

Staff Report

AMES CITY AUDITORIUM FEES

February 3, 2020

BACKGROUND:

At the Town Hall Budget meeting on October 29, 2019, members of local arts groups expressed concern regarding funding for the arts, specifically, COTA funding and Ames City Auditorium (ACA) fees. One group, Story Theater Company, expressed concern regarding the fee increases the group will be encountering in FY 20/21. **At its December 17, 2019 meeting, Council directed staff to provide a history of ACA fees and provide options to make the Auditorium more affordable for non-profits.**

Ames City Auditorium Budget:

The chart presented below shows a steady increase in expenses and revenues while the subsidy is staying relatively flat for FY 17/18 through FY 20/21. Please note that in FY 15/16 the Auditorium Manager position was half-time and vacant and in FY 16/17, the Manager position was increased to full-time with 80% of staff time being allocated to the ACA. In addition, Hope Lutheran Church started renting space in FY 17/18 with estimated rental fees to be \$37,053 in FY 2020/21.

	2015-16 Actual	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Adjusted	2020-21 Requested
Expenses	\$ 55,130	\$106,176	\$125,204	\$127,650	\$135,393	\$140,321
Revenues	\$ 50,597	\$ 58,816	\$ 99,341	\$108,507	\$113,042	\$118,077
Subsidy	\$ 4,533	\$ 47,360	\$ 25,863	\$ 19,143	\$ 22,351	\$ 22,244
Subsidy %	8.2%	44.6%	20.7%	15.0%	16.5%	15.9%

Ames City Auditorium Usage:

	2015-16 Actual	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Adjusted	2020-21 Requested
# of Events	60	54	116	124	127	130
# of days/year used		135	203	221	220	225
# of hours/year used		758	1,627	1,349	1,700	1,750
# of Attendees	28,309	26,839	43,978	48,692	48,000	50,000

Ames City Auditorium User Groups:

A complete listing of user groups since 2016 is included in Attachment A. As you will see, the users have been placed into several categories which are shown below:

User Group Categories:

Community Arts (nonprofit)

ISU (nonprofit)

Other Nonprofits

Churches (nonprofit)

For Profit

Free Usage

This breakdown offers the City Council an overview of the different types of nonprofit groups utilizing ACA. Also, it should be noted that seven of the groups in the Community Arts category receive COTA funding.

Ames City Auditorium Rental Rates:

The Parks and Recreation Commission approves fees and charges each year and these are shown in Attachment B (FY 19/20), C (FY 20/21) & D (FY21/22). Several years ago, the Commission began approving Auditorium fees two years in advance. This was in response to feedback from COTA recipients that Auditorium fees were approved after COTA funding requests were due and that made it difficult to complete the COTA request accurately.

The current Auditorium fee schedule includes rates based on whether a group is a nonprofit organization or a for-profit organization. Groups can choose between an hourly rate and a day rate and the group's final fee is based on either that rate or 10% of the gross ticket/admission receipts, whichever is higher. The rental rates have increased 3% each year since FY 18/19. These rates include one staff member on site during the rental period. Groups are charged extra if additional staff is requested or additional spaces are rented (e.g. gym, lunchroom, etc.).

Prior to FY 18/19, there was a third rental rate category which was for Ames Community Arts Council (ACAC) affiliates. Groups (nonprofit and for profit) could join ACAC for a fee and then receive discounted rates of approximately 25% for Auditorium rental fees. For ACAC members, there were three rates that could be used for billing (FY 17/18 fees are shown below).

1. Per Hour Rental Rate – This fee was \$75 per hour for up to eight hours per day or \$1.00 per seat used, whichever was higher. Each additional hour over eight hours was billed at \$35 per hour.
2. Day Rate – This was \$700 per day and the user had the Auditorium for the entire day.

3. Extended Use Rate – This allowed ACAC members the ability to use the Auditorium for multiple days (minimum of five, maximum of fourteen) within a fourteen day period at a rate of \$450 per extended use or \$1.45 per seat, whichever is higher, plus a \$185 non-refundable deposit. The user could utilize the Auditorium for up to four hours per day with this rate. Each additional hour over four hours was billed at \$40 per hour. It should be noted that only two groups were using the extended use rate, Story Theater Company and Co'Motion Dance.

Please also note that prior to FY 18/19, fees were listed with a per hour charge and per seat charge. ACAC and non-profit groups either paid a rental fee or a per seat charge, whichever was higher. For Profit Groups paid a rental fee and a per seat charge.

Prior to making any rental rate changes, staff reached out to other venues and professional peers to gather information as to what was being done in other locations. Based on this information and feedback from user groups, changes were made and are reflected in the current fee schedules. Non-ACAC groups experienced a fee increase in FY 18/19 when the changes took effect, while ACAC groups saw an increase in FY 19/20. **Story Theater Company and Co'Motion Dance were grandfathered in and were still able to use the Extended Use Rate through FY 19/20. This provided them time to prepare for the elimination of the Extended Use Rate, as well as, the fee increase.**

There are three other changes made in FY 18/19 to note. The first is the addition of a Facility Fee that is now assessed per ticket. The second is there is now prime time and non-prime time hours for nonprofit groups. This does provide a discounted rate for some groups based on when they are renting the Auditorium. The third is there is now a frequent user discount of five percent if a group rents more than 100 hours per year. Story Theater Company will qualify for this discount. Additionally, the balcony and the sound shell were included, whereas before there was a separate fee for these two items.

OPTIONS:

Option 1. Provide An Incentive To Story Theater and Co'Motion Dance By Retaining The Extended Use Rate With The \$2.25 Per Seat Charge

As evidenced by the chart shown below, because Story Theater and Co'Motion Dance were grandfathered and not subject to the shift as other groups were, they will be most impacted in FY 2020/21 from a switch from the Extended Use Rate to a per hour rate.

It should be noted that the FY 18/19 numbers reflected in this chart are based on actual hours and seats used, while the FY 19/20 and FY 20/21 totals are estimates based on FY 18/19 actuals.

Story Theater Company	18/19 Actual	19/20 Estimated	20/21 Budgeted
	Fees	Fees	Fees
Seat Charges	\$5,434 *	\$8,429**	N/A
Hourly Fees	\$1,604	\$2,005	\$15,393
Totals	\$7,038	\$10,434	\$15,393

Co'Motion Dance	18/19	19/20	20/21
	Fees	Fees	Fees
Seat Charges	N/A	N/A	N/A
Hourly Fees	\$958	\$1,210	\$3,009
Totals	\$958	\$1,210	\$3,009

*Seat charge in 18/19 was \$1.45.

**Seat charge in 19/20 is \$2.25.

Under this option, the City Council would decide to continue to provide this incentive for only Story Theater Company and Co'Motion Dance in FY 2020/21 by retaining the current Extended Use Rate and the \$2.25 per seat fee. This option would save the Story Theatre Company \$4,959 (\$15,393-\$10,434) and Co'Motion Dance \$1,799 (\$3,009-\$1,210).

In order to accomplish this Option 1, the City Council would have to increase the property tax rate to generate an additional \$6,758 above the current City Manager's Recommended Budget or decrease General Fund expenditures by this same amount.

Option 2. Provide A Percentage Discount To All Community Arts/ISU Groups

This option recommends the creation of a City Auditorium Community Arts Partner Program. City staff would develop a list of criteria to be approved by the City Council for the program. The granting of the pre-approved percentage of subsidy to anyone of the Community Arts/ISU groups listed on Attachment A would be dependent upon which groups meet the prescribed eligibility criteria.

Category	Rental Fees	Potential Discount				
		10%	20%	30%	40%	50%
Community Arts	\$39,064	\$3,906	\$7,812	\$11,718	\$15,624	\$19,530
ISU	\$4,058	\$406	\$812	\$1,218	\$1,624	\$2,030
Totals	\$43,122	\$4,312	\$8,624	\$12,936	\$17,248	\$21,560

The value of each discount based on prior usage and possible percentages are estimated above. Therefore, in order to accomplish Option 2, the City Council would have to increase the property tax rate to generate an amount equal to the total amount of the discount selected above or decrease General Fund expenditures by this same amount.

Option 3. Provide A Percentage Discount To All Non-Profits

This option does not distinguish among non-profit groups. All of these groups would be eligible for the same pre-approved across-the-board discount. Here again, the amount of subsidy granted is dependent on the percentage of discount determined by the City Council. The table highlighting the estimated cost of the subsidy is provided below.

Category	Rental Fees	Potential Discount				
		10%	20%	30%	40%	50%
Community Arts	\$39,064	\$3,906	\$7,812	\$11,718	\$15,624	\$19,530
ISU	\$4,058	\$406	\$812	\$1,218	\$1,624	\$2,030
Other	\$16,396	\$1,640	\$3,280	\$4,920	\$6,560	\$8,200
Churches	\$37,689	\$3,769	\$7,538	\$11,307	\$15,076	\$18,845
Totals	\$97,207	\$9,721	\$19,442	\$29,163	\$38,884	\$48,605

Under this option, the City Council would have to increase the property tax rate to generate an amount equal to the total amount of the discount selected above or decrease General Fund expenditures by this same amount.

STAFF COMMENTS:

Since this issue was raised in regards to the community arts groups' use of the City Auditorium, would it seem preferable for the City Council to focus on Options 1 and 2. To date, the Parks and Recreation Staff has indicated that only the Story Theater Company has expressed concern about the proposed fee increases introduced last year. Therefore, the Council could consider as a first step, moving ahead with Option 1 for FY 2020/21.

Attachment A

Community Arts (Nonprofit):

*Central Iowa Symphony
Reliable Street
*India Cultural Association
*Des Moines Metro Opera Guild
TUBACHRISTMAS
*Story Theatre
*Co'Motion Dance
*Friends of Ames Strings
Senior Variety Show
*Ames Town and Gown

ISU (NONPROFIT):

ISU Hip Hop Club/DUB H
Indian Student Association
African Student Association
Chinese Students and Scholars
Greenlee School of Journalism
ISU Music/Theatre Department

Other Nonprofit:

The Navigators
ACVB
American College Dance Academy
Mary Greeley Hospital
Heartland Marimba Ensemble
ARC of Story County
RAGBRAI
Political Rentals (Ernst, King, etc)
Swanson Graduation Recital
Hands in Praise Recital
Iowa Utilities Board
Iowa Water Quality Panel
Stand Up Republic

Churches (NONPROFIT):

Hope Church
Body of Christ Church
Saint Cecilia's Parish

For Profit:

Performance Dance (Ames)
Bold Dance (Ames)
Beth Clarke Dance (Ames)
The Artist Studios (Madrid, IA)
Epic Dance Competition (California)
Motivate Dance (Ankeny, IA)
Dancin With Roxie (Ankeny, IA)
Kids Artistic Revue (California)
Lorie Line

FREE USAGE:

Employee Care Fund
EcoFair
Employee Wellness
Parks and Rec
Saint Cecilia's School
Patriotic Council
USAF
Iowa RSVP

*Denotes COTA Recipient

Attachment B

Ames City Auditorium

Proposed Rental Rates

FY 2019/20

FACILITY RENTAL RATES:

For Profit Rates:

Performance Rental rate (all day use): \$1,545 or 10% of gross ticket/admission receipts, whichever is higher

Rehearsal Rental Rate (or non-ticketed event): \$154.50/hr or \$1,545 Max Daily Rate

Non Profit Rates:

PRIME TIME RATES: (Thurs&Fri 6pm-11:59pm, Sat 12pm-11:59pm, Sun 12pm-11:59pm)

****If any portion of the rental falls during Prime Time, Prime Time Rates are charged for the duration of the rental period.*

Hourly Rate: \$103/HR
Or 10% of gross ticket/admission receipts, whichever is higher

Daily Rate: \$1,030 Daily Rate
Or 10% of gross ticket/admission receipts, whichever is higher

NON-PRIME TIME RATES: (all other times):

Hourly Rate: \$87.55/HR
Or 10% of gross ticket/admission receipts, whichever is higher

Daily Rate: \$875.50 Daily Rate
Or 10% of gross ticket/admission receipts, whichever is higher

Facility Fees (for any ticketed event at any time)	Ticket Price:	Fee per Ticket
	\$0.01-\$10.00	\$1.00
	\$10.01-\$25.00	\$2.00
	\$25.01 & up	\$3.00

RENTAL DEPOSIT: 25% of rental estimate to hold date

****Deposit amount will be applied to final bill as credit if no damages occur or no additional cleaning is necessary*

CANCELLATIONS:

Less than 14 days prior to first rental date:	No deposit refund
15-30 days prior to first rental date:	50% deposit refund
31+ days prior to first rental date:	100% deposit refund

FREQUENT USER DISCOUNT: (applies to Auditorium hourly rental time)

100+ hours in calendar year	5%
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****Must have 100+ hours under contract in a calendar year to receive the discount (January 1-December 31). Discount is applied to the final invoice upon completion of each event.*

BOX OFFICE FEES:

Ticket Printing Services:	\$0.10/ticket b&w & \$0.20/ticket color
Service fee for tickets sold by City Staff:	\$0.50 per ticket sold

STAFFING: (One staff member included with rental)

Additional Staff	\$20.60/hour
Additional Staffing OT 8 Hours+	\$30.90/hour (Time and one half)
Specialist/Programmer Rate	\$28.33/hour
Specialist/Programmer OT 8 Hours+	\$42.50/hour
Technical Direction/Project Management	\$77.25/hour

MERCHANDISE:

Merchandise Sales Charge	10% of gross sales
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****Renter must provide merchandise sales staff*

EQUIPMENT:

Piano	\$206
Dance Floor	\$180.25
Projector	\$103

AUXILIARY SPACES FOR USER GROUPS:

2/3 of Lunch Room	\$15.45/hour
Multipurpose Room 1 & 2	\$25.75/hour per room
Aerobics Room	\$41.20/hour

****Any expenses for additional equipment or personnel needed for an event are the sole responsibility of the renter. This includes additional sound, lighting and video reinforcement, fencing, barricades, police, security, stagehands, etc.*

***** ACAC Extended use rate (to be discontinued as of June 30, 2020)**

For Story Theater Company and Co'Motion Dance Theatre.

5-14 day max rental period

\$550 Minimum (up to 4 hours/day)

OR \$2.25/seat

\$50/additional hour

\$250 non-refundable deposit

Attachment C

Ames City Auditorium

Rental Rates

FY 2020/21

FACILITY RENTAL RATES:

For Profit Rates:

Performance Rental rate (all day use): \$1,590 or 10% of gross ticket/admission receipts, whichever is higher

Rehearsal Rental Rate (or non-ticketed event): \$159.00/hr or \$1,590 Max Daily Rate

Non Profit Rates:

PRIME TIME RATES: (Thurs&Fri 6pm-11:59pm, Sat 12pm-11:59pm, Sun 12pm-11:59pm)

****If any portion of the rental falls during Prime Time, Prime Time Rates are charged for the duration of the rental period.*

Hourly Rate: \$106/HR
Or 10% of gross ticket/admission receipts, whichever is higher

Daily Rate: \$1,060 Daily Rate
Or 10% of gross ticket/admission receipts, whichever is higher

NON-PRIME TIME RATES: (all other times):

Hourly Rate: \$90.00/HR
Or 10% of gross ticket/admission receipts, whichever is higher

Daily Rate: \$900.00 Daily Rate
Or 10% of gross ticket/admission receipts, whichever is higher

Facility Fees (for any ticketed event at any time)	Ticket Price:	Fee per Ticket:
	\$0.01-\$10.00	\$1.00
	\$10.01-\$25.00	\$2.00
	\$25.01 & up	\$3.00

RENTAL DEPOSIT: 25% of rental estimate to hold date

****Deposit amount will be applied to final bill as credit if no damages occur or no additional cleaning is necessary*

CANCELLATIONS:

Less than 14 days prior to first rental date:	No deposit refund
15-30 days prior to first rental date:	50% deposit refund
31+ days prior to first rental date:	100% deposit refund

FREQUENT USER DISCOUNT: (applies to Auditorium hourly rental time)

100+ hours in calendar year	5%
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****Must have 100+ hours under contract in a calendar year to receive the discount (January 1-December 31). Discount is applied to the final invoice upon completion of each event.*

BOX OFFICE FEES:

Ticket Printing Services:	\$0.10/ticket b&w & \$0.20/ticket color
Service fee for tickets sold by City Staff:	\$0.50 per ticket sold

STAFFING: (One staff member included with rental)

Additional Staff	\$21.22/hour
Additional Staffing OT 8 Hours+	\$31.83/hour (Time and one half)
Specialist/Programmer Rate	\$29.18/hour
Specialist/Programmer OT 8 Hours+	\$43.77/hour
Technical Direction/Project Management	\$79.57/hour

MERCHANDISE:

Merchandise Sales Charge	10% of gross sales
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****Renter must provide merchandise sales staff*

EQUIPMENT:

Piano	\$212.18
Dance Floor	\$185.66
Projector	\$106.09

AUXILIARY SPACES FOR USER GROUPS:

2/3 of Lunch Room	\$15.91/hour
Multipurpose Room 1 & 2	\$26.52/hour per room
Aerobics Room	\$42.44/hour

Attachment D

Ames City Auditorium

Rental Rates

FY 2021/22

FACILITY RENTAL RATES:

For Profit Rates:

Performance Rental rate (all day use): \$1,640 or 10% of gross ticket/admission receipts, whichever is higher

Rehearsal Rental Rate (or non-ticketed event): \$164.00/hr or \$1,640 Max Daily Rate

Non Profit Rates:

PRIME TIME RATES: (Thurs & Fri 6pm-11:59pm, Sat 12pm-11:59pm, Sun 12pm-11:59pm)

****If any portion of the rental falls during Prime Time, Prime Time Rates are charged for the duration of the rental period.*

Hourly Rate: \$109.00/HR
Or 10% of gross ticket/admission receipts, whichever is higher

Daily Rate: \$1,090.00 Daily Rate
Or 10% of gross ticket/admission receipts, whichever is higher

NON-PRIME TIME RATES: (all other times):

Hourly Rate: \$93.00/HR
Or 10% of gross ticket/admission receipts, whichever is higher

Daily Rate: \$930.00 Daily Rate
Or 10% of gross ticket/admission receipts, whichever is higher

Facility Fees (for any ticketed event at any time)	Ticket Price:	Fee per Ticket
	\$0.01-\$10.00	\$1.00
	\$10.01-\$25.00	\$2.00
	\$25.01 & up	\$3.00

RENTAL DEPOSIT: 25% of rental estimate to hold date

****Deposit amount will be applied to final bill as credit if no damages occur or no additional cleaning is necessary*

CANCELLATIONS:

Less than 14 days prior to first rental date:	No deposit refund
15-30 days prior to first rental date:	50% deposit refund
31+ days prior to first rental date:	100% deposit refund

FREQUENT USER DISCOUNT: (applies to Auditorium hourly rental time)

100+ hours in calendar year	5%
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****Must have 100+ hours under contract in a calendar year to receive the discount (January 1-December 31). Discount is applied to the final invoice upon completion of each event.*

BOX OFFICE FEES:

Ticket Printing Services:	\$0.10/ticket b&w & \$0.20/ticket color
Service fee for tickets sold by City Staff:	\$0.50 per ticket sold

STAFFING: (One staff member included with rental)

Additional Staff	\$21.86/hour
Additional Staffing OT 8 Hours+	\$32.79/hour (Time and one half)
Specialist/Programmer Rate	\$30.06/hour
Specialist/Programmer OT 8 Hours+	\$45.09/hour
Technical Direction/Project Management	\$81.96/hour

MERCHANDISE:

Merchandise Sales Charge	10% of gross sales
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****Renter must provide merchandise sales staff*

EQUIPMENT:

Piano	\$218.55
Dance Floor	\$191.23
Projector	\$109.27

AUXILIARY SPACES FOR USER GROUPS:

2/3 of Lunch Room	\$16.39/hour
Multipurpose Room 1 & 2	\$27.32/hour per room
Aerobics Room	\$43.71/hour