



PARKS & RECREATION COMMISSION AGENDA REPORT

Meeting Date: 2/26/2020

From: Steve Beaty, Recreation Supervisor
Noreen Leek, Recreation Manager

Subject: Facility Rental Fee Analysis

Purpose

Maintain high-quality recreation facilities for community interaction.

Recommendation

Identify the overall purpose of the City's rental facilities and what the City is trying to achieve by having them. Review existing rental rates for City facilities including the Mission Blue Center, Community Center, and Community Park Gazebo along with those of comparable facilities in neighboring communities to recommend future rental fees.

Background

It is the general policy of the City of Brisbane that groups or individuals are encouraged to use Brisbane's facilities for recreational, educational, cultural, and other worthwhile purposes that are available to all persons regardless of age, race, religion, or national origin.

In 2016, the Commission reviewed and discussed revenues generated from facility rentals, their associated rental rates, and the Commission's desire to boost rental revenue. At that time, the Commission recommended several upgrades to the facilities, specifically Mission Blue, to encourage additional reservations and suggested bringing the item back in the future after upgrades were achieved and more data regarding rental revenue could be compiled. Since then, Mission Blue has seen the following upgrades to the facility: new chairs, new carpet, sound system overhaul, the installation of new AV equipment (screen & projector), interior and exterior paint, minor kitchen appliance upgrades, and bathroom countertop replacements (coming soon). Despite the upgrades to Mission Blue, the City has not experienced a significant uptick in rental revenue. Below is a summary of the total facility rental revenue over the past several years.

\$77,147	\$71,242	\$58,917	\$60,661
(FY 2015-2016)	(FY 2016-2017)	(FY 2017-2018)	(FY 2018-2019)

Discussion

Staff recently conducted a study to compare rental rates at similar facilities against the current rental rates of our facilities. A summary of the findings and supplemental information are presented here.

MISSION BLUE

It appears that the weekend rental fees at Mission Blue are much higher than other local municipal facility rental fees. A typical five hour weekend rental at Mission Blue is 42% higher than the average of other comparative resident rates and is 92% higher than the average of non-resident rates in our study of six other municipal facilities (*Attachment A*). Additionally, Brisbane has a seemingly punitive rate structure for non-residents. Of the facilities studied, the average surcharge between the resident and non-resident rates is 25%. For Mission Blue the non-resident surcharge is currently 43%.

The existing pricing structure for Mission Blue also seems to discourage smaller and more casual reservations, while only appealing to renters whose budget is more substantial for large once in a lifetime events such as weddings, bar mitzvahs, and quinceneras. In 2019, there were only three Friday night rentals, two of which were in December for corporate holiday parties. This seems to be an area of opportunity for capturing more rentals if our fees were more realistic for a wider array of potential uses. In 2019, Mission Blue had the following **paid** rentals: 18 Saturdays, 7 Sundays, 3 Friday nights, and two weekdays.

It is important to note that only 25% of all weekend rentals are paid reservations, therefore 75% are non-paid. Non-paid reservations include City sponsored events & activities, Non-profit events, Silverspot fundraisers, BEST/PTO events, MOB events, Lions Club events, school district events, BDW events, etc. The City does not currently collect any fees for non-profit or co-sponsored rentals.

MISSION BLUE CENTER FEE STRUCTURE				
FACILITY	RESIDENT HOURLY RATE	NON-RESIDENT HOURLY RATE	DINING CAPACITY	TOTAL COST FOR 5 HOUR RENTAL
Mission Blue Full Facility (Weekends)	\$324	\$463	180	Resident \$1,620 Non-res \$2,315
Mission Blue Full Facility (Weekdays)	\$259	\$370	180	Resident \$1,295 Non-res \$1,850
Mission Blue Half Facility (Weekends)	\$209	\$297	90	Resident \$1,045 Non-res \$1,485
Mission Blue Half Facility (Weekdays)	\$168	\$243	90	Resident \$840 Non-res \$1,215

COMMUNITY CENTER

The Community Center also had 18 paid rentals for 2019, all of which were at the resident rate. The absence of non-resident rentals can potentially be attributed to the 158% surcharge compared to the resident rate. Prospective renters can opt for much larger community gathering

spaces that can accommodate twice the occupancy for the same price that we charge for the Community Center.

COMMUNITY CENTER FEE STRUCTURE				
FACILITY	RESIDENT HOURLY RATE	NON-RESIDENT HOURLY RATE	DINING CAPACITY	TOTAL COST FOR 5 HOUR RENTAL
Brisbane Community Center	\$60	\$155	75	Resident \$300 Non-res \$1085

COMMUNITY PARK GAZEBO

The Community Park Gazebo is another rental facility whose fee structure is greatly limiting and likely discouraging rental use. Our non-resident hourly rate for the gazebo (which includes no chairs, tables, BBQ, or staff) is more expensive than some rental halls that seat 200+ people and provide all the aforementioned amenities. It also has a 195% surcharge for non-residents. Usage could potentially be increased if the rental of the gazebo was an added feature for a picnic area rental at a reasonable price. There were 4 rentals in 2019, all of which were at the resident rate.

GAZEBO FEE COMPARISON				
FACILITY	HOURLY RATES (Res/Non-res)	ADDITIONAL FEES	DETAILS	TOTAL COST FOR 5 HOUR RENTAL
Brisbane Gazebo	Resident \$71 Non-res \$209 per hour		No BBQ allowed Must bring own tables & chairs	Resident \$340 Non-res \$1,000
Foster City Lagoon Gazebo	No charge, first come / first served		No BBQ allowed Must bring own tables & chairs	FREE
Hayward Area Parks & Rec. Gazebo Covered Picnic Areas	Resident \$80 per day		Includes 6 picnic tables & 3 BBQ's	\$80/day
Belmont Twin Pines Meadow	Resident \$115 Non-Res \$210 per day	Application \$33 Alcohol \$50	Includes covered picnic area w/ 6 tables, BBQ, large open meadow, & stage area	Resident \$198 Non-res \$293 per day

Fiscal Impact

The fiscal impact is to be determined based on the recommendation of the Commission and Council approval. In an effort to encourage additional rentals of City facilities and to establish a more reasonably priced resource for prospective renters, it is suggested that the fee structure be simplified and adjusted accordingly. In addition, the very low number of weekday rentals (2 for

all of 2019), does not seem to justify having separate weekday fees for Mission Blue. Lastly, some streamlining or standardization should be considered for the non-resident surcharge.

EXAMPLE:

Proposed adjusted hourly rental fees with standardized 25% non-resident surcharge

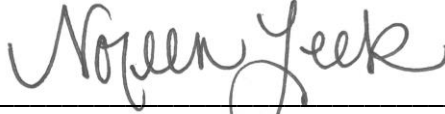
FACILITY	RESIDENT HOURLY RATE	NON-RESIDENT HOURLY RATE	CAPACITY
Mission Blue Half Facility	\$125/hour	\$156/hour	90
Mission Blue Full Facility	\$225/hour	\$281/hour	180
Community Center	\$65/hour	\$78/hour	75
Community Park Gazebo	\$50/day	\$63/day	n/a (With picnic area rental)

A revised fee structure has the potential to increase the number of reservations at each facility and improve total rental revenue.

Attachments

1. Recreational facilities fee comparison chart
2. Historical information regarding Mission Blue rentals & fees

Steve Beaty, Recreation Supervisor



Noreen Leek, Recreation Manager

RECREATIONAL FACILITIES FEE COMPARISON				
FACILITY	HOURLY RATES (Res/Non-res)	ADDITIONAL FEES	DINING CAPACITY	TOTAL COST FOR 5 HOUR RENTAL
Joseph Fernekes Building (SSF)	Resident \$175 Non-res \$195	Application \$75 Alcohol fee \$100	150	Resident \$1,050 Non-res \$1,150
Westborough Park Building (SSF)	Resident \$147 Non-res \$162	Application \$75 Alcohol fee \$100	150	Resident \$910 Non-res. \$985
Lincoln Park Community Center (Daly City)	Resident \$130 Non-res \$155		200	Resident \$650 Non-res \$775
Lagoon Room (Foster City)	Resident \$150 Non-res \$250	Admin. \$25 Custodial \$25 Kitchen fee \$75	180	Resident \$875 Non-res \$1,375
Adult Community Center (San Carlos)	Resident \$216 Non-res \$259	Application \$25 Kitchen \$50 Custodial \$140	180	Resident \$1,293 Non-res \$1,510
Community Center (Pacifica)	Resident \$210 Non-res \$265	Kitchen \$100	250	Resident \$1,150 Non-res \$1,425
Average Hourly fees	Resident Avg. \$171/hour	Non-res Avg. \$214/hour	Avg. capacity 185	Avg. for 5 hours Resident \$988 Non-res \$1,203
Mission Blue (Full Facility)	Residents \$324	Non-res \$463	180	Resident \$1,620 Non-res \$2,315

Historical Look into Mission Blue Rental Fees

Research within the ActiveNet registration system allowed staff to go back several years to assess Mission Blue fee structures at certain points in time and to analyze the total number of rentals per year compared to the revenue generated.

In April of 2012, Mission Blue fees were as follows:

MISSION BLUE CENTER FEE STRUCTURE JULY 1, 2012 - JUNE 30, 2013				
FACILITY	RESIDENT HOURLY RATE	NON-RESIDENT HOURLY RATE	DINING CAPACITY	TOTAL COST FOR 5 HOUR RENTAL
Mission Blue Full Facility (Weekends)	\$132	\$263	180	Resident \$660 Non-res \$1,315
Mission Blue Half Facility (Weekends)	\$86	\$132	90	Resident \$430 Non-res \$660

* The revenue generated by these rentals in fiscal year 2012-2013 was \$81,832 on 55 rentals.

On July 1, 2013 the rental fees for Mission Blue were raised significantly.

MISSION BLUE CENTER FEE STRUCTURE JULY 1, 2013 –JUNE 30, 2014				
FACILITY	RESIDENT HOURLY RATE	NON-RESIDENT HOURLY RATE	DINING CAPACITY	TOTAL COST FOR 5 HOUR RENTAL
Mission Blue Full Facility (Weekends)	\$280 112% increase	\$400 52% increase	180	Resident \$1,440 Non-res \$2,000
Mission Blue Half Facility (Weekends)	\$187 117% increase	\$267 102 % increase	90	Resident \$935 Non-res \$1335

The total number of rentals and overall revenue kept pace until fiscal year 2015-16 when a downward trend in the number of rentals and revenue began. It could be surmised that the market had an adverse reaction to the increases in costs for Mission Blue rentals.

For fiscal years 2012-13, 13-14, & 14-15, the average annual revenue was \$70,874 on 44 rentals. For fiscal years 2015-16, 16-17, 17-18, & 18-19, the average annual revenue was \$42,029 on 22 rentals.