



# PARKS & RECREATION COMMISSION

## REGULAR VIDEO MEETING

Thursday, October 7, 2021 at 5:30 PM

### BOARD MEMBERS:

Chair Jodi McCarthy  
Vice Chair Peter Struck  
Board Members: Don Cohen,  
Sara Berkenwald, Paul Burstein,  
Sara Marxen, Rory Westberg

### LOCATION & CONTACT

Zoom Meeting  
Phone: 206.275.7626 | [www.mercerisland.gov](http://www.mercerisland.gov)

*In compliance with the Americans with Disabilities Act, those requiring accommodation for meetings should notify the Staff Liaison at least 24 hours prior to the meeting at 206.275.7706.*

### Virtual Meeting Notice

The virtual meeting will be broadcast live on Zoom and recorded and saved on the City Council's [YouTube Channel](#)

**Registering to Speak:** Individuals wishing to speak live during Appearances will need to register their request with the staff liaison at **206.275.7871** or [email](#) and leave a message before 4 PM on the day of the Commission meeting. Please reference "Appearances" on your correspondence. Each speaker will be allowed three (3) minutes to speak.

**Join by Telephone at 5:30 PM:** To listen to the meeting via telephone, please call **253.215.8782** and enter Webinar ID **896 5507 6791** and Password **694967** when prompted.

**Join by Internet at 5:30 PM:** To watch the meeting over the internet via your computer, follow these steps:

- 1) Click [this link](#)
- 2) If the Zoom app is not installed on your computer, you will be prompted to download it.
- 3) If prompted for Webinar ID, enter **896 5507 6791** Enter Password **694967**

### CALL TO ORDER & ROLL CALL - 5:30 PM

### PUBLIC APPEARANCES

### REGULAR BUSINESS

1. Approval of the September 9, 2021 Special Meeting Minutes  
**Recommended Action:** Approve minutes.
2. Recreation: Differential Pricing Policy (Cont.)  
**Recommended Action:** Endorse the Differential Pricing Policy
3. Mercer Island Community and Event Center Facility Allocation & Use Policy  
**Recommended Action:**
  - 1) Discuss policy and key questions.
  - 2) Take action on the policy (either moving to endorse or suggesting amendments).
4. Recreation Reset Update & 2022 Division Outlook (No Staff Report- Presentation only)  
**Recommended Action:** Receive presentation.

### OTHER BUSINESS

5. Planning & Meeting Schedule Update
6. Department Report & Update (5 min)
7. Commissioner Reports/Work Plan Updates

### ADJOURNMENT



## PARKS & RECREATION COMMISSION SPECIAL MEETING MINUTES September 9, 2021

### CALL TO ORDER

Chair McCarthy called the meeting to order at 5:30 pm via Zoom Online meeting.

### ROLL CALL

Commissioners Rory Westberg, Don Cohen, Jodi McCarthy, Sara Marxen, Peter Burstein and Peter Struck were present.

Absent: Sara Berkenwald

Steve Duh, Consultant, was present.

Staff present were Ryan Daly, Operations Transition Team Manager, Jessi Bon, City Manager, Merrill Thomas-Schadt, Recreation Coordinator

### APPEARANCES

1. Sue Stewart spoke about concerns with activities at the Upper Luther Burbank bike skills area.

### REGULAR BUSINESS

The Commission welcomed new Commissioner Paul Burstein

#### 1. Approval of Minutes

Minutes from the meetings were presented.

#### MOTION:

Cohen motioned to accept the minutes from the July 1 meeting as presented. Westberg seconded the motion.

**Motion passed unanimously.**

#### 2. Luther Burbank Docks and Adjacent Waterfront 30% Design Review

McCarthy motioned to reconvene the Luther Burbank Docks Subcommittee. Westberg seconded the motion.

**Motion passed unanimously.**

#### 3. Parks, Recreation and Open Space (PROS) Plan Draft Goals & Objectives, Capital Facilities Project List, and Input on September 28 Virtual Public Meeting.

Duh provided an update with survey response numbers and a timeline for the data to be analyzed and compiled (early October).

Duh provided an update on the timeline for development of the PROS Plan project.

Bon outlined the process to review Chapter 4 and walked Commissioners through a matrix of written comments and questions submitted by Commissioners prior to the meeting.

Westberg stated that it was difficult to locate certain areas within the plan referenced in the goals and objectives section. Duh stated that the final document would include a guide to help follow and track the various pieces of the plan.

Commissioners engaged in discussion on each comment and provided feedback which was recorded in the Chapter 4 Comments Matrix.

#### **BREAK FROM 7:10-7:20PM**

Bon will go back to the trails section of Chapter 4 to make edits and return this portion to the Commission.

Commissioners and staff team completed review of the comment matrix. Changes made were reflected in the matrix; some specific items will be revised by staff to be returned to the Commission at a later meeting.

Duh presented a preview of the September 28 Virtual Public Meeting. Commissioners provided feedback on draft polling questions.

#### **OTHER BUSINESS**

4. **Commission Meeting Update**

Daly confirmed the October 7 meeting and an additional meeting, tentatively scheduled for October 14.

5. **Department Report and Update**

Daly will email report instead of presenting in the interest of time.

Councilmember Jacobson thanked the Commission for their time and work.

6. **Commissioner Reports**

Skipped due to the late hour.

#### **ADJOURNMENT at 9:30PM**



**PARKS & RECREATION COMMISSION  
STAFF REPORT**

**Item 2  
October 7, 2021  
Regular Business**

**AGENDA ITEM INFORMATION**

<b>TITLE:</b>	Recreation: Differential Pricing Policy (Cont.)	<input type="checkbox"/> Discussion Only <input checked="" type="checkbox"/> Action Needed: <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution
<b>RECOMMENDED ACTION:</b>	Endorse the Differential Pricing Policy	

<b>STAFF:</b>	Ryan Daly, Recreation & Operations Manager Emily Moon, Consultant
<b>COUNCIL LIAISON:</b>	Jake Jacobson
<b>EXHIBITS:</b>	1. Draft: Differential Pricing Policy (red-lined version) 2. Staff Report – July 1: Recreation-Differential Pricing Policy 3. Pricing section of the Reset Strategy

**SUMMARY**

At the [July 1, 2021](#) Parks and Recreation Commission meeting, staff and consultant Emily Moon presented a draft policy concerning differential pricing. The Commission posed questions and gave supportive feedback. Commission members expressed a desire for better clarity in one clause of the policy. Staff committed to making that improvement and to bringing the policy back for consideration alongside a referenced, draft MICEC Facility Allocation and Use Policy, which is also on tonight’s meeting agenda.

Since the July meeting, the clause has been modified and the facility use policy has been drafted. A “red-lined” version of the Differential Pricing Policy is attached for the Commission’s review. In addition, Staff has attached the [Staff Report](#) from the July 1 meeting, which provides more background on the policy, and the attachments to that memo.

**RECOMMENDATION**

Endorse the Differential Pricing Policy

Mercer Island Policy and Procedure

## DIFFERENTIAL PRICING



<b>Effective Date:</b> 2022	<b>Last Updated:</b> N/A	<b>Approved By:</b>
<b>Code and Statutory Authority:</b> MICC 4.44.010 MICC 3.53.020	<b>Related Polices:</b> Strategy for MICEC and Recreation Programs and Services ("Strategy")	

### Purpose

The City of Mercer Island uses the following differential pricing policy as a part of its comprehensive approach to pricing and its overall strategy<sup>1</sup> for the Recreation Division’s programs and services. This policy describes the circumstances and requirements that must be present and satisfied to allow the City to charge one individual or group less than another for programs and services.

### Scope/Background

Differential pricing is one component of how the City establishes and levies fees. The City endeavors to “set reasonable fees that are responsive to demand, market realities and minimum cost recovery goals, such that the overall operation is financially sustainable and Mercer Island residents of all income levels can participate.”<sup>1</sup> Differential pricing can assist the City in stimulating demand, leveraging residents’ tax subsidy, reaching an underserved population, shifting demand to another time, place or date, and driving full participation and use of the City’s recreation amenities. This policy also describes how some categories of participants and customers may be given prioritized access to programs and services.

### Definitions

1. “Division” means Mercer Island Recreation Division
2. “Cost recovery” means the degree to which the operational (and sometimes maintenance) costs of providing a program or service are supported by user fees and/or other funding mechanisms such as grants, partnerships, donations, sponsorships, or other alternative (non-tax) funding sources.
3. “Fee study” means a review of market and competition prices for benchmarked programs and services.
4. “Resource allocation philosophy” means the guidance for which programs and services should be offered, why and with what resources (e.g., facility space, staff time, tax support, user fee funding).
5. “Strategy” means the *Strategy for Mercer Island Community and Event Center & Recreation Programs and Services (also known as the Reset Strategy)* endorsed by the Parks and Recreation Commission in April 2021 and City Council in July 2021.
6. “Tax subsidy” is the degree to which a program or service is supported by the City’s taxes.
7. “Resident” means an individual or business whose permanent residency is located within the City limits, or an individual or business that owns property within the City limits.

<sup>1</sup> *Strategy for Mercer Island Community and Event Center & Recreation Programs and Services*

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**Policy**

- a) The level of the discount for all appropriate programs and services will be set after examining the respective cost recovery goals and fee study data, and in support of the Strategy’s cost recovery and resource allocation philosophy and aims.
- b) Use of differential pricing will be focused on programs that receive more tax subsidy. This recognizes that residents and taxpayers provide an ongoing contribution to the community’s programs, services and facilities. In the Strategy, these programs are labeled as “social or public good core” and the “desirable set.” These programs are found predominately in Tiers 1 through 3 and provide for significant community benefit in addition to benefitting the participating individual. As such, tax revenue supports these programs and services to a greater degree than those that more narrowly focus a benefit on individuals.
- c) Residents and non-residents will pay the same fees for programs and services that are designed to be full cost recovery (Tiers 4 and 5), unless (1) ~~non-resident participation a differential in price~~ is necessary to make a program viable for residents’ participation; or (2) ~~non-resident participation reduces the city’s net cost of operating a program, or~~ (3) interlocal agreements are in place with other municipalities that subsidize their residents’ participation in Mercer Island’s program.
- d) Where feasible, the Division will provide preferential treatment to residents and defined partners<sup>2</sup> for facility rentals through prioritizing their reservation access.
- e) Where feasible, the Division will provide preferential treatment to residents by allowing them an opportunity to register for activities and programs before non-residents.
- f) The Division may implement differential pricing as incentives to drive quantity of use (such as offering a discounted punch card for multiple visits to the fitness center), full use of the facility (such as filling longstanding rental vacancies) or to drive participation in a new program.

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**Procedure(s)**

TBD following adoption of policy; will be established and approved, administratively, by the department director and division manager.

<sup>2</sup> See MICEC Facility Space Allocation and User Categorization Use Policy’s section titled “Priority Access and Use.” for definitions of “defined partners.” (This policy has not yet been drafted nor approved as of July 2021.)

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# PARKS & RECREATION COMMISSION STAFF REPORT

Item 2  
July 1, 2021  
Regular Business

## AGENDA ITEM INFORMATION

<b>TITLE:</b>	Recreation- Differential Pricing Policy	<input checked="" type="checkbox"/> Discussion Only <input type="checkbox"/> Action Needed: <input type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution
<b>RECOMMENDED ACTION:</b>	Discuss and provide input on the draft policy	

<b>STAFF:</b>	Ryan Daly, Recreation & Operations Manager Emily Moon (Consultant)
<b>COUNCIL LIAISON:</b>	Jake Jacobson
<b>EXHIBITS:</b>	<ol style="list-style-type: none"> <li>1. Pricing section of the Reset strategy</li> <li>2. Draft Differential Pricing Policy</li> </ol>

## SUMMARY

In April 2021, the Parks and Recreation Commission endorsed the *Strategy for the Mercer Island Community and Event Center and Recreation Programs and Services* (also known as the Reset Strategy). The Strategy included guidance regarding pricing and recommended examining the policy of differential pricing. (This section of the Strategy is attached for the Commission’s use; see Exhibit 1.) The Commission received a brief introduction to differential pricing as part of a presentation at the March 18, 2021 meeting.

### BACKGROUND

The City of Mercer Island currently uses differential pricing for some recreation programs and services but does not have an official policy. As part of the Recreation Reset workplan, City staff drafted a policy (Exhibit 2). that more fully describes the rationale, intentions, and practices that would govern discounting fees. Tonight, the Reset Team requests the Parks and Recreation Commission’s review of the draft policy. After the Commission has approved the policy, it will be forwarded to the City Council for consideration.

While this policy addresses the topic of differential pricing, this is only one facet of the City’s overall pricing strategy. The goal of the pricing strategy is to:

*Set reasonable fees that are responsive to demand, market realities and minimum cost recovery goals, such that the overall operation is financially sustainable and Mercer Island residents of all income levels can participate.*

Therefore, the level and beneficiary of the discount needs to be considered carefully with these goals in mind.

Most cities in the Puget Sound area charge different prices to recreation participants or facility users depending on certain factors. The most common differential pricing is to charge residents less than non-residents, in recognition of the ongoing tax investment by community members and to promote superior access for residents. These discounts, as is the case in Mercer Island, typically apply to both recreation

programs as well as facility rentals. Some cities choose to vary their rates according to additional factors, to help the municipality address other goals such as diversity, equity and inclusion, or to prioritize resource allocation and access to particular user groups (such as charging a lower rate for youth programs versus adult programs or offering a reduced-fee room rental for community non-profit partners). Mercer Island does this to a degree. For example, currently the field rental charges are differentiated by the age of the user group, seniors receive discounts for drop-in activities and the fitness center, and there are three different classifications and rates for facility rentals. Most cities keep their differential pricing policies focused on a few simple goals and limit the number of pricing tiers to ensure consistent and fair application. Some cities have a simple policy statement such as “Individuals and family members living in the City limits are eligible to receive resident rates for classes and activities.” Other cities have more broadly worded policies that express intentions and correlate to adopted strategies or goals. In each of these cities, the level of discounts across programs and services varies widely but tend to fall within a 10-50% range.

Additionally, most cities provide an income-based fee waiver or scholarship program to better ensure access for people of all income levels. Mercer Island residents who demonstrate income-based need and who are eligible for other types of governmental financial assistance (such as SNAP food benefits) can qualify for a scholarship of up to \$300 per year for an individual or up to \$500 per year for a household.

Some cities in the Puget Sound area also attempt to focus the benefits of taxpayer-supported services and programs on residents by allowing residents the first opportunity to register for those activities or to reserve facilities.

## **PROPOSED POLICY FRAMEWORK**

Staff suggests that the City’s policy should:

- Support the Strategy’s cost recovery and resource allocation philosophy and aims.
- Reflect updated national best practices for fee setting, which suggest that cities should not provide residents with a discount for all services and programs, always.
- Permit staff to set the level of the discount for all appropriate programs and services after examining the respective cost recovery goals and fee study data. This recognizes that the department director has the responsibility to manage the fee setting requirements found in the Strategy, and that the department director has the municipal code authority to set fees.
- Target the use of differential pricing toward programs that receive more tax subsidy. This recognizes taxpayers’ sustaining contributions to these programs and services.
- Require that residents and non-residents pay the same fees for programs and services that are designed to be full cost recovery. This recognizes that the cost of providing these programs and services is the same regardless of residency status and that these programs and services are sustained to a greater degree by user fees. Many of these programs and services (found in Tiers 4 and 5 of the pyramid) are also found in the private marketplace and are less likely to be viewed as fundamental services of a municipality.
- Where feasible, provide preferential treatment to residents and defined partners for facility rentals through prioritizing their reservation access. (Categories of user groups and partners will be addressed in the Facility Use Allocation policy.)
- Where feasible, provide preferential treatment to residents by allowing them an opportunity to register before non-residents.



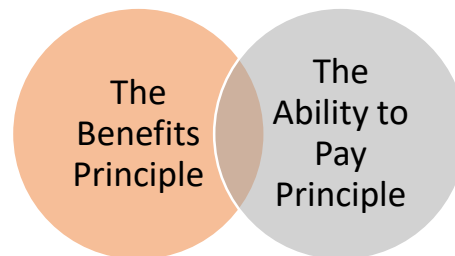
- Allow the Division to implement differential pricing as incentives to drive quantity of use (such as offering a discounted punch card for multiple visits to the fitness center), full use of the facility (such as filling longstanding rental vacancies) or to drive participation in a new program.

## RECOMMENDATION

Discuss the policy framework and draft policy. Provide input to City staff regarding the policy.

## PRICING

The City's pricing strategy is the method for establishing and charging fees for recreation and MICEC services. The chosen method reflects both the Benefits Principle and the Ability to Pay Principle, where taxpayers or users' contributions for a service reflect the benefits received from it, and where the price for the service reflects an individual's ability to pay for the service such that an individual is not excluded from receiving that service. The City's pricing strategy reflects the City's desire to promote equity and inclusion.



There are typically four types of pricing strategies in the realm of recreation services:

1. Arbitrary (prices are set to reach an overall revenue target)
2. Market-based (prices are a product of demand for services or what the target market is willing to pay; in many cases this strategy results in setting fees at the midpoint or higher)
3. Competitor-based (prices are established to match, beat or exceed other providers; in many cases this strategy results in setting fees at the midpoint or lower)
4. Cost recovery pricing (prices are designed to reach cost recovery goals, within the range allowable by market and other conditions)

In addition, all of the strategies above could include a second strategy called "differential pricing," where different fees are charged for the same service when there is no real difference in the cost of providing the service. (Differential pricing is explained in a subsequent section of this report.)

## MICEC and Recreation Pricing Strategy

The City's strategy reflects market-based, competitor-based, cost recovery and differential pricing.

The goal of the pricing strategy is to set reasonable fees that are responsive to demand, market realities and minimum cost recovery goals, such that the overall operation is financially sustainable and Mercer Island residents of all income levels can participate.

The method for determining pricing includes conducting market and competitor research, employing established cost recovery targets, and applying policies and procedures related to differential pricing.

### Fee study

The City conducted a fee study to review the market and competition prices for benchmarked programs and services. The study helped the City understand what other providers are charging for similar services and how they are structuring those charges (e.g., as part of a membership fee, an ala cart fee, or a package). The City gathered information from area municipalities and private and non-profit providers for a sampling of programs and services. Here are a few examples of the programs or services that were benchmarked:

- Meeting room rental
- Special events facility rental and related services
- Youth martial arts classes
- Fitness center use
- Drop-in activities

Collecting the fee study data was only one part of establishing the City's prices. Fees were also a product of the cost recovery targets and differential pricing.

### Fee Schedule

Fees will be set and maintained by the department director, per the municipal code. The list of fees, called a fee schedule, will be publicly posted annually as a reference for all potential users and participants.

A systematic approach to fee revisions is necessary to be thoughtful of customer tolerance for revisions, to give participants and users time to adjust, and to successfully communicate and demonstrate the value of the service or program. The fees should be evaluated every two years

through a fee study and through an evaluation of the cost performance of each category and aggregated tier. Fees may be adjusted annually to keep up with the cost of delivering programs.

The City may establish differential pricing for some programs in the fee schedule or utilize a scholarship or financial assistance program that participants could utilize for those same programs or services.

## Differential Pricing and the Scholarship Program

Differential pricing involves offering variations of the price of a service or program to a particular group, which may result in more equitable and efficient service delivery. In differential pricing, different groups are charged different prices for the same service, even though there is no direct corresponding difference in the costs of providing the service to each of these groups. Price differentials or fee waivers can be based on resident (taxpayer)/non-resident, age of participant, location of facility, time or season, quantity of use, incentives, reciprocity benefits for affiliates, or other considerations. Differential pricing can help stimulate demand, reach an underserved population, or shift demand to another time, place or date.

The City of Mercer Island has employed some differential pricing for many years by offering discounted rates for residents versus non-residents, an occasional break on prices for households registering multiple children, and through a scholarship or financial assistance program. The Reset Strategy recommends continuing these practices but examining the policy and procedures of the scholarship program for potential improvements and contemplating other potential ways differential pricing could be offered to enhance diversity, equity and inclusion. Many area municipalities offer similar scholarship programs, setting aside a budget each year for fee waivers. One critical element of these programs is how eligible recipients are defined and authorized.

Under the City's current program, Mercer Island residents who demonstrate income-based need and who are eligible for other types of governmental financial assistance (such as SNAP food benefits) can qualify for a scholarship of up to \$300 per year for an individual or up to \$500 per year for a household. Potential beneficiaries must apply for the scholarship for each program in which they wish to participate during the upcoming quarter, as Staff currently awards funds on a quarterly basis. Applications are screened by Youth and Family Services and then approved for the applicant's desired programs by Recreation's administration. In the future, the City may be able to accept applications for eligibility that continues for the entire year, and the City's financial management or recreation information system may be able to proactively apply the approved level of differential pricing or scholarship balance to each registration.



**PARKS & RECREATION COMMISSION  
STAFF REPORT**

**Item 3  
October 7, 2021  
Regular Business**

**AGENDA ITEM INFORMATION**

<b>TITLE:</b>	Mercer Island Community and Event Center Facility Allocation and Use policy	<input type="checkbox"/> Discussion Only <input checked="" type="checkbox"/> Action Needed: <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution
	<b>RECOMMENDED ACTION:</b>	
	Discuss the proposed policy and, if desired, move to endorse.	
<b>STAFF:</b>	Ryan Daly/Emily Moon (Consultant)	
<b>COUNCIL LIAISON:</b>	Jake Jacobson	
<b>EXHIBITS:</b>	1. MICEC Facility Allocation and Use Policy	

**SUMMARY**

The City’s Strategy for the *Mercer Island Community and Event Center and Recreation Programs and Services* (also known as the Reset Strategy) calls for updating existing or developing new policies to ensure that the Recreation Division’s actions are consistent with the Reset Strategy.

The City does not have a comprehensive policy guiding the allocation of MICEC space for various purposes and by various users. This staff report provides the Commission with a proposed policy for its consideration. Staff believes that this policy provides some needed boundaries and parameters for facility use but continues to permit sufficient flexibility for Staff to respond to facility, community and user needs.

Background

In 2003, the Mercer Island City Council endorsed the following “MICEC Purpose and Intent Statement:”

*Mercer Island’s future Community Center will be a public gathering place for citizens of all ages. Seniors, young children, teens and adults will have available to them the activities and programs offered at the center. It will first and foremost provide the services for the citizens of Mercer Island. The center will be the community’s primary civic meeting center addressing recreational, educational, and cultural interests for all Mercer Islanders. It will also be a meeting place for organizations individuals and for public events.*

Since that time, the MICEC has delivered on those initial intentions and strengthened the role of the facility as a meeting and event venue. In 2011, for example, the City Council voted to change the name of the facility to emphasize and support the important role the “Event Center” plays in providing necessary financial support to the activities of the Community Center. This action and many others have demonstrated that the MICEC will serve both residents and non-residents for a wide variety of uses.

The availability and allocation of the facility's space differ from day to day, season to season, and year to year. The facility space is a finite resource, the MICEC is a unique amenity on Mercer Island, and some uses can co-exist more easily than others; therefore, thoughtful management is needed to for the MICEC to meet near-term demand and ongoing goals.

This draft policy uses the following principles to guide MICEC facility allocation and use. Allocation and use of the MICEC will:

- Be benefits-focused.
- Support diverse uses.
- Be equitable and fair.

The policy describes how various groups will be prioritized for scheduling purposes. It also differentiates between parts of the facility that are widely sought as private rental amenities and other parts of the facility that are used to host the bulk of the community and public programs.

#### Key policy questions

As the Parks and Recreation Commission reviews this policy, Staff encourages the Commission to focus on major policy questions and implications such as:

- Should the MICEC be used for commercial purposes or to conduct fundraising?
- If the MICEC is used by other organizations to generate profit, should the MICEC receive a share (above and beyond the rental fee)?
- Who should get priority access to rent the facility?
- Should the current policy/practice of providing a fee reduction or waiver to Level 1 organizations be continued?
- Should the ongoing use by any one renter or for any one activity explicitly be limited?

## **RECOMMENDATION**

- 1) Discuss policy and key questions.
- 2) Take action on the policy (either moving to endorse or suggesting amendments).

# MICEC FACILITY ALLOCATION AND USE



<b>Effective Date:</b> 2022	<b>Last Updated:</b> N/A	<b>Approved By:</b>
<b>Code and Statutory Authority:</b> MICC 4.44.010 MICC 3.53.020	<b>Related Polices:</b> Strategy for MICEC and Recreation Programs and Services (“Strategy”)	

### Purpose

The City of Mercer Island uses the following facility allocation and use policy for the Mercer Island Community and Event Center (MICEC) as a part of its overall strategy<sup>1</sup> for the Recreation Division. This policy describes principles guiding the appropriate use of the MICEC and what priority may be given to various users who wish to rent the facility.

### Scope/Background

Space at the MICEC is a finite resource, but the range of potential users and uses is expansive. This policy guides the purposeful allocation of the space to ensure that the facility is used to achieve Recreation Division, City and community goals, and consistently according to stated principles.

### Definitions

1. “Division” means Mercer Island Recreation Division
2. “Cost recovery” means the degree to which the operational (and sometimes maintenance) costs of providing a program or service are supported by user fees and/or other funding mechanisms such as grants, partnerships, donations, sponsorships, or other alternative (non-tax) funding sources.
3. “Reset Strategy” means the *Strategy for Mercer Island Community and Event Center & Recreation Programs and Services (also known as the Reset Strategy)* endorsed by the Parks and Recreation Commission in April 2021 and City Council in July 2021.
4. “Resident” means an individual or business whose permanent residency is located within the City limits, or an individual or business that owns property within the City limits.
5. “Non-profit” means any organization that has secured a certificate or letter of determination of tax-exempt status from the Internal Revenue Service

### Policy

Allocation and use of the MICEC will be guided by the following principles:

- Be benefits-focused by:
  - Actively encouraging participation in recreation, cultural, arts, educational and leisure activities related to health, wellness, social connectivity and skill development.

<sup>1</sup> *Strategy for Mercer Island Community and Event Center & Recreation Programs and Services (a.k.a. Reset Strategy)*

- Providing a range of activities, services and programs that balance individually-derived benefits and those that benefit the whole community, including fostering the financial sustainability of the MICEC and the Recreation Division.
- Optimizing use of the facility to the extent resources and demand allows.
- Support diverse uses by:
  - Reflecting a variety of interest areas, skill levels, and program formats; and by allowing a mix of one-time, short-term and long-term activities.
  - Providing opportunities for spontaneous gathering and play, including self-directed sports, fitness and activities.
  - Designating and using parts of the facility for reserved, permitted or fee-based use (including private use).
  - Providing space for community-wide uses such as tournaments, special events and the art gallery.
  - Encouraging innovation and inclusion through inviting and piloting new uses, programs and activities.
- Be equitable and fair by:
  - Allocating facility space based on substantiated current needs and future demand.
  - Encouraging participation by all residents regardless of ability, age, gender, culture, and income.
  - Considering historical facility allocation patterns and aiming for consistent and predictable allocation of facility space throughout the season and from year to year (to the extent possible) to sustain high-demand, high-participation programs and services.
- Reflect good stewardship by:
  - Maximizing facility use in a manner that considers quality, safety, and the need for maintenance and renovation.
  - Allocating facility use to target achievement of the cost recovery philosophy and to ensure delivery of core services (as defined in the Reset Strategy).
  - Tracking use of and demand for facility space that will be needed for performance reporting and long-term planning.
  - Promoting effective and high-quality customer service.

#### Priority access and use

To enable passive use and gathering, there will be designated spaces in the MICEC each day during normal operating hours that are not reservable.

With facility space as a finite resource, the following ranked order list indicates which organizations get first access to reservation scheduling and get priority when conflicts arise.

For all reservable spaces except the Mercer Room, Outdoor Terrace and Catering Kitchen:

Level 1 Organizations: City activity, event, service or program (i.e., planned, promoted, staffed and scheduled by the City); governmental agencies where one or more City staff members are taking part in a meeting.

Level 2 Organizations: Mercer Island-based non-profit that provides services primarily for Mercer Island residents (residents constitute >75% of membership and service recipients) for non-commercial and non-fundraising events. Mercer Island School District.

Level 3 Organizations: Non-profits with recurring programs, presence, services on Mercer Island,



but who may not be based in Mercer Island or who may not primarily serve Mercer Island residents.

Level 4 Organizations: For-profit businesses or organizations (not for commercial sales, not charging an entrance fee); individuals or groups renting the facility on a one-time basis for exclusive use; other non-profits; governmental agencies (for use that is not Level 1). Non-profits for fundraising.

Level 5 Organizations: For-profit businesses or organizations (not for commercial sales) charging an entrance fee for a professional services or educational seminar.

For the Mercer Room, Outdoor Terrace and Catering Kitchen (i.e., the “full amenity” event rental, where cost recovery and revenue generation are paramount and, therefore, where private and full-fee use will be encouraged):

Scheduling will be done on a first-come, first-served basis. Reservations can be made up to 24 months in advance. Staff will set aside and promote these spaces to the marketplace, endeavoring to maximize the scheduling of full-fee and “full amenity” rentals, especially during extended hours of operation on evenings and weekends.

Six months or less prior to use, organizations and individuals may secure a “partial amenity” weekday reservation for any block of time between the hours of 7:00 a.m. and 5:00 p.m. Partial amenity rentals during the extended hours of operation will be scheduled six months or less prior to use at the discretion of Staff.

Staff will endeavor to give residents and Level 2 organizations priority access to booking these (full and partial amenity) facility reservations.

Notes regarding reservation priority access and use: Entities with which the City has entered into a contract for facility use have the rights described in those contracts. No contract should be approved that contradicts or that does not reflect the goals of the facility allocation and use policy. Level 1 organizations may be permitted to use these facility spaces for a reduced or waived fee; a separate administrative policy governs this procedure (including roles and responsibilities for the renter and the possibility of room rescheduling if the rented room is needed to serve a paying customer). Staff will endeavor to give residents and Level 2 organizations priority access to booking these (full and partial amenity) facility reservations.

#### **Procedure(s)**

Additional procedures will be established and approved, administratively, by the department director and division manager, following approval of the policy.