

Flagged item #3**Budget Process, November 2023**

Flagged Item # 3	Flagged Item #3 - Reduction of Non-Profit Facility Rental Fees THAT Administration provide information on the revenue impact of a 10% reduction to the non-profit rental rate for County facilities and to the fee for electronic sign advertising.
Date of Request	November 22, 2023
Moved By	L. Harvey
Response Required by	12:00 p.m. November 24 2023
Department / Division	Recreation, Parks and Culture / Community Services

Response:**Non-Profit Rental Rates for County facilities**

Recreation, Parks, and Culture fees are determined through a comprehensive assessment based on the fee framework, considering factors such as the cost of services, comparative market rates, utilization and value, and the ability to pay. Ongoing evaluations are conducted to align with external environments and the evolving needs of residents.

In 2022, a thorough evaluation revealed that most rates had remained unchanged since 2016 and a more change in the approach, particularly for non-profit rates, was deemed necessary. The County's fees include Non-Profit Organization (NPO) discounts ranging from 18% to 58%. Consequently, in 2023, new non-profit rates were introduced at a standard 40% discount for specific Festival Place spaces, addressing the need identified by users.

In 2023, the following additional new non-profit rates were added:

- Festival Place meeting room rentals.
- Festival Place theatre rental 5 hour and additional hourly rental fees.
- Festival Place full facility hourly rate (max 16 hours).
- Festival Place full facility additional hourly rate.

A regional analysis identified variations in the application of discounts for NPOs, with observed rates ranging from 33% to 38%. Additionally, certain discounts were linked to age categories rather than NPO status. In response, the 2024 proposed fees aim for a standardized 40% discount across applicable categories, however, are planned to be phased in where discounts are higher than the standard rate.

The following NPO fees have been added in 2024 at a 40% discount:

- Multi-purpose and Meeting rooms - Room Rental level A
- Social Halls/Lounges - Large Hall hourly

Option 1: An additional 10% discount for the current Recreation Parks and Culture NPO rental rates, including the new rates recently added, results in an estimated \$30,000 financial impact by increasing the discount to 28-68%.

Option 2: Apply a consistent 40% discount to the current Recreation, Parks and Culture NPO rental rates which would result in no financial impact, however some users would experience an increase and others a decrease.

Option 3: Accept the proposed 2024 fees with a phased strategic approach, resulting in no 2024 financial impacts.

Electronic sign advertising

The Rec and Culture Network program, in its early stage, is presently undergoing assessment. This initiative offers complimentary advertising opportunities, featuring inclusion in the event listing calendar for visibility on the RC Network webpage and vertical screen display at Millennium Place and Ardrossan Recreation Complex.

A comprehensive evaluation of paid advertising is in progress, which includes exploring the implementation of an annual subscription or an additional discount. Increasing the discount from 20% to 40% will have a revenue impact of \$1,000. This would thereby align with the proposed standard non-profit organization (NPO) discount rate of 40%.