



Fees and Charges Report

Date: June 19, 2023

To: City Council

Through: Natalie Lewis, Deputy City Manager

From: Cindy Ornstein, Director for the Department of Arts and Culture
Illya Riske, Assistant Director for the Department of Arts and Culture

Subject: Arts & Culture Department Update to Schedule of Fees and Charges,
Citywide

Purpose and Recommendation

The purpose of this report is to recommend modifications to Arts & Culture's Schedule of Fees and Charges. The department recommends a 5% increase to the Facility Rental Fees at the Mesa Arts Center.

Background

The Mesa Arts Center has four theaters that are available to the public for rentals depending upon availability. Due to inflation and increased contract costs, the department recommends the increase of the Mesa Arts Center facility fees to support increases in general maintenance and operational costs at the Mesa Arts Center.

Discussion

Arts & Culture recognizes the importance of identifying revenue streams to support its ongoing maintenance and operations costs. In May 2022, the contracted security company, Allied Universal, requested an hourly rate increase for security guards due to the difficulty in hiring staff in the current job market. City Council approved the increase on June 6, 2022, which went into effect July 1, 2022.

Increasing rates for facility rentals helps recuperate these increasing costs and more accurately reflects the costs to run the facilities. While the 5% increase will not completely cover the security contract increase, it will help support the increased cost.

Methodology

Increasing fees to cover growing operational costs must be balanced with accessibility and affordability for members of the community, while also remaining competitive with similar facility rental fees in the valley. The 5% increase in facility rental fees will offset approximately 20% of the security contract increase. Additional offsets of increasing operational costs will be made through ticket sales and performance revenues.

Alternatives

The alternative to raising rental fees for the City's theater rentals is to request additional General Fund support for the Mesa Arts Center for maintenance and operations.

Taking no action would result in flat revenues, fewer resources to support maintenance and operations costs, and if General Fund were not allocated to support these increased costs, there would be a reduction in the availability of the theaters for rent due to the reduction in available budget to support theater operations, staffing, and security.

Fiscal Impact

The fiscal impact is that this increase will generate an additional \$21,091 in revenue to the Arts and Culture Fund and will assist with offsetting current operational costs at the Mesa Arts Center.

Coordinated With

The affected groups are the Commercial and Nonprofit groups who frequently rent and use the Mesa Arts Center theaters.

Fees & Charges Schedule – Key

Heading Configuration

<u>Schedule of Fees & Charges</u>
Department
Contact Information
HEADING 1
HEADING 2
<i>Heading 3</i>
Description of Fee
Description of Fee 2

Font Indications

Font	Font Indications
Regular Font	Existing fee or language
Strikethrough	Fee or language will be deleted from the Fee Schedule
BOLD CAPS	Language is being added to Fee Schedule
Bold	New or increased Fee Amount

Schedule of Fees & Charges
Exhibit A – Arts and Culture
Department: Arts and Culture

Description of Service	Current Fee Range	Proposed Fee Range	Unit	Revenue Source Code	Total Fiscal Impact	Notes
MESA ARTS CENTER			Flat Rate			
<u>RENTALS:</u>						
<u>FACILITY USE FEES:</u>						
<i>Tom and Janet Ikeda Theater:</i>						
Industrial Rate, Daily	\$4,283	\$4,497		3179	\$750	
Commercial Rate Daily Plus Labor, FOH and Box Office	\$3,439 vs. 5%***	\$3,611		3179	\$2,837	
Non-Profit Rate, Daily plus Labor, FOH and Box Office	\$2,547 vs. 5%***	\$2,674		3179	\$7,278	
<i>Virginia G. Piper Repertory</i>						
Industrial Rate, Daily	\$2,431	\$2,553		3179	\$243	
Industrial Rate, Weekly	n/a					
Commercial Rate, Daily Plus Labor, FOH and Box Office Daily	\$1,999 vs 5%***	\$2,099		3179	\$779	
Commercial Rate, Weekly	\$9,686	\$10,170		3179	\$0	
Non-Profit Rate, Daily plus Labor, FOH and Box Office	\$1,430	\$1,502		3179	\$2,996	
Non-Profit Rate, Weekly plus Labor, FOH and Box Office	\$7,380	\$7,749		3179	\$1,214	
<i>Nesbitt/Elliott Playhouse</i>						
Industrial Rate, Daily	\$1,274	\$1,338		3179	\$0	
Industrial Rate, Weekly	n/a					
Commercial Rate, Daily Plus Labor, FOH and Box Office	\$923	\$969		3179	\$208	
Commercial Rate, Weekly	\$3,714	\$3,900		3179	\$0	
Non-Profit Rate, Daily plus Labor, FOH and Box Office	\$660	\$693		3179	\$594	
Non-Profit Rate, Weekly plus Labor, FOH and Box Office	\$2,830	\$2,972		3179	\$3,354	
<i>Anita Cox Farnsworth Studio Theater</i>						
Industrial Rate, Daily	\$608	\$638		3179	\$46	
Industrial Rate, Weekly	n/a					
Commercial Rate, Daily Plus Labor, FOH and Box Office	\$435	\$457		3179	\$76	
Commercial Rate, Weekly	\$1,621	\$1,702		3179	\$0	
Non-Profit Rate, Daily Plus Labor, FOH and Box Office	\$368	\$405		3179	\$401	
Non-Profit Rate, Weekly Plus Labor, FOH and Box Office	\$1,103	\$1,216		3179	\$315	

Estimated Total Annual Fiscal Impact: \$21,091