

Item 23-1471: Adopt the Proposed Revised Houdini Plaza Rental and Fee Schedule Policy

Item 23-1472: Request to Adopt the Proposed Revised Jones Park Rental and Fee Schedule Policy

Parks and Recreation Committee
Mon, Jan 22, 2024 6:15PM

Aldersperson William Siebers (District 1) 01:09

There's no public hearings or appearances. So, we will go to 23-1471 adopt the proposed revised Houdini Plaza rental and fee schedule policy. Do I hear motion to get it on the table?

Aldersperson Kristin Alfheim (District 11) 01:23

Move to approve.

Aldersperson Patrick Hayden (District 7) 01:24

Second.

Aldersperson William Siebers (District 1) 01:25

Motion has been made and second, to put it on a table. Aldersperson Schultz, do you have anything?

Aldersperson Alex Schultz (District 9) 01:32

Thank you, Chair. This was referred back to committee. Unfortunately, I wasn't present the first time the committee heard it, and the second time we came to committee to have a discussion, we didn't really have any numbers from staff. Fortunately, between now and then Director Gazza did supply us with some summaries of the rental fees for last year, and that was some insightful information.

Aldersperson Alex Schultz (District 9) 01:59

If you looked at those spreadsheets we're really only discussing or talking about the fee structure for Houdini Plaza which equates to roughly \$2,450 a year or 2400 500—er \$2,450. A really nominal fee, and I don't think if we adjusted anything or voted to leave as is it would make or break anybody who wants to rent that space. So, if that's where we ended up, I'm totally fine with it.

Aldersperson Alex Schultz (District 9) 02:25

I did just really want to have a discussion about the nature of those rentals in that space. Primarily the fact that when I initially saw the fee schedule, there was some increases on the existing fees that were just tacked on as a \$25 additional fee. So, it wasn't equitable from one organization to the next. It wasn't like a 10% increase to 20% increase. It was \$25 on top of \$50, \$25 on top of \$100, \$25 on top of \$300, and \$25 on top of \$500, which I guess maybe the primary reason I was like, What was the rationale or logic for those increases except to just increase things overall to compensate for a certain amount of money.

Aldersperson Alex Schultz (District 9) 03:08

At this time, I'd like to propose or offer an amendment to the fee structure that each of those fees is increased by 20% across the board. So that would equate to an increase from \$25 to \$30 for non—local nonprofit, from \$100 to \$120 for national nonprofit, from \$300 to \$360 for a for-profit organization, and from \$500 to \$600 for private event. That's an equitable 20% increase across the board. Discussions with Director Gazza. He seemed to

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feel that that would be also something he would support as an equitable increase for that fee structure, and I guess at this point...

Aldersperson William Siebers (District 1) 03:48

Do we have a second?

Aldersperson Alex Schultz (District 9) 03:50

Thank you.

Aldersperson William Siebers (District 1) 03:51

To...?

Aldersperson Nate Wolff (District 12) 03:52

I'll second.

Aldersperson William Siebers (District 1) 03:54

Motio—amendment's been made and seconded. Mr. Gazza, which mic?

Director Dean Gazza (Parks, Recreation, and Facilities) 04:00

Director 3.

Aldersperson William Siebers (District 1) 04:02

Would you like to speak to this? And are you in favor of it?

Director Dean Gazza (Parks, Recreation, and Facilities) 04:08

Yes, me and director—I mean, Aldersperson—Schultz had talked about this. And our goal here is to modify the fees in order to bring in more revenue to offset some of the costs that we incur on a regular basis. Aldersperson Schultz had indicated that he'd like to have more of that fee put on the private events and for-profit organizations and less on the local nonprofits, and that accomplishes that. I do think that the increase—I can't say that I would challenge that. I think it's —I think it's a an increase that will increase our revenue and help offset our expenses. And I think it accomplishes what he was looking for so I'd be comfortable with that.

Aldersperson William Siebers (District 1) 05:02

Okay. Aldersperson van Zeeland, what...?

Aldersperson Katie Van Zeeland (District 5) 05:11

Is there any difference in expenses that the department sees based on if it's a private event or a nonprofit. You know, is one messier than the other, you know? Is there any difference that you see on your end be—by the type of event that's being held?

Director Dean Gazza (Parks, Recreation, and Facilities) 05:32

No.

Aldersperson Katie Van Zeeland (District 5) 05:33

Okay. Thank you.

Aldersperson Katie Van Zeeland (District 5) 05:35

Aldersperson Alfheim.

Aldersperson Kristin Alfheim (District 11) 05:37

Thank you, Chair. Director Gazza, you now—so what we were presented initially was well thought out by your department. Correct? And what was—please help me understand the—in the end, the dollar may be the same, but please help us understand the reasoning for what you did, the way you did it, as opposed to what you're being asked to do now.

Director Dean Gazza (Parks, Recreation, and Facilities) 06:03

Yeah, the reason would be exactly what Aldersperson Van Zeeland—you know, the cost is pretty much the same when you're when you're adding. It's not different per event. It's adding some additional cost to offset expenses for labor and things like that. So, like our labor for a nonprofit isn't different for the person that does clean up for a person that does nonprofit. So yes, would I prefer what we presented? Absolutely. I do think what Aldersperson Schultz presented is an equitable solution. But I would say that if we would go with Aldersperson Schultz's resolution, it'd be likelier to see us come back sooner with another increase than waiting, you know, a period of a couple of years, again, to show another increase.

Aldersperson Kristin Alfheim (District 11) 06:03

And is it—if I may continue? Is it is it fair to say that in our existing list of fees that we are undercharging across the board, but without question in the nonprofit arena, compared to the work that is actually already being performed?

Director Dean Gazza (Parks, Recreation, and Facilities) 07:16

Yeah, we're heavily subsidizing events. I mean, you have a facility. You're talking about maintenance, electricity, toilet paper, bathroom cleanup, grounds care, and any vandalism or damage that occurs. You could have—a lot of times when events occur, concrete needs to be washed afterwards, and things like that. So, we do have quite a bit of cleanup after these events. So, this intent isn't to recover 100% of fees, but offset some of the costs. We do want people to have a welcome, you know, a fee structure that welcomes them to come into the community or those that already are in the community to use the amenities in a way that, you know, they're there to use, and to create or to have events, and that, you know, just spurs a lot of other benefits that we see other than this fee, like economic activity and things like that.

Aldersperson Kristin Alfheim (District 11) 08:12

And I think my last comment is "No one enjoys an increase on anything." I think that's a fair statement unless it's our pay. But my point is that we don't like to have to keep going back to ask for more, because whether it's 50 cents or it's \$100, there will be irritation by those that receive that increase. So, if I understand correctly, your initial suggestion, your initial plan was to set the fees, and so we would be set to go for a number of years without having to reset them. And if, again, if I understand correctly, Alder Schultz's plan would not hold up as well, and we would have to continue to come back to the well to make those adjustments more frequently.

Director Dean Gazza (Parks, Recreation, and Facilities) 08:57

Yeah, I think what's challenging about it, like—I like the idea that it's moving in the right direction; it definitely is increasing fees. Taking the number of rentals, it's hard to determine just off top my head what the difference would be, but a \$5 increase in the local nonprofit when all of the events except for one at Houdini were nonprofit would result in, you know, little about them increase overall. Maybe a couple \$100 where in the other case it might be you know more. Either way it's not a significant—

Alderson Kristin Alfheim (District 11) 09:40

I appreciate the—thank you for the answers. I appreciate the compassion and the thoughtfulness of my colleague in trying to make it as easy on groups as we can. I truly do. I do also think that our job as the city is to make sure that we're doing the best job we can for the municipality, which itself is in a nonprofit situation. So, my problem with trying to change it over is we're not actually getting as close to a solution as we're getting by taking Alder Schultz's options. I do not believe the changes of the initial plan were so substantial that it's going to deter a nonprofit from holding an event, and in the end, we are still taking a loss on these events. We are still subsidizing very heavily. And it is harder and harder to be in business or success in an organization, and we as a city are no different. So, what we're asking all of our organizations to do is work with us as we all fight through the increasing costs. So, I would not be in favor of the amendment, but I appreciate and respect the thought put into it.

Alderson William Siebers (District 1) 10:49

Alderson Schultz.

Alderson Alex Schultz (District 9) 10:51

Thank you, I just want to address some of the comments by my colleague here. I want to make it clear that what we're talking about is simply the reservation fees. Each of these events is charged \$50 per event, additional fees for tent permits, money permits, a lot of other fees. If you look at the breakdown, essentially what we're talking about is a little less than two dozen events at \$25 a day. We're talking about \$500. Right? This is a conversation about \$500. Can the city afford to lose \$500 because we're not increasing from \$25 to \$50 a day? If we increase from \$25 to \$30 a day, we're losing \$400. That's the conversation. And I think the tradeoff is we're trying to show the community and especially those nonprofits who are challenged, that we want to present them with an equitable fee reservation schedule.

Alderson Alex Schultz (District 9) 11:42

It's \$400. Honestly, if this doesn't pass, I'll write a check for \$400. And I'll cover it for this year and next year. I don't have it with me, but I will do it. Because it's such a nominal fee, and the tradeoff here is we're trying—what I'm trying to do is show the nonprofits we have a great opportunity in the downtown district, in the heart of our city that doesn't get a lot of use. Now my conversations to Director Gazza, he says, I know initially I was thinking no fee for nonprofits, and he said, "Well, then you're gonna get a lot of people reserving it and a lot of trash", and he's absolutely right. There's no buy in if there's no fee, and I heard that from my colleagues when we first had this discussion. So, I'm agreeing with that. What I'm trying to do is create an equitable structure.

Alderson Alex Schultz (District 9) 12:24

In the end, if we don't vote for it, it's not a make-or-break situation. It's \$400. It's not a big deal. But that's not really the intent of what I'm trying to do. I'm trying to show the local nonprofits who may not understand that they can rent this—reserve this space, that they can do it, and we're cognizant of them in trying to bring them to the downtown district and have events in Houdini Plaza which engages the community. And that's really what we're trying to do—engage the community with our nonprofits. They may not even be aware that they can rent that space. So really, this is a conversation about that. I'm glad we're having it. I am totally fine if this doesn't pass or does pass because, again, it's peanuts. And I just want coll—my colleagues to understand that number because it is peanuts.

Alderson William Siebers (District 1) 13:07

Thank you. Alderson Wolff.

Alderson Nate Wolff (District 12) 13:10

Thank you, Chair. I'd just like to say in these times of inflation and bad economic—well, this for nonprofits right now, they are not in a net positive some of them. So, some of them don't have the funds to do much with, and raising prices on them might make them go away from doing more in the community. So, I don't want to raise the rates on that, but I think this is a fair compromise, where we're still increasing it or not increasing it as much as some would like, but I think that it's a good compromise.

Alderson William Siebers (District 1) 13:53

Alderson Van Zeeland.

Alderson Katie Van Zeeland (District 5) 13:55

Thank you, chair. When I asked Director Gazza before what the difference would be, what I was trying to get at is why is there a difference in pricing at all? And it sounds like, if I'm understanding correctly, that it is the number of events that take place that is tipping the scales a little bit—that there are more nonprofit events than private events. And so, when we lower the costs of the nonprofit events, that is a substantial amount of money as it is, but then also attracting more nonprofits will have us lose more money. So, I appreciate the spirit of the amendment, but I wouldn't be in favor of it. Thank you.

Alderson William Siebers (District 1) 14:55

Alderson Hayden.

Alderson Patrick Hayden (District 7) 14:56

Thank you, chair. As I kind of been going through the data that Director Gazza provided (and thank you very much for doing that), it looks like we have more than 30 events that have happened throughout the year. And I'm guessing most of those probably do happen on the weekend, is that correct?

Alderson Patrick Hayden (District 7) 15:12

And that doesn't leave much wiggle room when you factor in holidays, people probably don't do a lot of events around that time of year, except for the Turkey Trot, which is obviously on Thanksgiving. I guess to my point is, there probably aren't really that many other periods to rent the plaza out. And also looking at the list of organizations that are renting it out, I'm not seeing anybody who I honestly feel it would make a huge difference what we're looking at—the proposed amendment versus what we have there. So, I honestly feel like the proposed fee structure that you've laid out is equitable, and I will be voting against the amendment. But if you need help raising that money, I'm more than happy to kick in.

Alderson William Siebers (District 1) 15:12

Thank you. All right. Alderson Schultz.

Director Dean Gazza (Parks, Recreation, and Facilities) 15:12

Correct.

Alderson Alex Schultz (District 9) 16:05

Thank you, Chair. Just to comment on my colleagues comments about increasing nonprofit use and limiting for profit use, the existing fee structure has been in place for 10 years. We have a list of rentals for that space. There's one for profit rental this last year out of a dozen—or almost two dozen rentals. So that fee structure hasn't changed anything. We're gonna raise it \$5. Nothing will change between raising it \$5 or raising it \$25. It's going to be the same breakdown of nonprofits that rent that space and the one for-profit entity that rents that space. I don't think any fee changes that I'm suggesting are going to change the rental structure for that entity—

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er for that for that space. So, I'm not sure that that's a valid concern. I appreciate it, but I don't think it's going to change anything. We're not talking about a significant amount of money here.

Alderson William Siebers (District 1) 17:09

Okay.

Alderson Alex Schultz (District 9) 17:09

I'll leave it at that.

Alderson William Siebers (District 1) 17:12

Mr. Gazza, do you have...?

Director Dean Gazza (Parks, Recreation, and Facilities) 17:13

Yeah, I took the time to total this up, looking at the dates. There's 32 nonprofit events, and basically 32 days of nonprofit events. So, if you look at the dates on the left-hand column, some are two days, some are more days. So, there's 32 days nonprofits rented. 2 days that profit rented. The profit, though, was Runaway Shoes, which was a collaboration with the city. They're technically a profit, but because it was a collaboration, they didn't have to pay the full fee. So that one is difficult to count as a profit. So, one could say 100% of them were nonprofit. 32 events. If we go up by the amount of money (we're suggesting \$25) it would be \$800 more. If we went \$5 would be \$160 more. Net difference of \$640. So, we are talking not a lot of money that we're asking for an increase, I guess.

Alderson William Siebers (District 1) 18:08

Okay, Alderson Alfheim.

Alderson Kristin Alfheim (District 11) 18:10

This will be my last comment. I—we haven't raised the fee in 10 years. The costs have gone up substantially over 10 years. It is our job to not only take care of the community but to look out for the city itself in our expenses. I guess my challenge is I'm pretty sure we've spent more man hours in pulling the data to find a \$500 discrepancy when we could have just trusted the division that's meant to tell us what to do, which I believe Director Gazza did. He came up with an equitable solution that made sense. It was rational. It was good to the people. It was good to the organizations, and yet here we are having the conversation about the \$500 that we've wasted in having the conversation. That's silly to me. So, I don't see why we should—I'm gonna vote against the amendment because we're not actually accomplishing anything much more than what we had initially, and I find that to be frustrating. So as much as I respect, I challenge this situation and what we're doing running around in circles at 7:05 right now. So, I would vote we vote down the amendment, go back to the initial plan that was perfectly well calculated and laid out. Thank you.

Alderson William Siebers (District 1) 19:20

All right. Have we exhausted ourselves?

Alderson Kristin Alfheim (District 11) 19:24

Yes. Thank you.

Alderson William Siebers (District 1) 19:26

Let's take a vote on the amendment. All in favor of the amendment signify by saying aye.

Alderspersons Schultz and Wolff 19:32
Aye.

Aldersperson William Siebers (District 1) 19:33
All those opposed?

Alderspersons Hayden and Alfheim 19:34
Nay.

Aldersperson William Siebers (District 1) 19:35
Chair votes nay. Three - two. Amendment fails. So do I hear a mot—well, we do have a motion. So, we have a motion to approve the policy. So, is there any further discussion? Aldersperson van Zeeland.

Aldersperson Katie Van Zeeland (District 5) 19:57
I'll just add that I think it's important that we go with the plan that was presented to us because not doing so puts us at risk for being able to provide the nonprofits the—what is necessary for them to hold those events.

Aldersperson William Siebers (District 1) 20:15
Okay.

Aldersperson Katie Van Zeeland (District 5) 20:15
Thank you.

Aldersperson William Siebers (District 1) 20:16
All right. A motion's been made and approve, the proposed revised Houdini Plaza rental and fee schedule policy. All in favor signify by saying aye.

Alderspersons Hayden, Alfheim, Wolff 20:26
Aye.

Aldersperson William Siebers (District 1) 20:27
All those opposed?

Aldersperson Alex Schultz (District 9) 20:28
Nay.

Aldersperson William Siebers (District 1) 20:29
Chair votes aye. 4 - 1

Aldersperson William Siebers (District 1) 20:32
23-1472 request to adopt the proposed revised Jones Park rental and fee schedule policy. Do I hear a motion to approve?

Aldersperson Kristin Alfheim (District 11) 20:40
So, moved.

Aldersperson Nate Wolff (District 12) 20:42
Second.

Alderson William Siebers (District 1) 20:43

Second? Motion's been made and seconded to approve. Any discussion on this?

Director Dean Gazza (Parks, Recreation, and Facilities) 20:47

No fee adjustments in this policy, chair. It basically was just we added an area that people could use a fire pit or grill out, a grill area station, because to stay away from the building. And that's what we added.

Alderson William Siebers (District 1) 21:02

All right. No further discussion. All in favor signify by saying aye.

Alderson Kristin Alfheim (District 11) 21:09

Aye.

Alderson William Siebers (District 1) 21:10

All those opposed? Chair votes aye. Five zero.