

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE: Proposed Amendments to the City Facilities Use Policy and Fees
DEPARTMENT: City Manager's Office
PRESENTED BY: Eric Bratton, Management Analyst
ACTION: ☐ Ordinance ☐ Resolution ☐ Motion ☒ Discussion

PROBLEM/ISSUE STATEMENT

Over the past year, staff have been reviewing and updating the rental policies and procedures for City-owned facilities. As part of that review, staff looked at the fee schedule and municipal code and recommends making several amendments to better reflect current practices. These changes include redefining eligibility for some discount rates, revising concession fees and requiring private for-profit instructors that use city facilities to obtain a permit.

RESOURCE/FINANCIAL IMPACT

Currently, concession fees are 20% of a renter's gross revenues from sales and/or fees. Over the years, the amount collected in concession fees has varied, but has always been a di minimus amount. The following are the total amounts the City collected in concession fees for each of the past three years: 2010 = \$974; 2009 = \$2,282; and 2008 = \$100. Ordinance 602 will eliminate the 20% fee and replace it with flat permit fees, depending on the type of event or situation.

While the modified fees may not completely recoup the loss in revenue from eliminating the 20% of gross revenue fee, staff anticipates that the change may encourage more concessions. In addition, other proposed modifications in the fee schedule, such as eliminating the youth discount rate for commercial rentals and requiring private for-profit instructors to obtain an instructor permit will also help make up any loss.

RECOMMENDATION

No action is required at this time. Ordinance 602 will be placed on the consent agenda at a future meeting with any changes requested by Council.

Approved By: City Manager gh City Attorney ____

INTRODUCTION

Over the past year, staff has been reviewing and revising the City's Facilities Rental Policies and Procedures. As part of that review, staff looked at the fee schedule and municipal code and recommends making several amendments to better reflect current practices.

BACKGROUND

Council discussed staff's proposed amendments to the fee schedule and other parts of the municipal code at its May 23 Council meeting. Council agreed in general to the proposed amendments, but did provide a few adjustments, which were incorporated into Ordinance 602. Several Councilmembers also requested information on how staff determined the basis for the proposed permit fees and whether the fees were comparable to surrounding cities. Councilmembers also asked for clarification on who would be required to obtain an instructors permit. All of these questions and concerns are addressed below.

DISCUSSION

Use Fee Waiver (SMC 3.01.060)

Currently, the only organizations that are permitted to receive a rental fee waiver are the Council of Neighborhoods or a member neighborhood, Shoreline/Lake Forest Park Arts Council, Shoreline/Lake Forest Park Senior Center, Shoreline Historical Museum, Shoreline Community College and Shoreline School District. Now that City Hall is open and meeting rooms are available, the City wants to encourage all of our partners including many not named above, to use City facilities for meetings or community events.

Ordinance 602 provides the City Manager with more flexibility in granting the rental fee waiver so as to allow for a broader range of partners and to allow the City to consider fee waivers for new partners. Events would still need to serve the community and be consistent with adopted City programs.

If a partner organization wishes to rent a facility on a night when a building monitor is not on duty, such as Tuesday or Thursday night at City Hall, the organization will be responsible for paying the cost of a building monitor. Partner organizations will also be responsible for paying any necessary damage deposits.

Concession Fee (SMC 3.01.030)

Currently, the City requires individuals or organizations that rent a Shoreline facility and sell concessions or charge admissions or fees to pay 20% of their gross revenues from the event to the City. Concession fees apply whether the organization is for-profit or not-for-profit. Over the past three years, the City has collected a di minimus amount of concession fees -\$974 in 2010, \$2,282 in 2009 and \$100 in 2008. Reporting total gross revenues is done on the honor system and we do not have a good way of verifying what is reported without adding additional administrative costs. Currently, the concession fee only applies to renters, so individuals that are not renting Shoreline facilities, but wish to sell concessions, are not required to pay a concession fee. For instance, if someone

wishes to sell hot dogs in the parking lot at Richmond Beach Saltwater Park, that individual would not be allowed to run a concession if the individual did not run the concession in association with renting a facility. This fee structure limits operations of independent concessionaires in the parks.

The intent of having the concession fee is to ensure that if an individual or organization is profiting from the use of a Shoreline facility, that individual or organization should pay some of it to the City. Since enacted, the number of renters charged the concession fee has been minimal. Staff has heard anecdotal evidence that some renters or potential renters have decided not to sell items or have decided not to rent our facilities because of the fee.

Ordinance 602 eliminates the 20% of gross revenues concession fee and replaces it with a concessionaire permit. These permits would be in addition to the rental fee of a facility but could be issued to non-renting concessionaires as well. The permit would require payment of a variable flat fee, depending upon the event or situation. Below is the proposed breakdown of the fee.

<u>Concessionaire Permit – One-time concessions or small event (under 300 people)</u>	<u>\$33.00</u>
<u>Concessionaire Permit – One-time major event (over 300 people)</u>	<u>\$77.00</u>
<u>Concessionaire Permit – Seasonal concessions (anything more than five days)</u>	<u>\$150.00</u>

The fees are based on staff time needed to review the permit applications and ensure compliance. The permit for one-time concessions or small events requires approximately an hour of a Recreation Assistant II's time. Applications for major events or seasonal concessions require more initial review time and review by the PRCS Director. Seasonal concessions would require periodic review for compliance by staff.

In a review of what other cities charge, every city is different and understanding exactly what is charged for what is often confusing. Some charge a percentage of gross revenues; though usually in the 10% to 15% range. Other cities charge flat daily fees while still others require a negotiated contract and approval by city council for all concessions. Shoreline's proposed fees seem reasonable and straightforward in comparison.

While the City does not have any permanent concession structures at any of its facilities, if any are built in the future, continuous or seasonal use of such a structure provided by the City or built by a concessionaire requires a Council approved concession lease rather than a concessionaire permit. Concessionaires will be required to show proof of insurance and have a Shoreline business license. The PRCS Department will also designate areas and times of operations in the permit. The purpose of the permit is to ensure the concessionaire has all of the required health permits and licenses to operate and is adequately insured.

Non-profit organizations would be exempt from paying any concessionaire permit fee under an amendment to the use fee waiver section, 3.01.060 . However, they would still be required to obtain a concessionaire permit.

Discount Rates (SMC 3.01.030)

Youth Discount Rate

The City currently offers a discount rate to youth organizations renting the athletic fields and the Spartan Recreation Center. The youth discount rate is used for all of the City's youth leagues and clubs and is offered whether the organization is for-profit or not-for-profit.

The current youth discount rate for athletic fields is 72% to 85% depending on whether it is a practice or a game. For the Spartan Recreation Center, the youth discount rate is 25% to 52% depending on the room requested. As a comparison, the youth discount rate for synthetic fields for Shoreline residents is \$17 per hour. The full rental rate for Shoreline residents is \$61 per hour. For other athletic fields the youth rate is \$4 and the full rate is \$16 for a practice, \$4 and \$30 for a game. To rent the entire gym at the Spartan Recreation Center, the youth rate is \$34 and the full rate is \$63.

Ordinance 602 reserves the youth discount rate for non-profit organizations and makes for-profit youth organizations pay the full rental rate.

Senior and General Discount Rates

The City also offers a senior discount rate to senior organizations renting the athletic fields and a general discount rate on the synthetic fields on a case-by-case basis. The original intent of these rates was to try to encourage rentals during certain down times, such as on weekdays, certain times during the weekend or during certain times of year. Currently, many of those down times are being filled up and the discount rates are no longer necessary to attract renters, except possibly during weekdays. Ordinance 602 eliminates the senior rate on the athletic fields and clarifies that the general discount rate for synthetic fields is granted for periods of low use as identified by the PRCS Director. During the Council discussion on May 23, the Council thought it would be prudent to include discretion by the director. This adds flexibility so that the policy aligns better to changes in usage patterns.

Instructors Permit

Private for-profit instructors sometimes utilize Shoreline facilities to conduct private lessons or training. We see this most often on our tennis courts and in the weight room at Spartan Recreation Center. Since these facilities are generally for drop-in use, the City does not know who is using our facilities for private instruction or when they are using them. Ordinance 602 requires individuals that wish to use Shoreline facilities for private for-profit instruction to obtain an instructors permit and pay a permit fee. The permit will require proof of insurance and a Shoreline business license and will also regulate when and where private instruction can take place. The fee is based on staff time to process the application and ensure compliance.

Only individuals offering private for-profit lessons would be required to obtain an instructors permit.

RECOMMENDATION

No action is required at this time. Ordinance 602 will be placed on the consent agenda at a future meeting with any changes requested by Council.

ATTACHMENTS

Attachment A: Ordinance 602

ORDINANCE NO. 602

AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON ALLOWING WAIVER OF RIGHT-OF-WAY PERMIT AND FACILITY USE FEES FOR EVENTS THAT PROMOTE CITY PROGRAMS AND SERVE THE COMMUNITY, ELIMINATING CONCESSION, ADMISSION AND SALES FEES ADDING CONCESSIONAIRE AND INSTRUCTOR PERMITS AND FEES, AND AMENDING THE RENTAL RATE FOR PROFIT GROUPS; AND AMENDING CHAPTER 3.01 AND CHAPTER 8.12 OF THE MUNICIPAL CODE

WHEREAS, for-profit organizations should pay the full market rate for rental of athletic fields, synthetic fields and the Spartan Recreation Center; and

WHEREAS, all of the City's partner organizations should be eligible for a fee waiver for right-of-way permits and facility use fees for picnic shelters, recreation rooms, ballfields, and meeting rooms for events which promote city programs and serve the community; and

WHEREAS, the concession fees collected by the City amounts to a nominal sum for the City but is burdensome and prohibitive for the concessionaire; and

WHEREAS, concessionaires and instructors that use city facilities for financial gain should be required to obtain a permit for sale of goods and services in park facilities.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SHORELINE DO ORDAIN AS FOLLOWS:

Section 1. Amendment. Shoreline Municipal Code Section 3.01.030 is hereby amended as follows:

3.01.030 Parks, recreation and cultural services.

	2011 Resident Rate	2011 Nonresident Rate
Outdoor Rental Fees		
Picnic shelters (same for all groups)		
Half Day	\$50.00	\$60.00
Full Day	\$75.00	\$90.00
Athletic Fields		
Lights (determined by dusk schedule)	\$17.00	\$17.00

Senior/ <u>Non-Profit</u> Youth League Game and/or Practice	\$4.00	\$6.00
<u>Non-Profit</u> Youth Tournament	\$9.00	\$12.00
Adult Practice and <u>For-Profit</u> Youth Practice	\$16.00	\$20.00
Adult League and <u>For-Profit</u> Youth League Game	\$30.00	\$36.00
Adult Tournament and <u>For-Profit</u> Youth Tournament*	\$36.00	\$43.00
*Additional field prep fee may be added.	<u>\$45</u>	<u>\$54</u>
Synthetic Fields		
Resident <u>Non-Profit</u> Youth League – Per Hour	\$17.00	<u>\$25.00</u>
Nonresident Youth – Per Hour		\$25.00
Resident Adult and <u>For-Profit</u> Youth League – Per Hour	\$61.00	<u>\$75.00</u>
Nonresident Adult – Per Hour		\$75.00
Discount Field Rate**-Resident – Per Hour	\$17.00	<u>\$25.00</u>
<u>**Offered on a case-by-case basis at the discretion of the PRCS Director.</u>		
<i>Discount Field Rate Nonresident – Per Hour</i>		<i>\$25.00</i>
Indoor Rental Fees		
Richmond Highlands (same for all groups) – Maximum Attendance 214		
Entire Building (including building monitor)	\$58.00/hour (2-hour minimum)	\$70.00/hour (2-hour minimum)
Gym Only	\$46.00/hour (2-hour minimum)	\$55.00/hour (2-hour minimum)
Cafe/Game Room	\$46.00/hour (2-hour minimum)	\$55.00/hour (2-hour minimum)
Spartan Recreation Center		
Spartan Recreation Center Fees for <u>Non-Profit</u> Youth Organizations/Groups		
Multi-Purpose Room 1 or 2	\$11.00/hour	\$15.00/hour
Multi-Purpose Room 1 or 2 w/Kitchen	\$19.00/hour	\$24.00/hour
Gymnastics Room	\$11.00/hour	\$15.00/hour

Dance Room	\$11.00/hour	\$15.00/hour
Gym – One Court	\$19.00/hour	\$24.00/hour
Entire Gym	\$34.00/hour	\$44.00/hour
Entire Facility	\$90.00/hour	\$115.00/hour
Spartan Recreation Center Fees for all Other Organizations/Groups:		
Multi-Purpose Room 1 or 2	\$23.00/hour	\$28.00/hour
Multi-Purpose Room 1 or 2 w/Kitchen	\$33.00/hour	\$40.00/hour
Gymnastics Room	\$23.00/hour	\$28.00/hour
Dance Room	\$23.00/hour	\$28.00/hour
Gym – One Court	\$33.00/hour	\$40.00/hour
Entire Gym	\$63.00/hour	\$75.00/hour
Entire Facility	\$120.00/hour	\$140.00/hour
As a health and wellness benefit for regular city employees, daily drop-in fees for regular city employees shall be waived.		
*Rentals outside the normal operating hours of the Spartan Gym may require an additional supervision fee (see below).		
Other Indoor Rental Fees:		
Damage Deposit (refundable)	\$200.00	\$200.00
Supervision Fee (if applicable)	\$18.50/hour	\$18.50/hour
Daily Rates	Not to exceed \$800.00/day	Not to exceed \$800.00/day
Spartan Gym Tarp Installation	\$100.00	\$100.00
<u>Concessionaire Permit:</u>		
One time concessions or small events (under 300 people)	<u>\$33.00</u>	<u>\$33.00</u>
One-time Major Event (over 300 people)	<u>\$77.00</u>	<u>\$77.00</u>
Seasonal (anything more than five days)	<u>\$150.00</u>	<u>\$150.00</u>
<u>Instructor Permit</u>	<u>\$33.00</u>	<u>\$33.00</u>
Concession/Admission/Sales During Facility Use:	Not to exceed \$100.00/day	Not to exceed \$100.00/day

<p>• Twenty percent of the gross revenue collected will be remitted to the city of Shoreline if concession sales are charged on-site by the individuals or organizations renting a city-owned facility.</p>
<p>• Twenty percent of the gross revenue collected will be remitted to the city of Shoreline if spectator admissions are charged on-site by the individuals or organizations renting a city-owned facility.</p>
<p>• Twenty percent of the gross amount will be remitted to the city of Shoreline if an individual or organization rents a city facility for a clinic, camp, or a class where the participants are charged a fee.</p>
<p>• Any individual or organization that is required to pay concession/admission fee must complete the appropriate permit application.</p>
<p>• Concession/admission/sales fees may be modified at the discretion of the director of Shoreline parks and recreation.</p>

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Section 2. Amendment. Shoreline Municipal Code Section 3.01.060 is hereby amended as follows:

3.01.060 Fee waiver.

The City Manager or designee is authorized to waive use fees for right-of-way permits (SMC 3.01.010), facility use fees for picnic shelters, recreation rooms and ballfields concessionaire permits (SMC 3.01.030), and meeting rooms (SMC 3.01.032) as a city contribution toward events which serve the community and are consistent with adopted city programs and sponsored by the Council of Neighborhoods or a member neighborhood, Shoreline/Lake Forest Park Arts Council, Shoreline/Lake Forest Park Senior Center, Shoreline Historical Museum, Shoreline Community College, and Shoreline School District. The city manager is authorized to designate collection points in the City Hall lobby, pool, or Spartan Gym Recreation Center for any charitable organization without charge to be used for the donation of food or goods that will benefit Shoreline residents in need.

Section 3. Amendment.

8.12.130 Facility use – Sale of goods or services

The use of park facilities for financial gain shall be allowed only through concession contracts secured by the City's competitive bid process, negotiated concession contracts or by special use permit issued by the department concessionaire permits or instructor permits, whichever is applicable. No concessionaire permit or instructor permit is required if the concessionaire or

instructor has a contractual relationship with the city to provide instruction or to sell concessions at a city-sponsored event. Concessionaire permit fees may be waived pursuant to SMC 3.01.060.

Section 4. Effective Date and Publication. A summary of this ordinance consisting of its title shall be published in the official newspaper of the City. The ordinance shall take effect and be in full force five days after passage and publication.

PASSED BY THE CITY COUNCIL ON JUNE __, 2011.

Mayor Keith McGlashan

ATTEST:

APPROVED AS TO FORM:

Scott Passey
City Clerk

Ian Sievers
City Attorney

Date of Publication:

Effective Date: