



CONSENT CALENDAR

Agenda Item # 1

AGENDA REPORT SUMMARY

Meeting Date: October 22, 2019

Subject: Rental Fee Waiver Request by the Rotary Club of Los Altos

Prepared by: Jaime Chew, Recreation & Community Services Manager

Reviewed by: Donna Legge, Recreation & Community Services Director

Approved by: Chris Jordan, City Manager

Attachment(s):

1. Fee Waiver Policy Memorandum dated March 4, 2008
2. Letter dated September 25, 2019 from the Rotary Club of Los Altos

Initiated by:

Rotary Club of Los Altos

Previous Council Consideration:

March 11, 2008

Fiscal Impact:

Approval of the fee waiver will result in the loss of \$2,592 in rental revenue for the Recreation & Community Services department per fiscal year.

Environmental Review:

Not applicable

Policy Question(s) for Council Consideration:

- Does Council wish to set a precedent for a waiver of rental fees?

Summary:

- Fee waivers over \$1,000 must be discussed and approved by Council.
- Garden House rental revenue was \$63,647 and \$59,301 for FY 17/18 and FY 18/19 respectively.
- Rotary Club of Los Altos has requested a rental fee waiver in the amount of \$2,592 per year. This is equivalent to 4% of the rental revenue for the Garden House.
- Previous fee waiver requests from other non-profit groups have been denied.

Staff Recommendation:

Approve the rental fee waiver for the Rotary Club of Los Altos.

Reviewed By:

City Manager

CJ

City Attorney

CD

Finance Director

SE



Subject: Rental Fee Waiver Request by the Rotary Club of Los Altos

Purpose

Consider rental fee waiver for the Rotary Club of Los Altos.

Background

On March 11, 2008, Council adopted the Fee Waiver Policy which states:

For fee waiver requests from community and non-profit groups for one-time events or facility usage, the City Manager or his/her designee is authorized to consider the request and to render a decision IF the amount of the waiver is less than \$1,000. For requests greater than \$1,000, a written request shall be placed on the agenda of the City Council for its determination.

The City Manager or his/her designee shall provide notification to the members of City Council of his/her decision on either the granting or rejecting of a request.

The Garden House is a City facility and is one of the many reservable spaces managed by the Recreation & Community Services Department. Located at 400 University Avenue, it is a popular rental site due to its vicinity to Redwood Grove and Shoup Park. Current rental rates for the Garden House are as follows:

- Resident of Los Altos \$110/hour
- Non-Resident \$138/hour
- Resident Non-Profit \$54/hour
- Non-Resident Non-Profit \$68/hour
- Commercial \$220/hour

As of March 2019, the Department ceased programming and rental reservations at the Hillview Community Center in preparation for the demolition of the current site and construction of the new Los Altos Community Center. As a result, programs, classes and rentals were pushed to other City facilities, including the Garden House. The movement of these programs and classes has resulted in specifying exact use of the facilities in the reservation software system. Approximately 4.6% of the programs and classes have been temporarily cancelled until other facilities are arranged and the new community center is open, targeted for December of 2020.

In FY 17/18, reservations of the Garden House resulted in \$63,647 of rental revenue. In FY 18/19, reservations of the Garden House resulted in \$59,301 of rental revenue.

In addition, the FY 19/20 and 20/21 Operating Budget was adopted by Council on June 11, 2019. Included in the budget are the *Department's Budget Goals* including the following:



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- Increase non-Hillview Community Center rental reservations by 15%
- Maintain a variety of programs and services offered by effectively and efficiently utilizing other City facilities and partnering with community-based organizations during the construction of the new community center.

Performance Measures:

- Maintain reasonable class cancellation rate
- Maintain and/or increase attendance at recreation events
- Maintain rental usage of recreation city facilities

Discussion/Analysis

The Rotary Club of Los Altos has been reserving the Garden House for the last 22 years starting in 1997, meeting weekly on Thursdays from 11am to 2pm. Due to set-up and clean-up requirements of the caterer, Rotary has requested an additional hour: 30 minutes before and 30 minutes after, to accommodate their needs (Attachment A). This would result in the new reservation time of 10:30am to 2:30pm.

In a fiscal year (July 1 through June 30), Rotary reserves approximately 48 Thursdays. In FY 18/19, Rotary reserved a total of 144 hours (3 hours x 48 days). At the Resident Non-Profit rate of \$54/hour, Rotary remitted payment to the City in the amount of \$7,776. With the additional time request of 1 hour per day for a total of 48 hours over the fiscal year, the new invoiced amount for FY 19/20 is \$10,368. This result is the difference of \$2,592.

Over the last few years, Rotary has invested in Garden House improvements valued at approximately \$25,000 including the installation of four flat screen TVs, a sound system, and ceiling fans. Rotary has requested that this investment be taken into consideration. The City recognizes that these improvements are a benefit to other users, and staff has taken that into account in the staff recommendation.

Staff does recommend that all non-profit organizations using city facilities and lands consider alternative ways to recover costs or to solicit assistance for other sources, prior to requesting subsidized rent or leases from the City.

Options

- 1) Do not approve the rental fee waiver in the amount of \$2,592 for the Rotary Club of Los Altos.



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Advantages: The City will realize the full amount of rental income and will not begin establishing exceptions from the City's rental fee policy.

Disadvantage: The rental income to the City may have been used by the service organization for another community need.

2) Approve the rental fee waiver in the amount of \$2,592 for the Rotary Club of Los Altos.

Advantages: A waiver of rental fees for community organizations and non-profits assists these organizations to increase community-based service.

Disadvantages: Waiving rental fees for community organizations and non-profits will potentially result in an increase of requests. This could affect rental revenue earned for the Garden House.

Recommendation

The staff recommends Option 2.

Attachment

A. Rotary Letter dated 09-25-19

September 25, 2019

Chris Jordan, City Manager
Los Altos City Hall
1 North San Antonio Road
Los Altos, CA 94022

Dear Mr. Jordan,

On behalf of the Rotary Club of Los Altos we are requesting that the City waive the additional hourly cost that would be incurred by extending our weekly use of the Garden House at Shoup Park by one hour each week. We understand that this request needs to be approved by City Council and appreciate your assistance getting this on their calendar to review.

The request for the extra time comes from our caterer to allow them time to get the facility set up and then cleaned up for our weekly meetings.

Our primary reason for asking for this exemption are the numerous audio and video improvements to the Garden House in excess of \$25,000 paid for by Rotary over the last few years. These improvements are also available to other organizations who contract with the city for non-Rotary events.

Please let us know if you have any questions regarding this request and thank you for your consideration.

Very truly yours,



Bonnie Burdett Walker, President
Los Altos Rotary