. Council has also noted the interest from various community groups for free or lower cost facility rentals where feasible.

#### DISCUSSION

The City contracted with Matrix Consulting Group to study facility rental fees. A working group of consultant and staff from Finance, Parks & Recreation, and Library Departments reviewed current room rental rates, trends and practices. In an effort to standardize rental fees and practices, rates were evaluated on two attributes--type of use and user group. The two main types of use are Meetings and Events. Meetings usually last up to three hours, have minimal participants, and are less dependent on amenities and location. Events are longer than three hours, have numerous attendees and require specific amenities and/or location. The City currently has 10 types of users, which were classified into various priority groups. These groups are not standardized across City departments and are cumbersome to administer and track. After study and discussion, it was determined that there are three primary types of Users which correspond to three priorities of service as follows:

- **Priority 1 - Reciprocal / Affiliation:** The City partners with a variety of organizations within the community for whom reciprocal services are provided, or with whom the City is affiliated. Examples of groups who fall into this category include: the Santa Clara Unified School District, West Valley / Mission College, Friends of the Library, and various youth organizations.
- **Priority 2 - Resident:** This group represents individual residents or businesses that reside within the City of Santa Clara. Examples of those who fall into this category include: members of the community who reside within City limits or businesses who maintain an office within City limits.

- **Priority 3 - Non-Resident:** This group represents individuals or businesses that reside outside of the City of Santa Clara. This includes members of the community who live outside the City limits, and businesses who do not maintain an office within the City limits.

By condensing the current priorities and rental structures used by Parks & Recreation and incorporating affiliated and reciprocal agencies associated with the Library, the above user categories provide a more streamlined grouping of users, and better reflect how the City would like to provide low-cost rental facilities for community use.

The City is proposing a fee schedule which identifies the rooms available for rent by Department, the types of occasions (meeting or event), and the fee for each identified priority group. Varying levels of subsidy are proposed for the priority groups, based on use type. See Table 1 below.

Table 1						
Use Type	Meetings (Up to three hours)			Events (Over three hours)		
User Type	Priority 1	Priority 2	Priority 3	Priority 1	Priority 2	Priority 3
Proposed	100%	100%	0%	100%	75%	0%

The following points highlight the changes proposed:

- **Meeting Use:** The City is proposing to not charge any room rental fees for Priority 1 (reciprocal / affiliation) or Priority 2 (residential) type users who wish to rent rooms for meetings which last up to three hours. Users who fall into the Priority 3 classification (non-residential) will be charged the full cost associated with room rentals.
- **Event Use:** The subsidy structure for events which would last over three hours, is similar to rates for meetings, where Priority 1 users will not be assessed a fee, and Priority 3 users will be assessed the full fee. Priority 2 users, however, will be assessed 25% of the full cost of the room rental.

The proposed rate subsidies only apply to unstaffed facility rentals. Any facility rentals that require city staff presence during the meeting or event would be subject to staff hourly rate charges.

Table 2 below outlines the proposed fee structure for room rentals, including use type availability, and hourly rate per user type (priority).

Table 2 Proposed Room Rental Fee Structure and Rates						
	MEETING (UP TO THREE HOURS)			EVENT (OVER THREE HOURS)		
	Priority 1	Priority 2	Priority 3	Priority 1	Priority 2	Priority 3
Santa Clara F	Reciprocal / Affiliation	Resident	Non-Resident	Reciprocal / Affiliation	Resident	Non-Resident

<b>Library (Meetings must be open to the general public, and held during open hours)</b>						
Central Park R	\$0	\$0	\$134			
Central Park E	\$0	\$0	\$134			
Northside Cor	\$0	\$0	\$134			
Mission Brand	\$0	\$0	\$134			
Community R						
Library Techn	\$72	\$72	\$72			
Support hourly						
<b>Parks &amp; Recreation / Recreation</b>						
<b>Community Recreation Center Room Rental</b>						
Arts & Crafts R	\$0	\$0	\$303	\$0	\$76	\$303
Diablo Room	\$0	\$0	\$303	\$0	\$76	\$303
Mary Louise M	\$0	\$0	\$463	\$0	\$116	\$463
Music Room	\$0	\$0	\$303	\$0	\$76	\$303
<b>Park Building Room Rentals</b>						
Agnew Park B	\$0	\$0	\$173	\$0	\$43	\$173
Bowers Park E	\$0	\$0	\$173	\$0	\$43	\$173
Lick Mill Park	\$0	\$0	\$173	\$0	\$43	\$173
Machado Park	\$0	\$0	\$173	\$0	\$43	\$173
Maywood Par	\$0	\$0	\$173	\$0	\$43	\$173
Montague Par	\$0	\$0	\$173	\$0	\$43	\$173
<b>Senior Citizens Center (All functions held at this facility must be for the benefit of adults over the age of 18)</b>						
#101 Auditori	\$0	\$0	\$463	\$0	\$116	\$463
Dining Style						
#101 Auditori	\$0	\$0	\$463	\$0	\$116	\$463
Theater Style						
#149 Ceramic	\$0	\$0	\$303	\$0	\$76	\$303
#205 Confere	\$0	\$0	\$303	\$0	\$76	\$303
#222 Dance A	\$0	\$0	\$303	\$0	\$76	\$303
#232 Dance T	\$0	\$0	\$303	\$0	\$76	\$303
Mezzanine	\$0	\$0	\$303	\$0	\$76	\$303
<b>Youth Activity Center Room Rental Fees (Events must be for youth groups (under 18 years of age))</b>						
Cabrillo Room	\$0	\$0	\$303	\$0	\$76	\$303
Gymnasium	\$0	\$0	\$463	\$0	\$116	\$463
San Tomas R	\$0	\$0	\$303	\$0	\$76	\$303
<b>Teen Center Room Rental (Rooms may be rented for social functions for the benefit of teens age 11-17)</b>						
Arts & Crafts R	\$0	\$0	\$303	\$0	\$76	\$303
Classroom	\$0	\$0	\$303	\$0	\$76	\$303
Conference R	\$0	\$0	\$303	\$0	\$76	\$303

Multi-Purpose	\$0	\$0	\$463	\$0	\$116	\$463
Staffed Facility						
Meetings During Attendant Hours	\$64	\$64	\$64	\$64	\$64	\$64
Meetings During - Attendant Hours	\$193	\$193	\$193	\$193	\$193	\$193
Police						
Community Room	\$0	\$0	\$71			

Each room available for rent is identified by the Department in charge of the rental, as well as the room's location (Teen Center, Senior Center, etc.). Hourly rental rates are shown for each Priority group, broken out if an occasion is up to three hours (meeting) or over three hours (event). It should be noted that hourly rates for library technology staff and building attendants during open and closed hours are in addition to proposed room rental hourly rates. Library technology staff hourly rates are only charged if equipment setup is required for a meeting; and attendant hourly rates are only charged if City staff are required to be present during a rental. No discounts are being proposed for these rates based on priority user types.

At the October 15, 2019 Parks & Recreation Commission meeting, representatives from the Finance, Parks and Recreation, and Library Departments will present an overview of the proposed changes to the Commission for review and comment. A similar presentation will be made to the Library Board of Trustees for their review and comment.

### **ENVIRONMENTAL REVIEW**

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(b)(5) in that it is a governmental organizational or administrative activity that will not result in direct or indirect changes in the environment.

### **COORDINATION**

This report has been coordinated with the Finance Department, Library Department, Parks & Recreation Department and the City Manager's Office.

### **PUBLIC CONTACT**

Public contact was made by posting the Park & Recreation Commission's agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email [clerk@santaclaraca.gov](mailto:clerk@santaclaraca.gov) <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

An City E-notify notice was emailed to persons who have opted to receive notification of Parks & Recreation and/or Library information and activities related to the Parks & Recreation Commission Regular Meeting and Library Board of Trustees Special Meeting topics, date, times and location.

**RECOMMENDATION**

Recommend Council approval of the proposed user group prioritization and fee schedule as recommended by staff.

Approved by: James Teixeira, Director of Parks and Recreation

**ATTACHMENTS**

1. User Fee Study Phase II Community Room Rentals Presentation FY2019-20