



## Audit, Finance & Enterprise Committee

**Date:** March 6, 2017  
**To:** Audit, Finance & Enterprise Committee  
**Through:** Natalie Lewis, Deputy City Manager  
**From:** Cindy Ornstein, Arts & Culture Department Director  
**Subject:** Proposed Changes to Arts & Culture Department Fees and Charges Citywide

### **Purpose and Recommendation**

The purpose of this report is to provide recommended changes and revisions/clarifications to the FY 2017/18 Fees & Charges Schedule of the Arts & Culture Department.

Staff recommends that the Audit, Finance & Enterprise Committee support these recommendations.

### **Background**

As part of the budget cycle, the Arts and Culture Department reviews its Fees & Charges Schedule and determines if updates, additions, or deletions are needed for the following fiscal year. This determination is based upon a variety of factors, including increasing costs, length of time since the last fee increase, competition in the marketplace, and other considerations.

### **Discussion**

Arts and Culture has identified several clarifications to the current Fees & Charges Schedule, adding categories that break out revenue codes for taxable versus non-taxable revenues. For Mesa Arts Center (MAC) Theater Rental Fees, the department is proposing the application of a percentage option against a flat fee rental rate in some instances, retaining only the flat fee payment, and are also proposing increases in rental fees. MAC is proposing rental fees for several spaces that have not previously been identified with specific rates, primarily additional outdoor spaces which are now experiencing demand.

### **Event Services/Rental Department**

A rental rate comparison was conducted against area venues of similar size to the

Mesa Arts Center. The other venues that rental fees were compared to were the Chandler Center for the Arts, Herberger Center Stage, Orpheum Theatre and Scottsdale Center for the Arts. The research conducted shows that the current rates are competitive to other Valley venues of similar sizes, and even lower in some cases. Additionally, theater utilization was also considered when evaluating the rates, with rate increases greater on those theaters for which there is more demand.

Since opening in September 2005, MAC rental rates have been increased twice: in July 2009 and in July 2014.

### **Alternatives**

Alternatives to the recommended changes to the Arts and Culture Fees & Charges Schedule include leaving the current schedule in place or recommending different changes to the schedule.

### **Fiscal Impact**

The fiscal impact for MAC Event Services will be approximately \$12,400 in increased revenue.

The proposed revision to eliminate a percentage payment option for certain theater rental rates will have no financial impact.

### **Coordinated With**

The Arts & Culture Department worked with staff from the Office of Management and Budget and the City Attorney's Office.

SCHEDULE OF FEES AND CHARGES

## Department: Arts and Culture

Date Last Reviewed: December 2016      Cindy Ornstein, Arts & Culture Director  
 Contact: Teri Siggins, (480) 644-6605

Description of Services:	FY 16/17 Fee/Charge	Revenue Code	FY 17-18 Fee/Change (Effective 7/1/17)	Date Last Revised	FY 17-18 Fiscal Impact	Notes
<b>MESA ARTS CENTER RENTALS</b>						
<b>Facility Use Fees</b>						
Tom and Janet Ikeda Theater						
Industrial Rate, Daily	\$4,283.00	1109-3177		07/01/14		
Commercial Rate Daily Plus Labor, FOH and Box Office	<del>\$3,126 vs 5%***</del>		<b>\$3,439 vs 5%***</b>		<b>\$1,920.00</b>	
Non-Profit Rate, Daily plus Labor, FOH and Box Office	<del>\$2,126 vs 5%***</del>		<b>\$2,547 vs 5%***</b>		<b>\$1,770.00</b>	
Affiliate Rate, Daily	\$1,620.00			07/01/08		
Virginia G. Piper Repertory Theater						
Industrial Rate, Daily	<del>\$2,315.00</del>	1109-3177	<b>\$2,431.00</b>	07/01/14	<b>\$500.00</b>	
Industrial Rate, Weekly	N/A			01/03/05		
Commercial Rate Daily Plus Labor, FOH and Box Office	<del>\$1,904 vs 5%***</del>		<b>\$1,999 vs 5%***</b>	07/01/14	<b>\$840.00</b>	
Commercial Rate, Weekly	<del>\$9,225 vs 5%***</del>		<b>\$9,686.25</b>			no fiscal impact
Non-Profit Rate, Daily plus Labor, FOH and Box Office	<del>\$1,297 vs 5%***</del>		<b>\$1,430.00</b>		<b>\$1,290.00</b>	delete the vs.5%
Non-Profit Rate, Weekly plus Labor, FOH and Box Office	<del>\$6,694 vs 5%***</del>		<b>\$7,380.00</b>			no fiscal impact
Affiliate Rate, Daily	\$988.00			07/01/08		
Affiliate Rate, Weekly	\$5,100.00					
Nesbitt/Elliott Playhouse						
Industrial Rate, Daily	<del>\$1,158.00</del>	1109-3177	<b>\$1,274.00</b>	07/01/14		no fiscal impact
Industrial Rate, Weekly	N/A					
Commercial Rate Daily Plus Labor, FOH and Box Office	<del>\$839 vs 5%***</del>		<b>\$923.00</b>		<b>\$126.00</b>	delete the vs.5%
Commercial Rate, Weekly	<del>\$3,376 vs 5%***</del>		<b>\$3,714.00</b>			delete the vs.5% no fiscal impact
Non-Profit Rate, Daily plus Labor, FOH and Box Office	<del>\$571 vs 5%***</del>		<b>\$660.00</b>	07/01/09	<b>\$420.00</b>	delete the vs.5%
Non-Profit Rate, Weekly plus Labor, FOH and Box Office	<del>\$2,450 vs 5%***</del>		<b>\$2,830.00</b>			delete the vs.5% no fiscal impact
Affiliate Rate, Daily	\$435.00			07/01/08		
Affiliate Rate, Weekly	\$1,866.00					
***Users will be charged the stated dollar amount or a maximum of five percent of gross ticket sales.						
Anita Cox Farnsworth Studio Theater						
Industrial Rate, Daily	\$608.00	1109-3177		07/01/14		
Industrial Rate, Weekly	N/A					
Commercial Rate Daily Plus Labor, FOH and Box Office	<del>\$435 vs 5%***</del>		<b>\$435.00</b>			delete the vs.5%
Commercial Rate, Weekly	<del>\$1,621 vs 5%***</del>	1109-3177	<b>\$1,621.00</b>	07/01/14		delete the vs.5% no fiscal impact
Non-Profit Rate, Daily plus Labor, FOH and Box Office	<del>\$368 vs 5%***</del>		<b>\$368.00</b>	07/01/09		delete the vs.5%
Non-Profit Rate, Weekly plus Labor, FOH and Box Office	<del>\$1,103 vs 5%***</del>		<b>\$1,103.00</b>			delete the vs.5%
Affiliate Rate, Daily	\$300.00			07/01/08		
Affiliate Rate, Weekly	\$900.00					
<b>Outdoor spaces</b>			<b>\$200 - \$5,000</b>		n/a	
<b>Shadow Walk, Wells Fargo Garden, Alliance Pavillion, Jonie Flatt Terrace,</b>						
Merchandise	Up to 30%	1109-3175 1109-3176		7/1/2016		taxable non-Taxable
<b>Box Office</b>						
Handling Fee, per ticket	\$0-\$7.00	1109-4505 1109-4507		07/01/07		State/City Tax City Tax

SCHEDULE OF FEES AND CHARGES

**Department: Arts and Culture**

Date Last Reviewed: **December 2016**     **Cindy Ornstein, Arts & Culture Director**  
 Contact: Teri Siggins, (480) 644-6605

Description of Services:	FY 16/17 Fee/Charge	Revenue Code	FY 17-18 Fee/Change (Effective 7/1/17)	Date Last Revised	FY 17-18 Fiscal Impact	Notes
Ticket Printing Fees, per ticket	\$0.10-\$2.00	1109- <del>3234</del> 1109- <del>3235</del>		01/03/05		<b>Taxable</b> <b>Non-Taxable</b>
Facility Restoration Fee, Per Ticket	\$0-\$5.00	1209- <del>4502</del> 1209- <del>4503</del>				<b>4504 non-Taxable</b> <b>Taxable</b>
***Users will be charged the stated dollar amount or a maximum of five percent of gross ticket sales.						
<b>Art Studio-Classes</b>						
Facility Restoration Fee, Per Student Restoratic	\$0-\$5.00	1209- <del>4503</del> 1209- <del>4504</del>	<b>Taxable</b> <b>Non-Taxable</b>			