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# COST RECOVERY, RESOURCE ALLOCATION, & REVENUE ENHANCEMENT STUDY

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## CHAPTER ONE - EXECUTIVE SUMMARY

### 1.1 INTRODUCTION

The City of Chula Vista Recreation Department (“Department”) undertook a cost recovery, resource allocation and revenue enhancement study to update the existing fee schedule’s fees and charges through a policy and philosophy based approach. This would help to establish a consistent and defensible mechanism to classify offerings based on benefits received by individual users and the community at large.

The objective of this plan is not to become a procedural manual or provide recommendations set

in stone but rather to serve as a dynamic tool and a philosophical guide to help the staff continue to update procedures associated with cost recovery and pricing. This study is intended to serve as a framework for how the pricing policy will continue to evolve in the future. The alternative pricing strategies and revenue generation resources are suggestions based on successful examples implemented by other park and recreation systems and which the staff indicated they would be interested in pursuing.

PROS Consulting Inc. a national management consulting firm located in Indianapolis, IN, which specializes in the parks and recreation industry, has partnered with the Recreation Department, the Public Works Department and city staff in this planning process which included the following steps:

1. Conduct meetings with staff, elected officials and commission members on issues concerning the plan.
2. Benchmark fees and charges and pricing practices with those of other park and recreation agencies.
3. Develop a cost of service model to identify true costs for all offerings.
4. Recommend service classifications for each program as one of the following: core essential, important or value added.
5. Develop cost recovery and policy recommendations based on the service classifications.



## 1.2 PROJECT PROCESS



## 1.3 KEY RECOMMENDATIONS

These recommendations are guidelines for the City leadership and the Recreation Department to follow. It is important to keep a flexible approach as it applies to implementation of the recommendations. Consistent measurement and tracking as well as on-going communication with the community will be critical to ensure buy-in for the process.

The recommendations are based on the following:

- Community input from public meetings
- 1200+ online and print survey responses in English and Spanish obtained from every recreation facility
- Comparable information from benchmarked sources
- Available direct, indirect and overhead cost data supplemented by staff assumptions
- Parks and Recreation Commission input
- Iterative staff feedback across multiple City departments
- Consultant’s operational experiences and nationwide best practices

The following are the key recommendations that are outlined in detail in **Chapter 6** and **Chapter 7** of this report.

Key Recommendations
1. Incorporate Program Based Pricing Philosophy Based on Exclusivity and Levels of (Individual versus Community) Benefit
2. Offer Base Prices with Resident and/or Nonprofit Discounts
3. Offer Differential Pricing Rates (Prime-Time and Non-Prime Time rates)
4. Annually Update the Cost of Service Model
5. Incorporate City's Asset Management Program into Recreation Fees
6. Seek Non-Traditional Funding Sources
7. Update Master Fee Schedule

## 1.4 CONCLUSION

The key to a successful plan and philosophy centers on knowing the true costs to produce a service or product and using a consistent process to manage, expand or eliminate offerings based on community values and financial goals. The expectation is not that the plan is perfect from the start but that it is realistic and dynamic, thus allowing the staff to continue using and updating it over time.

Pricing of services is a dynamic process and complex process. By recommending a consistent philosophy driven by service classifications, cost recovery goals and differential pricing, the proposed plan supports Council goals and establishes a sustainable process for cost recovery in the future.

The pursuit of earned income dollars should continue to be emphasized, and support and training should be provided to staff to ensure the plan's success in achieving the desired results. Additionally, updating the cost of service model annually will allow staff to reflect revenue and expense updates accurately in the updated Master Fee Schedule. If the recommendations are implemented in their entirety, based on current projections and market conditions, it is realistic to estimate a 5% - 10% increase in as a combination of increased revenue and streamlined expenses (as well as operational efficiencies). This could translate into an impact of \$100,000 - \$200,000 on the bottom line in the upcoming year, which will go a long way towards helping the Recreation Department achieve increased financial sustainability.

The recommendations outlined recognize Chula Vista's growing and diverse population, the socio-environment and the need to ensure long-term financial sustainability.

Lastly, a successful plan implementation requires a focused persistence but also warrants patience in implementing, tracking and modifying strategies based on their success or failure. It is important to bear in mind that this plan is meant to be a guideline that helps elevate the data-driven decision making process of the Recreation Department and thus lead to long-term financial sustainability.



Supportive leadership and trained staff who all buy into the collective vision and consistently communicate that vision to all users will be the key to ensuring that the Recreation Department meets the community needs in a financially sustainable manner for years to come.



## CHAPTER TWO - COMMUNITY INPUT

### 2.1 PUBLIC MEETING SUMMARY

Chula Vista staff helped organize open public meetings in October 2014 at two locations: Norman Park Senior Center and Monteville Community Center. They were also followed by a second round of meetings at the same sites in September 2015. These meetings were publicized by City staff through written invitation letters, email blasts, publicity specifically at the centers and word of mouth.

The goal of the first set of meetings was to obtain broad community input and their preferences for a host of revenue and pricing decisions ranging from differential pricing to scholarships and nonresident fees to new revenue sources. The second set of meetings shared initial findings and recommendations in order to gather community feedback and keep them updated with the progress. There were over fifty attendees who expressed a wide range of opinions, and a broad consensus on several key issues.



The following table demonstrates the summary findings from the public meetings.

Issues	Community Feedback
<b>Resident / Nonresident pricing</b>	Most would support instituting a higher fee structure for nonresidents who use City Services
<b>Basic / Intermediate Programs</b>	There was a split between those who would and would not support user fee increases based on the advanced/specialized nature of certain programs or services
<b>Admin Fee</b>	Respondents indicated they would support an administrative fee support if there was assurance that the fees collected would be used towards a specific park or facility, or for maintenance or enhancement of that park or facility
<b>Price Discount (Non-prime time)</b>	Respondents would support a price discount to attend programs at a less convenient location or time but were uncertain about price increase for prime time slots.
<b>Willingness to pay more to create a self-sustaining Scholarship Fund?</b>	Yes, a majority of respondents indicated they would support

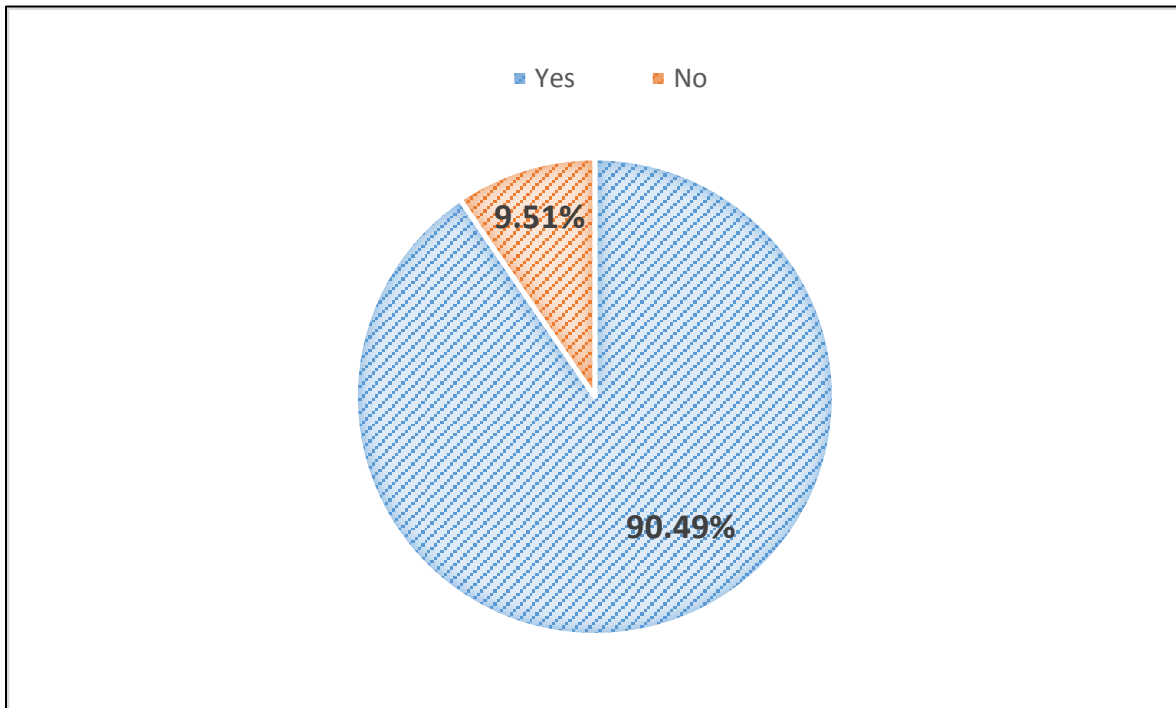
## 2.2 COMMUNITY ON-LINE SURVEY

An online survey powered by Survey Monkey was administered to the Chula Vista community during the months of March - April 2015. This survey focused on how supportive the community was of initiating new fee policy and pricing structure. Staff conducted outreach and community engagement via email blasts and online communication. Additionally, staff printed copies of the survey in English and Spanish and had made the copies available at each center to ensure greater access and participation.

The survey received a total of 1,209 responses which is among the highest response rates the consulting firm has ever seen and speaks highly of staff's extensive efforts and an engaged community.

Below are summary responses from those surveys, followed by select open ended comments received during the survey process.

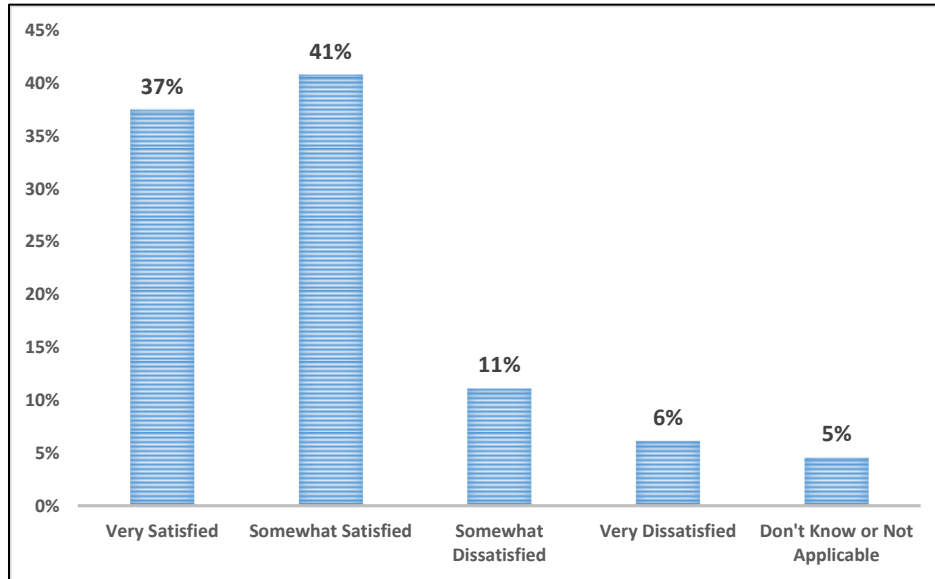
### 2.2.1 ARE YOU A RESIDENT (HAVING MAIL DELIVERED TO AN ADDRESS IN CHULA VISTA)?



About 10% of all respondents were nonresidents which means over 1,000 respondents were residents of Chula Vista. This indicates that the survey findings reflect true community findings and represent the audience that the Department and City serves.

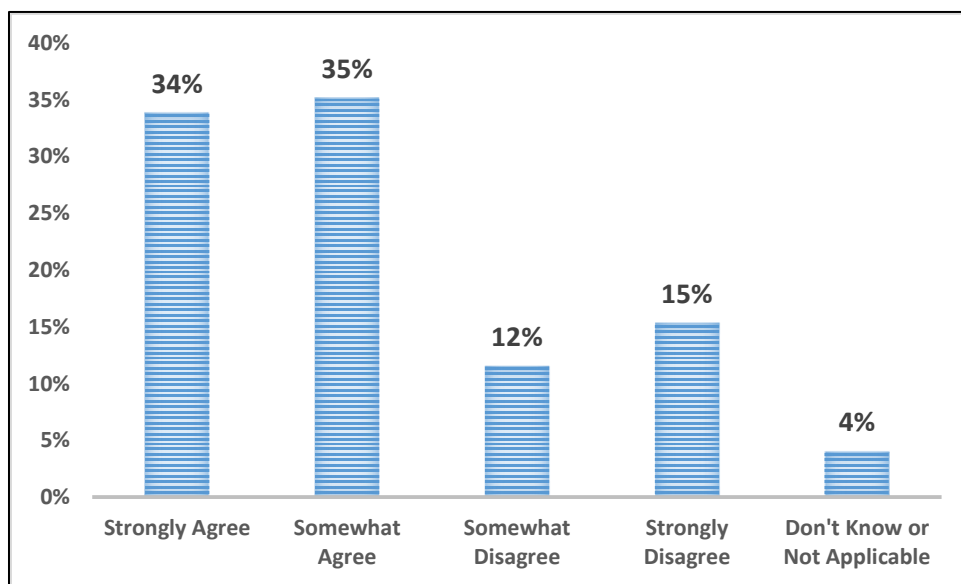
**2.2.2 WOULD YOU SAY YOU ARE SATISFIED OR DISSATISFIED WITH THE VALUE RECEIVED FOR THE AMOUNT PAID TO RECEIVE CITY OF CHULA VISTA RECREATION SERVICES?**

The respondents indicated a very high level of satisfaction with the value they received for what they paid. Nearly 80% of all respondents stated that they were somewhat or very satisfied, which compares favorably to results the consultant team has seen nationwide.



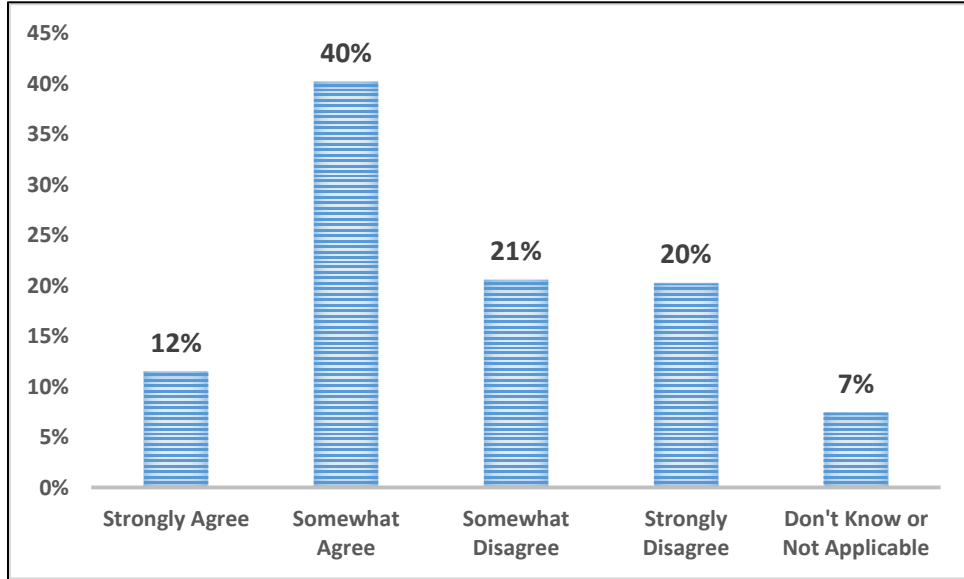
**2.2.3 I WOULD SUPPORT INSTITUTING A HIGHER FEE STRUCTURE FOR NONRESIDENTS WHO USE CITY OF CHULA VISTA RECREATION SERVICES.**

Over 70% of all respondents indicated support for higher nonresident fees to be charged while 27% did not support it. However, one must keep in mind that 10% of all respondents were nonresidents hence the opposition to nonresident fee from actual residents is expected to be much less, and indicates a high preference for differential pricing for residents versus nonresidents.



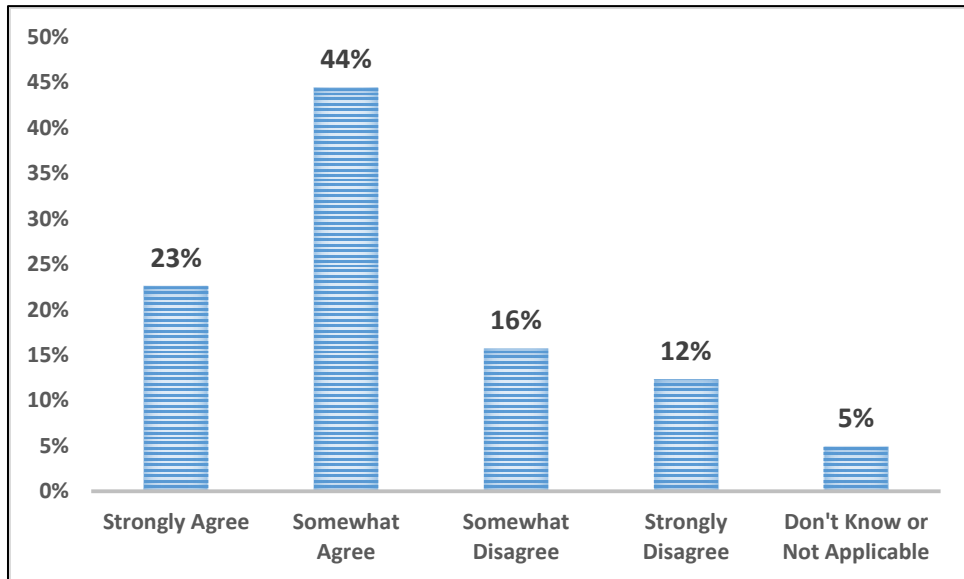
**2.2.4 I WOULD SUPPORT A FEE STRUCTURE WHERE THE USER FEE INCREASES BASED ON ADVANCED OR SPECIALIZED NATURE OF THE PROGRAM OR SERVICE.**

A majority (52%) supported having higher fees for specialized programs versus introductory level programs or services offered by the Department.



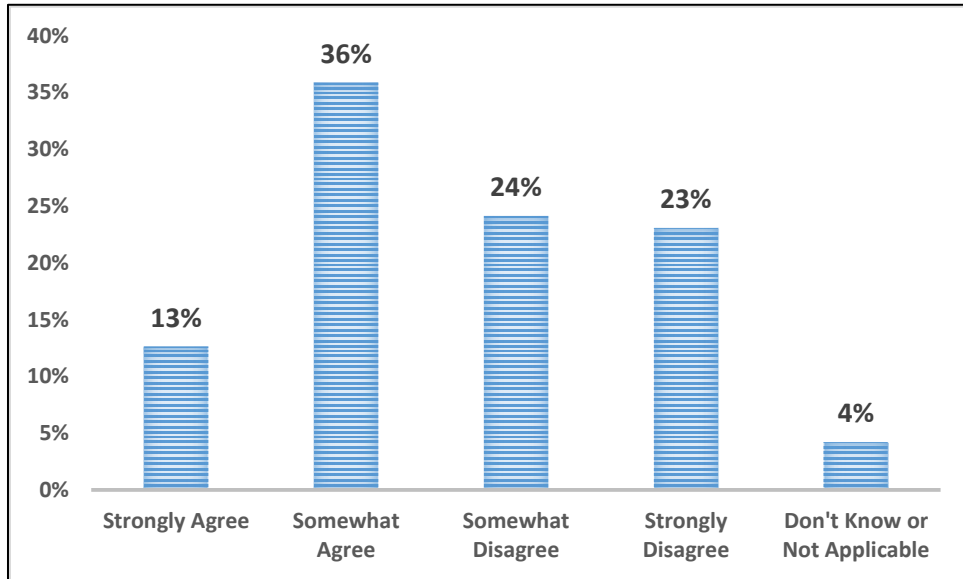
**2.2.5 I WOULD SUPPORT PAYING A HIGHER PRICE FOR AN INSTRUCTOR WITH SPECIALIZED CREDENTIALS VERSUS AN INSTRUCTOR WITH THE MINIMUM NECESSARY.**

Over 2/3rds of all respondents (67%) supported having higher fees for instructors with specialized credentials for programs services offered by the Department. This indicates a willingness to pay higher fees based on the quality of the experience offered by a higher quality or specialized instructor.

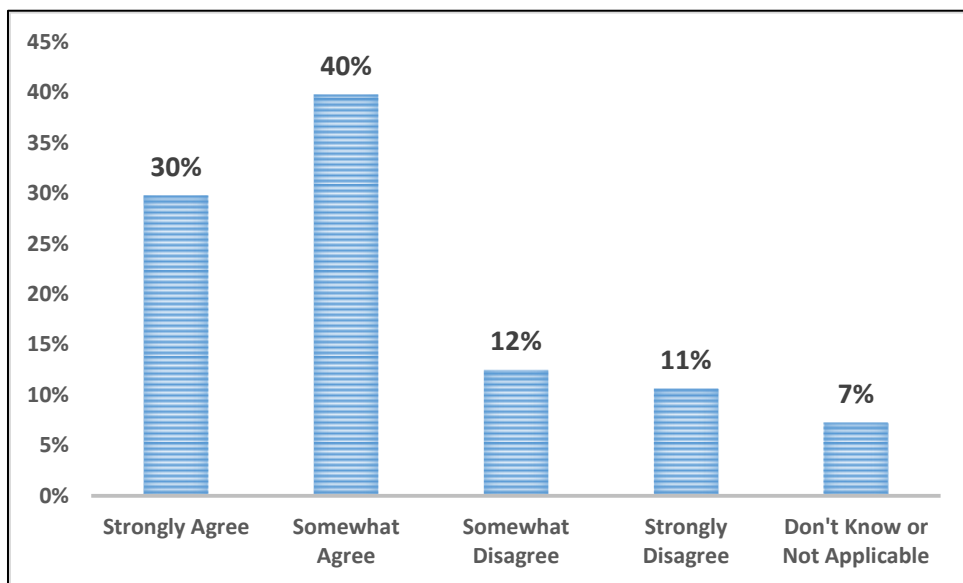


**2.2.6 I WOULD SUPPORT A FEE STRUCTURE THAT INCLUDES AN ADMINISTRATIVE FEE THAT HELPS FUND THE MAINTENANCE OR ENHANCEMENT OF CITY OF CHULA VISTA PARKS, FACILITIES AND PROGRAMS.**

The results were evenly split between those willing to pay an additional administrative fee to help fund maintenance versus those that were against it and thus it does not appear to be a viable recommendation at this point based on community feedback.



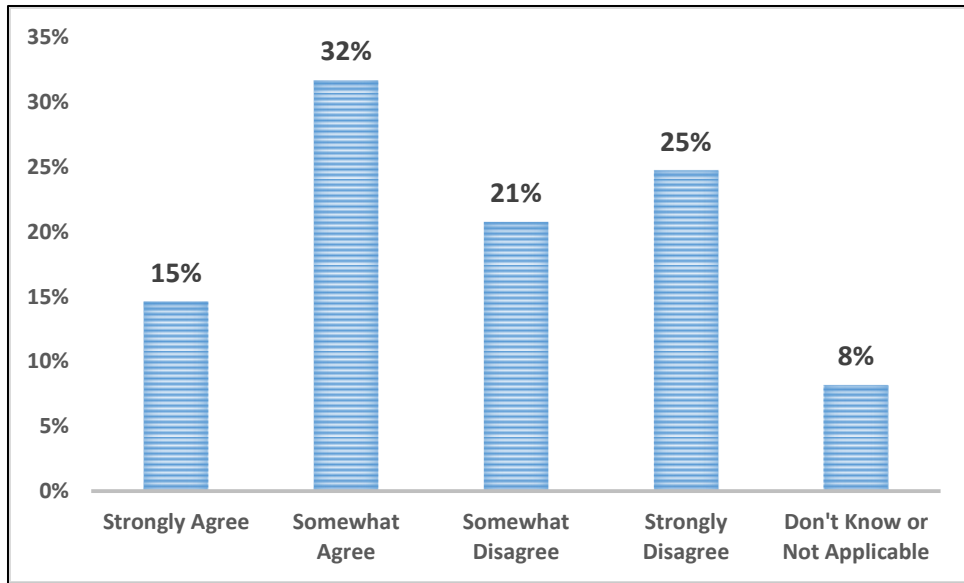
**2.2.7 I WOULD SUPPORT A PRICE DISCOUNT TO ATTEND PROGRAMS AT A LESS CONVENIENT LOCATION OR TIME. (EXAMPLE: MUCH LIKE A MOVIE TICKET FOR A MATINEE ACROSS TOWN VS. EVENING AT A CLOSER LOCATION).**





**2.2.8 I WOULD BE WILLING TO PAY A SLIGHTLY HIGHER FEE TO SUPPORT A SELF-SUSTAINING SCHOLARSHIP FUND THAT WOULD HELP PROVIDE SCHOLARSHIPS FOR THOSE UNABLE TO AFFORD THE CITY'S RECREATION OFFERINGS.**

The results were evenly split between those not willing versus those willing to pay a slightly higher fee to help support a self-sustaining scholarship fund to help those who may be unable to afford the offerings. It is important to note that the Recreation Department had a scholarship fund in the past but it was eliminated due to budget cuts.



**2.2.9 OPEN ENDED FEEDBACK**

The following are select comments taken from the open ended survey comment box.

**Norman Park Senior Center**

- Great job
- Limited pension, retired, no family. Norman Park is a social place for retired persons with limited income.

**Monteville Recreation Center**

- Very reasonable price. Great instructors and staff.
- I like it. Everything: price, diversity of activities, all.

**Loma Verde Recreation Center**

- I am very happy with the current system!

**Loma Verde and Parkway Pools**

- Great services and facility

### Heritage Park

- Higher costs = less participants
- I don't think prices are neither cheap nor expensive. But I truly believe that prices are ok for what Rec. offers.
- If the fees increase, I would not be able to participate. I come here because it is affordable. If I wanted someone more expensive, I would take my child somewhere else.
- Those who cannot afford these programs already get free preschool!
- If prices stay low, there would not be much need for scholarships. We use recreation services because they are priced decent. If prices increase, they would be more than other services in the area (YMCA, after school, etc.) and we may choose those instead.

### Otay Recreation Center

- I take my child to Apples to Zebra for Teacher “\_\_\_” and Teacher “\_\_\_”. (names removed to protect privacy) I would pay extra if they were trained with credentials!
- I'd be fine with paying a higher price for better equipment.
- Pricing is very fair.
- Having two girls in sports, we need to make skill development a priority and need coaches who know how to coach. I would be very willing to pay more for this. Also would pay more for girls' only sports!
- If fees go up then class size needs to go down, especially for swim lessons.
- I believe we pay higher fees for those classes with independent contractor teachers (art, cooking, certain of the language courses) already. Appreciate those offerings greatly!
- Prices are way too much for recreation
- Your programs are a gift to our community. You need to charge what you must to sustain good teachers and employees and maintain the facilities. We have greatly appreciated the classes for special needs kids. We have also enjoyed swim lessons and some of your free soccer and basketball classes. We live on very little and are grateful for the reasonable fees for these classes. If you must raise your prices, then do it and God will help those of us that need it.
- I think your services are very affordable & that's the reason why so many people enroll in your programs. If you raise those fees, you run the risk of losing a lot of customers, because if your fees are about the same as someone closer to them, they might just go there instead.
- I support any raise hike that subsidizes financial aid or education.
- I am generally against increased rates of any kind.
- I am thankful for the wonderful staff at all the recreational locations. I have always been impressed with dedication and kindness of the instructors my children have been with. Thank you.
- I would support a lesser fee for services for residents of Chula Vista for use of recreational facilities

## CHAPTER THREE - COMMUNITY PROFILE

### 3.1 DEMOGRAPHIC ANALYSIS

The Demographic Analysis provides an understanding of the population within the City of Chula Vista, California. This analysis is reflective of the total population, and its key characteristics such as age segments, income levels, race, and ethnicity.

It is important to note that future projections are all based on historical patterns. Unforeseen circumstances could have a significant bearing on the validity of the final projections.

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#### 3.1.1 DEMOGRAPHIC OVERVIEW

The total population within the Chula Vista jurisdictional boundary had an increase of approximately 2.7% from 243,916 in 2010 to 250,584 in 2013. The current estimated population is projected to reach 263,637 in 2018, and total 288,259 by 2028.

According to the U.S. Census reports, the total number of households has increased by approximately 2%, from 75,515 in 2010 to 77,046 in 2013. The total number of households is expected to grow to 80,668 by 2018 and reach 87,112 by 2028.

The city's median household income of \$63,207 is above the state and national averages, while per capita income (\$25,279) falls below both averages.

Based on the 2010 Census, the population of the Chula Vista is much younger (33.7 years) than the median age of the U.S. (37.2 years). Projections show that the target area will undergo an aging trend, with the 55+ group growing to represent 25.7% of the total population by 2028.

The majority of the estimated 2013 population is White Alone (53.28%), with the Some Other Race (20.67%) representing the largest minority, while those of Hispanic/Latino origin represent 59.42% of the populace. Future projections through 2028 expect the White Alone segment to decrease minimally to 51.91% of the total population, followed by the Some Other Race (22.58%) and Asian (14.52%) minorities. The Hispanic ethnicity is forecasted to increase to 65.88% of the total population by 2028.

### 3.1.2 METHODOLOGY

Demographic data used for the analysis was obtained from U.S. Census Bureau and from Environmental Systems Research Institute, Inc. (ESRI), the largest research and development organization dedicated to Geographical Information Systems (GIS) and specializing in population projections and market trends. All data was acquired in July 2014 and reflects actual numbers as reported in the 2010 Censuses, and estimates for 2013 and 2018 as obtained by ESRI. Straight line linear regression was performed by PROS for the projected 2023 and 2028 demographics. The geographic boundary of the City of Chula Vista was utilized as the demographic analysis boundary shown in Figure 1.

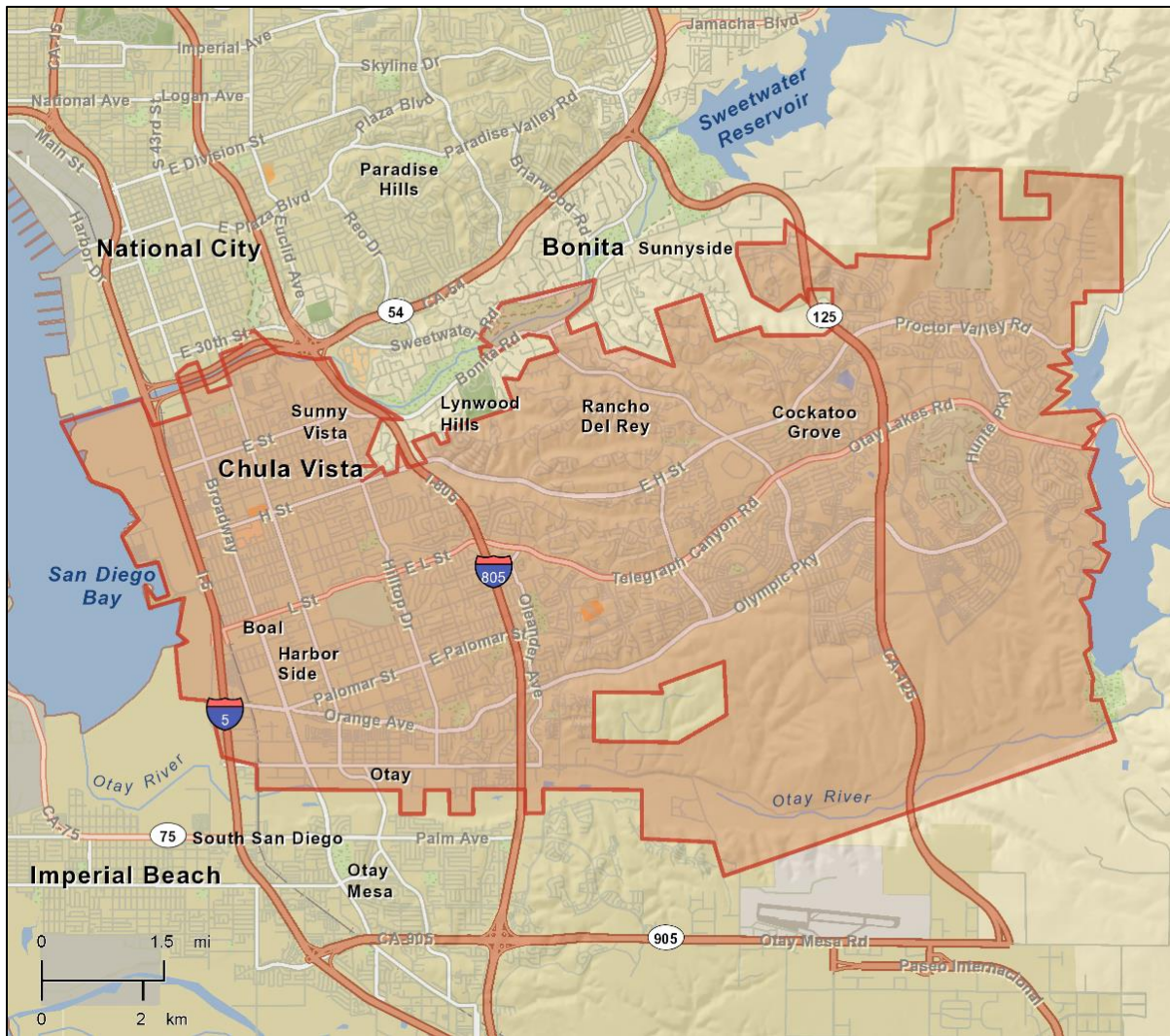


Figure 1-Target Area Boundaries

## RACE AND ETHNICITY DEFINITIONS

The minimum categories for data on race and ethnicity for Federal statistics, program administrative reporting, and civil rights compliance reporting are defined as below. The Census 2010 data on race are not directly comparable with data from the 2000 Census and earlier censuses; caution must be used when interpreting changes in the racial composition of the US population over time. The latest (Census 2010) definitions and nomenclature are used within this analysis.

- American Indian - This includes a person having origins in any of the original peoples of North and South America (including Central America), and who maintains tribal affiliation or community attachment
- Asian - This includes a person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand, and Vietnam
- Black - This includes a person having origins in any of the black racial groups of Africa
- Native Hawaiian or Other Pacific Islander - This includes a person having origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands
- White - This includes a person having origins in any of the original peoples of Europe, the Middle East, or North Africa
- Hispanic or Latino - This is an ethnic distinction, a subset of a race as defined by the Federal Government; this includes a person of Mexican, Puerto Rican, Cuban, South or Central American, or other Spanish culture or origin, regardless of race



### 3.1.3 CHULA VISTA POPULACE

#### POPULATION

The City of Chula Vista has witnessed very little growth in recent years. From 2010 to 2013, the city’s total population experienced an increase of 2.7%, from 243,916 to 250,584. Projecting ahead, the total population of the target area is expected to continue to grow over the next 15 years. Based on ESRI and straight line regression based predictions through 2028, the local population is expected to have approximately 288,259 residents living within 87,112 households. See Figure 2.

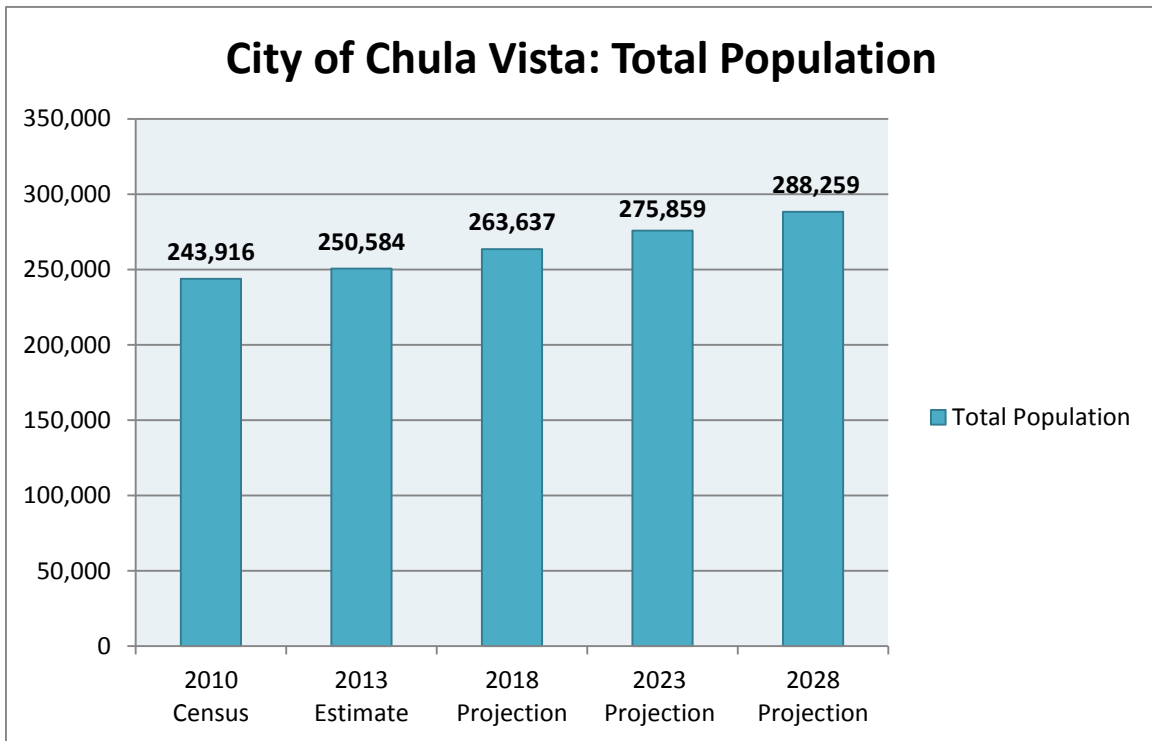


Figure 2-Total Population

**AGE SEGMENT**

Evaluating the distribution by age segments, the city is somewhat balanced between youth, young adult, family, and senior populations. In 2010, the largest segment by population is the 35-54 group representing 29%, and the smallest is the 55+ segment which constitutes 19.3% of the population.

Per ESRI and straight line regressions, over time, the overall composition of the population is projected to undergo an aging trend. Based on the 2013 estimate, the 35-54 segment remains the largest age group, constituting 28% of the population. Future projections through 2028 show that the <18 and 35-54 segments will undergo small decreases in size as compared to the population as a whole, while the 18-34 and 55+ groups will slowly grow. The 55+ group is expected to grow more rapidly than any other segment, with approximately 25.7% of the population by 2028. This will create an even distribution among the four major segments, with the 55+ group representing the largest segment by a narrow margin. This is consistent with general national trends where the 55+ age group has been growing as a result of increased life expectancies and the baby boomer population entering that age group. See Figure 3.

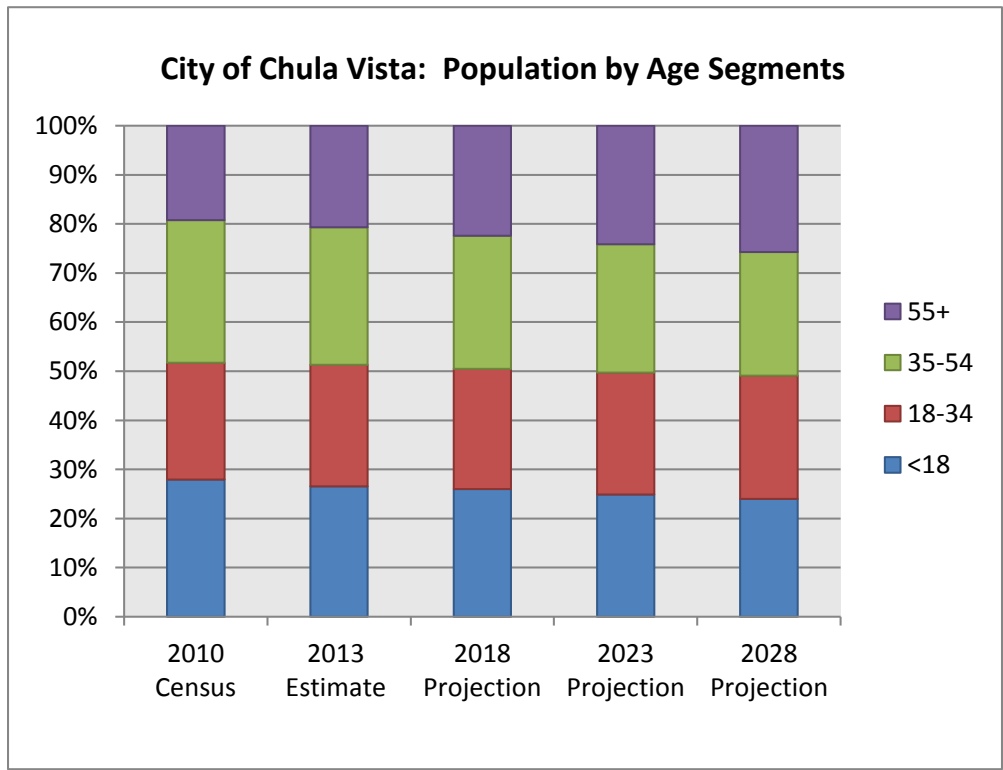


Figure 3-Population Age by Segments

RACE AND ETHNICITY

In analyzing race and ethnicity, Chula Vista is fairly diverse. The 2013 estimate shows that 53.28% of the population falls into the White Alone category, while Some Other Race (20.67%) and Asian (14.25%) represent the largest minorities. The Hispanic ethnic group totals 58.24% of the estimated 2013 population. ESRI and straight line regression data projections for 2028 expect the population to remain consistent, as the White Alone decreases slightly to 51.91% and the Some Other Race (22.58%) and Asian (22.58%) minorities undergo minimal increases. Those of Hispanic/Latino Origin are expected to continue an upward growth trend, climbing to 65.88% of the population by 2028. See Figure 4 and 5.

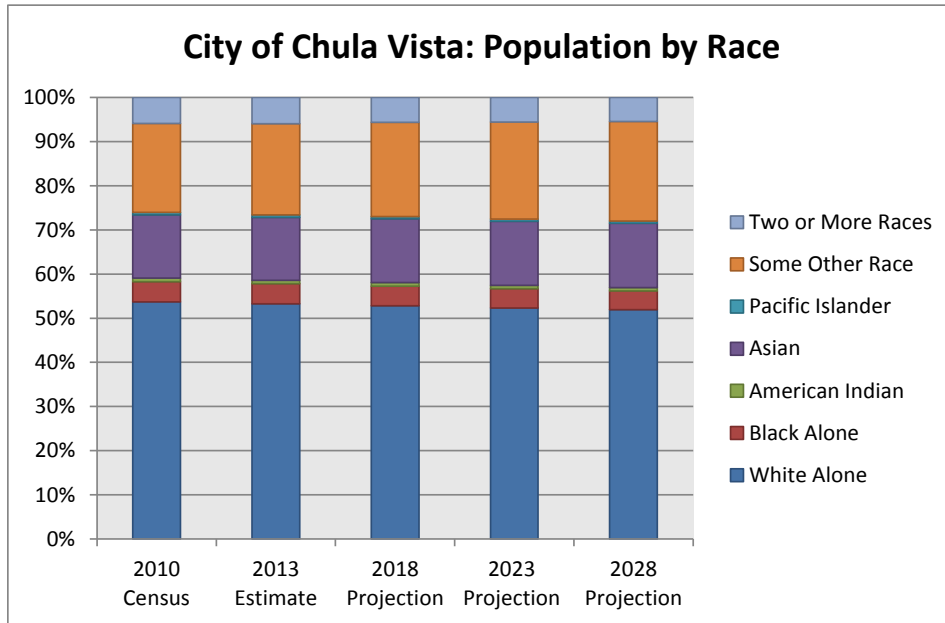


Figure 4- Population by Race

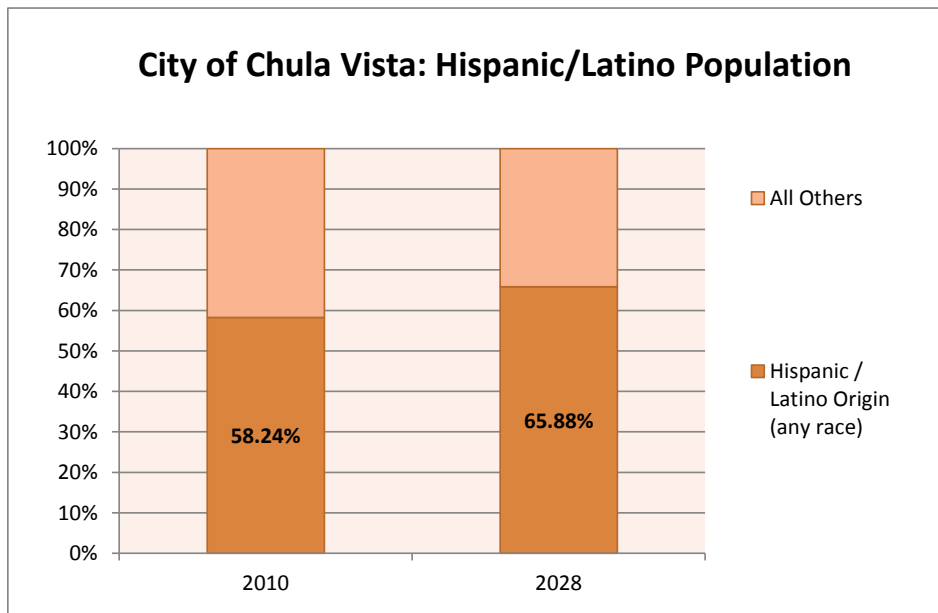


Figure 5 - Hispanic/Latino Population



**HOUSEHOLDS AND INCOME**

The City of Chula Vista’s projected income characteristics demonstrate steady growth trends. The median household income is estimated to be \$63,207 in 2013 and per capita income is an estimated \$25,279. As per ESRI and straight line regression data, household income is projected to grow to \$123,517 by 2028, while per capita income will reach \$36,079. The median household income represents the earnings of all persons age 16 years or older living together in a housing unit. (Figure 6).

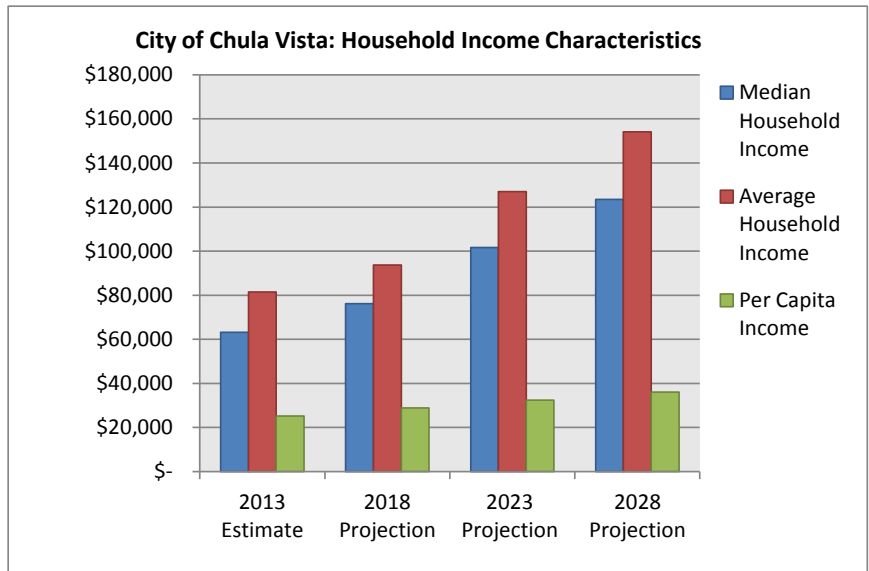


Figure 6- Household Income Characteristics

As seen in Figure 7, the city’s median household income is above the state (\$61,400) average, and is well above the national (\$52,762) average. Per capita income falls below the state (\$29,511) and national (\$27,915) averages. Future predictions expect that both median household Income and per capita income for the area will increase to \$123,517 and \$36,079, respectively, by 2028. Based on these income characteristics, it is important to ensure a pricing strategy that does not price people out of the market but also focuses on financial sustainability to ensure continued services to these populations.

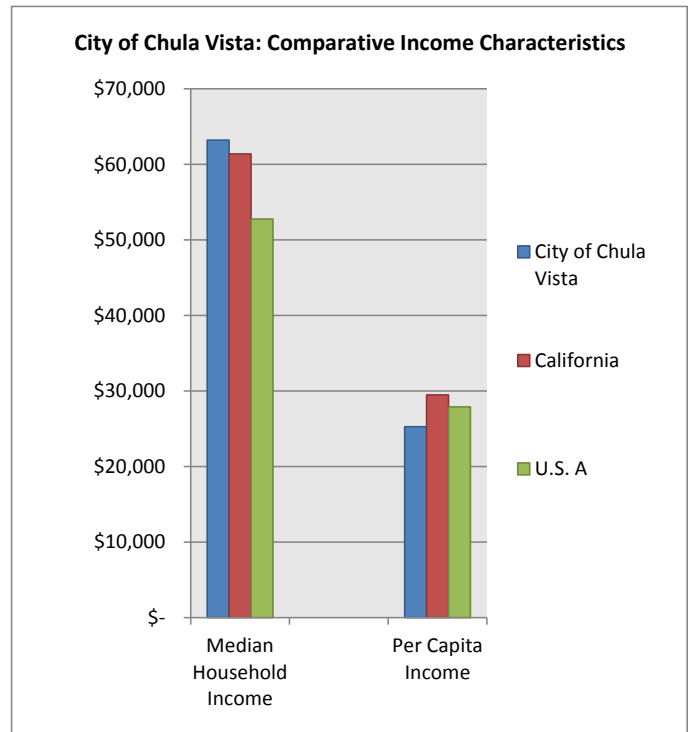
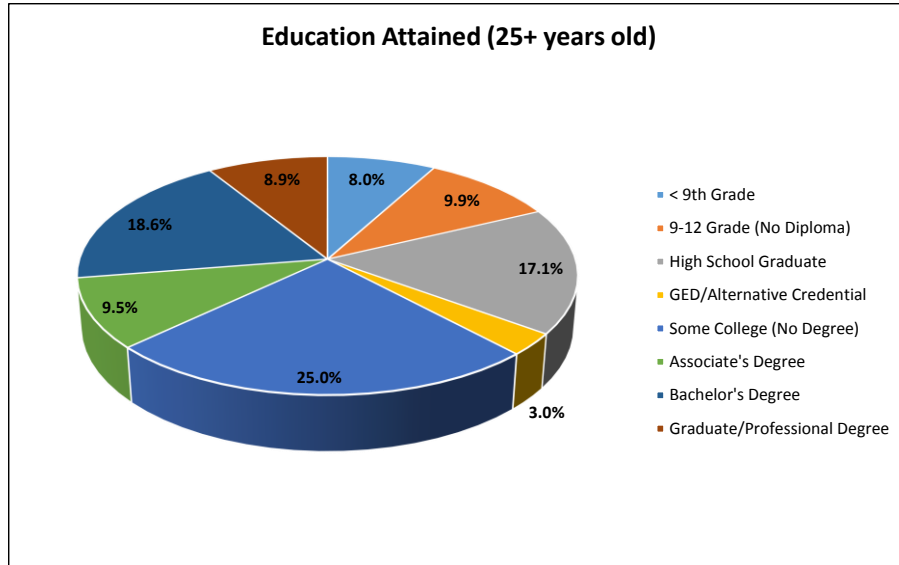


Figure 7- Comparative Income Characteristics

### 3.2 MARKET PROFILE

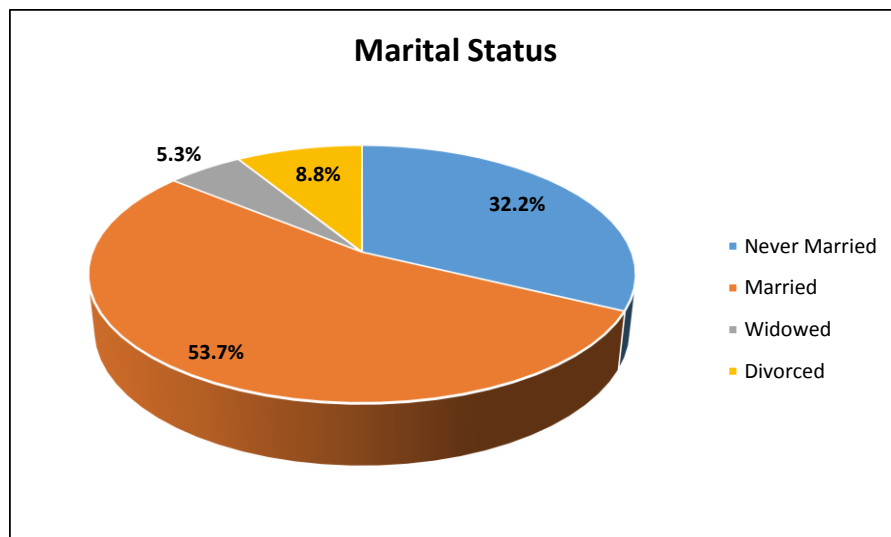
#### 3.2.1 LEVEL OF EDUCATION

The following chart, based on ESRI data, depicts the education level of adults 25 years and older within the City of Chula Vista. Approximately 82% of residents have at least a GED/alternative credential or high school diploma, and around 28% have a Bachelor’s degree or better.



#### 3.2.2 MARITAL STATUS

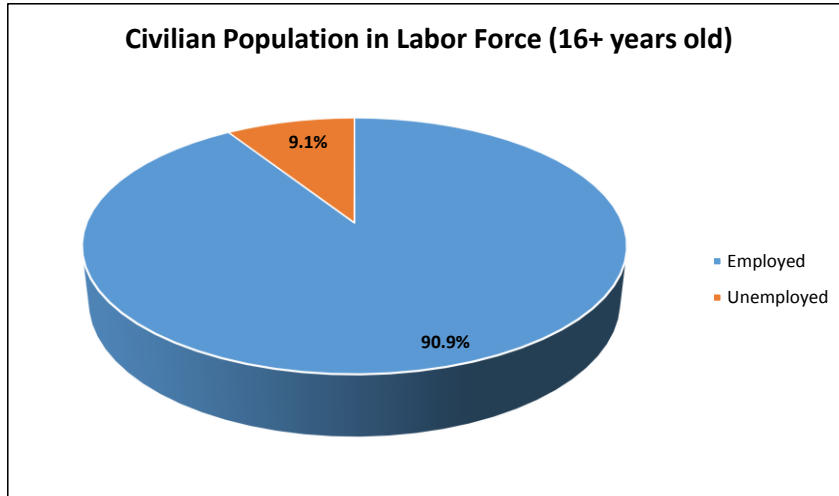
The chart below, ESRI data, illustrates the marital status among residents of Chula Vista. Nearly 54% of the population is married, while 32% are single and never have married.





**3.2.3 UNEMPLOYMENT RATE**

The following represents the rate of unemployment in the City of Chula Vista as per ESRI data. With just over 9% of residents unemployed, the target area is significantly higher than the national rate.



**3.2.4 RECREATION EXPENDITURES (OVERALL – NOT SPECIFIC TO RECREATION DEPARTMENT)**

The chart below, based on ESRI data, reveals household spending on select recreational activities and equipment within the City of Chula Vista. Total and average spending are based on 77,046 households. As can be seen, a high amount is spent annually on fees for Participant Sports, Recreation lessons and even fees for social, recreation and civic clubs including YMCA, Boys and Girls Clubs, private clubs and instructors as well as city offerings.

Recreation Expenditures		
Expenditure	Avg Spent	Total Spent
Admission to Sporting Events, excl. Trips	\$72.85	\$5,613,145
Fees for Participant Sports, ecl. Trips	\$149.75	\$11,537,336
Fees for Recreational Lessons	\$159.69	\$12,303,854
Membership Fees for Social/Recreation/Civic Clubs	\$197.11	\$15,186,437
Camp Fees	\$52.61	\$4,053,032
Rental of RVs or Boats	\$10.08	\$776,977
Exercise Equipment and Gear, Game Tables	\$76.21	\$5,871,597
Bicycles	\$32.45	\$2,499,883
Camping Equipment	\$12.32	\$949,533
Hunting and Fishing Equipment	\$29.04	\$2,237,772
Winter Sports Equipment	\$9.73	\$749,303
Water Sports Equipment	\$7.49	\$577,112
Rental/Repair of Sports/Recreation/Exercise Equipment	\$4.63	\$357,104

### 3.3 RECREATION TRENDS ANALYSIS

The following tables summarize the findings from the Sports & Fitness Industry Association’s (SFIA) 2015 Sports, Fitness and Leisure Activities Topline Participation Report, as well as the local market potential index data, which compares the demand for recreational activities and spending of Chula Vista residents to the national averages. While this information will be far more helpful in the Recreation Department’s Needs Assessment process currently underway, these trends help predict demand for types of activities and thus allow the consulting team to make market based pricing recommendations.

Summary of National Participatory Trends Analysis	
1. Number of “inactives” increased slightly, while “actives” are participating more	<ul style="list-style-type: none"> <li>a. “Inactives” increased 10.6% from 2009 to 2014, from 74.8 million to 82.7 million</li> <li>b. 209 million “actives” are participating more often and in multiple activities</li> </ul>
2. Most popular sport and recreational activities	<ul style="list-style-type: none"> <li>a. Fitness Walking (113 million)</li> <li>b. Running/Jogging (51 million)</li> <li>c. Treadmill (50 million)</li> </ul>
3. Most participated in team sports	<ul style="list-style-type: none"> <li>a. Basketball (23 million)</li> <li>b. Tennis (18 million)</li> <li>c. Baseball (13 million)</li> </ul>
4. Activities most rapidly growing over last five years	<ul style="list-style-type: none"> <li>a. Adventure Racing - up 136%</li> <li>b. Non-traditional/Off-road Triathlon - up 123%</li> <li>c. Squash - up 101%</li> <li>d. Traditional/Road Triathlon - up 92%</li> <li>e. Rugby - up 77%</li> </ul>
5. Activities most rapidly declining over last five years	<ul style="list-style-type: none"> <li>a. Wrestling - down 40%</li> <li>b. Touch Football - down 32%</li> <li>c. In-line Roller Skating - down 32%</li> <li>d. Racquetball - down 25%</li> <li>e. Slow-pitch Softball - down 23%</li> </ul>

Information released by Sports & Fitness Industry Association’s (SFIA) 2015 Study of Sports, Fitness, and Leisure Participation reveals that the most popular sport and recreational activities include: fitness walking, running/jogging, treadmill, free weights and road bicycling. Most of these activities appeal to both young and old alike, can be done in most environments, are enjoyed regardless of level of skill, and have minimal economic barriers to entry. These popular activities also have appeal because of the social aspect. For example, although fitness activities are mainly self-directed, people enjoy walking and biking with other individuals because it can offer a degree of camaraderie.

Fitness walking has remained the most popular activity of the past decade by a large margin, in terms of total participants. Walking participation during the latest year data was available (2014), reported over 112 million Americans had walked for fitness at least once.



From a traditional team sport standpoint, basketball ranks highest among all sports, with approximately 23 million people reportedly participating in 2014. Team sports that have experienced significant growth in participation are rugby, lacrosse, field hockey, ice hockey, roller hockey, and gymnastics - all of which have experienced double digit growth over the last five years.

Between 2009 and 2014, the estimated number of “inactives” in America increased by 7.9 million individuals (10.6%), from 74.8 million in 2013 to 82.7 million in 2014. According to the Physical Activity Council, an “inactive” is defined as an individual age 6 and up that doesn’t take part in any “active” sport. Although inactivity was up in 2014, the 209 million “actives” seem to be participating more often and in multiple activities.

*The Sports & Fitness Industry Association (SFIA) Sports, Fitness & Recreational Activities Topline Participation Report 2014* was utilized to evaluate national sport and fitness participatory trends. SFIA is the number one source for sport and fitness research. The study is based on online interviews carried out in January and February of 2015 from nearly 11,000 individuals and households.

NOTE: In 2012, the Sports & Fitness Industry Association (SFIA) came into existence after a two-year strategic review and planning process with a refined mission statement-- “To Promote Sports and Fitness Participation and Industry Vitality”. The SFIA was formerly known as the Sporting Goods Manufacturers Association (SGMA).

3.3.1 NATIONAL TRENDS IN GENERAL SPORTS

The most heavily participated in sports for 2014 were golf (24.7 million) and basketball (23 million). While both of these activities have seen declining participation levels in recent years, the number of participants for each activity is well above the other activities in the general sports category. The popularity of golf and basketball can be attributed to the ability to compete with relatively small number of participants. Golf also benefits from its wide age segment appeal, and is considered a life-long sport. Basketball’s success can also be attributed to the limited amount of equipment needed to participate and the limited space requirements necessary, which make basketball the only traditional sport that can be played at the majority of American dwellings as a drive-way pickup game.



As seen below, since 2009, squash and other niche sports, like lacrosse and rugby, have seen strong growth. Squash has emerged as the overall fastest growing sport, as it has seen participation levels rise by 100% over the last five years. Based on survey findings from 2009-2014, rugby and lacrosse have also experienced significant growth, increasing by 77% and 73% respectively. Other sports with notable growth in participation over the last five years were field hockey (42.6%), roller hockey (21.7%), ice hockey (20%), gymnastics (16.9%), and cheerleading (12.6%). In the last year, the fastest growing sports were roller hockey (33.7%), squash (12.9%), competition boxing (12.7%), lacrosse (10.9%), and rugby (7.9%). During the last five years, the sports that are most rapidly declining include wrestling (40.3% decrease), touch football (down 32.3%), and racquetball (24.9% decrease).

In terms of total participants, the most popular activities in the general sports category in 2014 include golf (24.7 million), basketball (23 million), tennis (17.9 million), baseball (13.1 million), and outdoor soccer (12.6 million). Although four out of five of these sports have been declining in recent years, the sheer number of participants demands the continued support of these activities.

National Participatory Trends - General Sports					
Activity	Participation Levels			% Change	
	2009	2013	2014	13-14	09-14
Golf	27,103	24,720	24,700	-0.1%	-8.9%
Basketball	25,131	23,669	23,067	-2.5%	-8.2%
Tennis	18,546	17,678	17,904	1.3%	-3.5%
Baseball	14,429	13,284	13,152	-1.0%	-8.9%
Soccer (Outdoor)	13,957	12,726	12,592	-1.1%	-9.8%
Badminton	7,469	7,150	7,176	0.4%	-3.9%
Softball (Slow Pitch)	9,180	6,868	7,077	3.0%	-22.9%
Football, Touch	9,726	7,140	6,586	-7.8%	-32.3%
Volleyball (Court)	7,737	6,433	6,304	-2.0%	-18.5%
Football, Tackle	7,243	6,165	5,978	-3.0%	-17.5%
Football, Flag	6,932	5,610	5,508	-1.8%	-20.5%
Volleyball (Sand/Beach)	4,324	4,769	4,651	-2.5%	7.6%
Gymnastics	3,952	4,972	4,621	-7.1%	16.9%
Soccer (Indoor)	4,825	4,803	4,530	-5.7%	-6.1%
Ultimate Frisbee	4,636	5,077	4,530	-10.8%	-2.3%
Track and Field	4,480	4,071	4,105	0.8%	-8.4%
Racquetball	4,784	3,824	3,594	-6.0%	-24.9%
Cheerleading	3,070	3,235	3,456	6.8%	12.6%
Pickleball	N/A	N/A	2,462	N/A	N/A
Softball (Fast Pitch)	2,476	2,498	2,424	-3.0%	-2.1%
Ice Hockey	2,018	2,393	2,421	1.2%	20.0%
Lacrosse	1,162	1,813	2,011	10.9%	73.1%
Wrestling	3,170	1,829	1,891	3.4%	-40.3%
Roller Hockey	1,427	1,298	1,736	33.7%	21.7%
Squash	796	1,414	1,596	12.9%	100.5%
Field Hockey	1,092	1,474	1,557	5.6%	42.6%
Boxing for Competition	N/A	1,134	1,278	12.7%	N/A
Rugby	720	1,183	1,276	7.9%	77.2%

NOTE: Participation figures are in 000's for the US population ages 6 and over

Large Increase (greater than 25%)	Moderate Increase (0% to 25%)	Moderate Decrease (0% to -25%)	Large Decrease (less than -25%)
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### 3.3.2 NATIONAL TRENDS IN AQUATIC ACTIVITY

Swimming is unquestionably a lifetime sport, and activities in aquatics have remained very popular among Americans. Fitness swimming is the absolute leader in multigenerational appeal with over 25 million reported participants in 2013. NOTE: In 2011, recreational swimming was broken into competition and fitness categories in order to better identify key trends.

Aquatic Exercise has a strong participation base, and has recently experienced an upward trend. Aquatic exercise has paved the way for a less stressful form of physical activity, allowing similar gains and benefits to land based exercise, including aerobic fitness, resistance training, flexibility, and better balance.

Doctors have begun recommending aquatic exercise for injury rehabilitation, mature patients, and patients with bone or joint problems due to the significant reduction of stress placed on weight-bearing joints, bones, muscles, and also the effect of the water in reducing swelling of injuries.

National Participatory Trends - Aquatics					
Activity	Participation Levels			% Change	
	2009	2013	2014	13-14	09-14
Swimming (Fitness)	N/A	26,354	25,304	-4.0%	N/A
Aquatic Exercise	8,965	8,483	9,122	7.5%	1.8%
Swimming (Competition)	N/A	2,638	2,710	2.7%	N/A
NOTE: Participation figures are in 000's for the US population ages 6 and over					
	Large Increase (greater than 25%)	Moderate Increase (0% to 25%)	Moderate Decrease (0% to -25%)	Large Decrease (less than -25%)	

### 3.3.3 NATIONAL TRENDS IN GENERAL FITNESS

National participatory trends in fitness have experienced some strong growth in recent years. Many of these activities have become popular due to an increased interest among people to improve their health by engaging in an active lifestyle. These activities also have very few barriers to entry, which provides a variety of activities that are relatively inexpensive to participate in and can be performed by nearly anyone with no time restrictions.

The most popular fitness activity by far is fitness walking, which had over 112.5 million participants in 2013, which was a 2.9% increase from the previous year. Other leading fitness activities based on number of participants include running/jogging (51 million), treadmill (50 million), hand weights (42 million), and weight/resistant machines (36 million).

Over the last five years, the activities that grew most rapidly were off-road triathlons (up 123%), road triathlons (up 92%), trail running (up 55%), high impact aerobics (55% increase), and yoga (up 33%). Most recently, from 2013-2014, the largest gains in participation were high impact aerobics (14% increase), trail running (up 11%), and barre (up 10%).

National Participatory Trends - General Fitness					
Activity	Participation Levels			% Change	
	2009	2013	2014	13-14	09-14
Fitness Walking	110,882	117,351	112,583	-4.1%	1.5%
Running/Jogging	42,511	54,188	51,127	-5.6%	20.3%
Treadmill	50,395	48,166	50,241	4.3%	-0.3%
Free Weights (Hand Weights)	N/A	43,164	41,670	-3.5%	N/A
Weight/Resistant Machines	39,075	36,267	35,841	-1.2%	-8.3%
Stationary Cycling (Recumbent/Upright)	36,215	35,247	35,693	1.3%	-1.4%
Stretching	36,299	36,202	35,624	-1.6%	-1.9%
Free Weights (Dumbbells)	N/A	32,209	30,767	-4.5%	N/A
Elliptical Motion Trainer	25,903	27,119	28,025	3.3%	8.2%
Free Weights (Barbells)	26,595	25,641	25,623	-0.1%	-3.7%
Yoga	18,934	24,310	25,262	3.9%	33.4%
Calisthenics/Bodyweight Exercise	N/A	N/A	22,390	N/A	N/A
Aerobics (High Impact)	12,771	17,323	19,746	14.0%	54.6%
Stair Climbing Machine	13,653	12,642	13,216	4.5%	-3.2%
Pilates Training	8,770	8,069	8,504	5.4%	-3.0%
Stationary Cycling (Group)	6,762	8,309	8,449	1.7%	24.9%
Trail Running	4,845	6,792	7,531	10.9%	55.4%
Cross-Training	N/A	6,911	6,774	-2.0%	N/A
Cardio Kickboxing	5,500	6,311	6,747	6.9%	22.7%
Martial Arts	6,643	5,314	5,364	0.9%	-19.3%
Boxing for Fitness	N/A	5,251	5,113	-2.6%	N/A
Tai Chi	3,315	3,469	3,446	-0.7%	4.0%
Barre	N/A	2,901	3,200	10.3%	N/A
Triathlon (Traditional/Road)	1,148	2,262	2,203	-2.6%	91.9%
Triathlon (Non-Traditional/Off Road)	634	1,390	1,411	1.5%	122.6%

NOTE: Participation figures are in 000's for the US population ages 6 and over

<b>Legend:</b>	Large Increase (greater than 25%)	Moderate Increase (0% to 25%)	Moderate Decrease (0% to -25%)	Large Decrease (less than -25%)
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### 3.3.4 NATIONAL TRENDS IN GENERAL RECREATION

Results from the SFIA’s *Topline Participation Report* demonstrate increased popularity of numerous outdoor recreation activities among Americans. Much like the general fitness activities, these activities encourage an active lifestyle, can be performed individually or with a group, and are not limited by time restraints. In 2014, the most popular activities in the outdoor recreation category include road bicycling (40 million), freshwater fishing (38 million), and day hiking (36 million).

From 2009-2014, outdoor recreation activities that have undergone large increases are adventure racing (up 136%), archery (up 33%), backpacking overnight (up 30%), and BMX bicycling (up 27%). Over the same time frame, activities declining most rapidly were in-line roller skating (down 32%), camping within ¼ mile of home or vehicle (down 16%), and recreational vehicle camping (down 14%). See Figure 11.

National Participatory Trends - Outdoor Recreation					
Activity	Participation Levels			% Change	
	2009	2013	2014	13-14	09-14
Bicycling (Road)	39,127	40,888	39,725	-2.8%	1.5%
Fishing (Freshwater)	40,646	37,796	37,821	0.1%	-7.0%
Hiking (Day)	32,542	34,378	36,222	5.4%	11.3%
Camping (< 1/4 Mile of Vehicle/Home)	34,012	29,269	28,660	-2.1%	-15.7%
Wildlife Viewing (>1/4 Mile of Home/Vehicle)	22,702	21,359	21,110	-1.2%	-7.0%
Camping (Recreational Vehicle)	16,977	14,556	14,633	0.5%	-13.8%
Birdwatching (>1/4 mile of Vehicle/Home)	13,847	14,152	13,179	-6.9%	-4.8%
Fishing (Saltwater)	13,054	11,790	11,817	0.2%	-9.5%
Backpacking Overnight	7,757	9,069	10,101	11.4%	30.2%
Archery	6,368	7,647	8,435	10.3%	32.5%
Bicycling (Mountain)	7,367	8,542	8,044	-5.8%	9.2%
Hunting (Shotgun)	8,611	7,894	7,894	0.0%	-8.3%
Skateboarding	7,580	6,350	6,582	3.7%	-13.2%
Roller Skating, In-Line	8,942	6,129	6,061	-1.1%	-32.2%
Fishing (Fly)	5,755	5,878	5,842	-0.6%	1.5%
Climbing (Sport/Indoor/Boulder)	4,541	4,745	4,536	-4.4%	-0.1%
Climbing (Traditional/Ice/Mountaineering)	2,062	2,319	2,457	6.0%	19.2%
Adventure Racing	1,005	2,095	2,368	13.0%	135.6%
Bicycling (BMX)	1,858	2,168	2,350	8.4%	26.5%
NOTE: Participation figures are in 000's for the US population ages 6 and over					
	Large Increase (greater than 25%)	Moderate Increase (0% to 25%)	Moderate Decrease (0% to -25%)	Large Decrease (less than -25%)	



**3.3.5 CHULA VISTA SPORT AND MARKET POTENTIAL**

The following charts show sport and leisure market potential data from ESRI. A Market Potential Index (MPI) measures the probable demand for a product or service in the City of Chula Vista. The MPI shows the likelihood that an adult resident of the target area will participate in certain activities when compared to the US National average.

The National average MPI is 100, therefore numbers below 100 represent a lower than average participation rate, and numbers above 100 represent higher than average participation rate. The service area is compared to the national average in four (4) categories - general sports, fitness, outdoor activity, and money spent on miscellaneous recreation. Chula Vista demonstrates above average market potential index numbers in all categories.

As seen in the tables below, the following sport and leisure trends are most prevalent for Chula Vista residents. Cells highlighted in yellow indicate the top three scoring activities for each category based on the purchasing preferences of residents.

**GENERAL SPORTS MARKET POTENTIAL**

City of Chula Vista Participatory Trends - General Sports	
Activity	MPI
Participated in Baseball	117
Participated in Basketball	109
Participated in Football	102
Participated in Golf	92
Participated in Soccer	132
Participated in Softball	105
Participated in Tennis	104
Participated in Volleyball	105

**FITNESS MARKET POTENTIAL**

City of Chula Vista Participatory Trends - Fitness	
Activity	MPI
Participated in Aerobics	104
Participated in Jogging/ Running	112
Participated in Pilates	92
Participated in Swimming	98
Participated in Walking for Exercise	101
Participated in Weight Lifting	107
Participated in Yoga	102

OUTDOOR ACTIVITY MARKET POTENTIAL

City of Chula Vista Participatory Trends - Outdoor Activity	
Activity	MPI
Participated in Backpacking	104
Participated in Hiking	101
Participated in Bicycling (mountain)	101
Participated in Bicycling (road)	100
Participated in Boating (Power)	82
Participated in Canoeing/Kayaking	73
Participated in Fishing (fresh water)	76
Participated in Fishing (salt water)	102
Participated in Horseback Riding	105

MONEY SPENT ON MISCELLANEOUS RECREATION

City of Chula Vista Participatory Trends - Money Spent on Recreation	
Activity	MPI
Spent on sports/rec equipment in last 12 mo: \$1-99	96
Spent on sports/rec equipment in last 12 mo: \$100-249	96
Spent on sports/rec equipment in last 12 mo: \$250+	99
Attend sports event	102
Attend sports event: baseball game - MLB reg seas	113
Attend sports event: basketball game (college)	95
Attend sports event: basketball game - NBA reg seas	130
Attend sports event: football game (college)	108
Attend sports event: football game - NFL Mon/Thurs	111
Attend sports event: football game - NFL weekend	109
Attend sports event: high school sports	92
Attend sports event: ice hockey - NHL reg seas	104
Went on overnight camping trip in last 12 months	92
Visited an indoor water park in last 12 months	108
Visited a theme park in last 12 months	134
Went to zoo in last 12 months	110

### 3.4 BENCHMARK ANALYSIS

In order to evaluate how Chula Vista’s Recreation Department ranks on program and rental fees, the consulting team in collaboration with staff identified comparable (and best practice) agencies and developed a benchmark matrix to be used. The agencies were all based in Southern California and are ones the City often benchmarks against routinely. Cities included in the benchmark:

- Carlsbad
- Poway
- Escondido
- Oceanside

The key findings from the benchmark indicate that Chula Vista charges much lower than all comparable agencies.

#### 3.4.1 PROGRAM PRICING EXAMPLES

##### ADULT SOFTBALL

The following chart demonstrates program fees for adult softball. By dividing the total program cost by the number of games offered by each benchmark city we are able to figure out cost per game per team. Total cost per game per team include the additional official’s fee.

Chula Vista adult softball program prices are among the lowest of the benchmark cities. Chula Vista also has the lowest fee for officials at \$12.00. Poway has the highest cost per game per team but do not charge an official fee.

Agency	Softball	Cost / Game / Team		Total Cost / Game / Team	
		R	NR	R	NR
Chula Vista	10 Games: \$435	\$43.50	\$43.50	\$55.50	\$55.50
	Official Fee \$12	\$12	\$12		
Carlsbad	10 Games: \$480	\$48.00	\$48.00	\$70.00	\$70.00
	Official Fee: \$22	\$22	\$22		
Oceanside	10 Games: \$450R/\$500NR	\$45	\$50	\$60.00	\$65.00
	Official Fee: \$15	\$15	\$15		
Escondido	10 Games: \$400	\$40	\$40	\$60.00	\$60.00
	Official Fee: \$20	\$20	\$20		
Poway	10 Games: \$640*	\$64	\$64	\$64.00	\$64.00

**\*Poway programs are run by Sportsplex USA (public/private partnership). Admission fee of \$2.50 per person/per night is not included in these figures**



**YOUTH BASKETBALL**

Chula Vista’s youth basketball program total cost per game fees are the second highest fees behind Carlsbad. Escondido fees are the lowest at \$6.88 for resident and nonresident. Poway currently does not offer a youth basketball program.

Agency	Youth Basketball	Cost		Total Cost / Game	
		R	NR	R	NR
<b>Chula Vista</b>	10 Games	\$95	\$119	\$9.50	\$11.90
Carlsbad	10 Games	\$151.20	\$168	\$15.12	\$16.80
Oceanside	10 Games	\$80	\$90	\$8.00	\$9.00
Escondido	8 Games	\$55	\$55	\$6.88	\$6.88
Poway	*no municipal program				

**TINY TOTS/PRESCHOOL PROGRAM**

Chula Vista’s tiny tots/preschool program cost per session are among the lowest against the other benchmark agencies. Carlsbad and Poway have the highest cost per session for residents and nonresidents.

Agency	Tiny Tots, or Preschool equivalent	Cost		Cost / Session	
		R	NR	R	NR
<b>Chula Vista</b>	10 Weeks (20 Sessions)	\$188	\$235	\$9.40	\$11.75
Carlsbad	4 Weeks (8 sessions)	\$135	\$150	\$16.88	\$18.75
Oceanside	6 Weeks (12 Sessions)*	\$151	\$161	\$12.58	\$13.42
Escondido	3 Weeks (9 Sessions)	\$99	\$99	\$11.00	\$11.00
Poway	4 Weeks (8 sessions)	\$185	\$195	\$23.13	\$24.38

\*\$30 material fee due each session  
 \*\*\$10 material fee due each session

**AQUATIC PROGRAMS**

The following chart depicts open swim and learn to swim fees for each of the benchmark cities. Each benchmark city is comparable to one another with open swim cost per visit ranging from \$2-\$5. Chula Vista also offers a 10 visit pass which becomes a better deal for residents and nonresident than compared to any other benchmark cities cost per visit for open swim.

Chula Vista again is among the lowest cost per 30 minutes for learn to swim programs. Chula Vista’s resident rates (\$3.50-\$4.00) cost per 30 minutes is the lowest among all the benchmark and nonresident rates (\$5.30-\$6.00) are comparable to Escondido (\$5.10) and Poway (\$5.82).

Agency	Open Swim	Cost		Cost / Visit		Learn to Swim	Cost		Cost / 30 min	
		R	NR	R	NR		R	NR	R	NR
Chula Vista	Infant	Free	Free	Free	Free	Youth (10 mtgs-30 min) Adult (10 mtgs-30 min)	\$35	\$53	\$3.50	\$5.30
	Child	\$2	\$2	\$2	\$2					
	Adult	\$4	\$4	\$4	\$4					
	Senior	\$3	\$3	\$3	\$3					
	Child 10-Pass	\$12	\$12	\$1.20	\$1.20					
	Adult 10-Pass	\$24	\$24	\$2.40	\$2.40					
	Senior 10-Pass	\$18	\$18	\$1.80	\$1.80					
Carlsbad	<b>Alga Norte Aquatic Center:</b>					Youth (8 mtgs-30 min)	\$51.30	\$57.00	\$6.41	\$7.13
	Youth/Teen	\$3	\$3	\$3	\$3					
	Adult	\$5	\$5	\$5	\$5					
	Spectator	\$2	\$2	\$2	\$2					
	<b>Monroe Street Pool:</b>									
Youth/Teen	\$2	\$2	\$2	\$2						
Adult	\$4	\$4	\$4	\$4						
Oceanside	Lap Swim	\$4	\$4	\$4	\$4	Youth (4 mtgs-30 min)	\$22	\$32	\$5.50	\$8.00
Escondido	Drop-in	\$3	\$3	\$3	\$3	Youth (4 mtgs-50 min)	\$34	\$34	\$5.10	\$5.10
Poway	Youth/Senior	\$2	\$4	\$2	\$4	Adult/Youth (8 mtgs-40 min)	\$52.00	\$62.00	\$4.88	\$5.82
	Adult	\$2.50	\$5	\$2.50	\$5					

**3.4.2 RENTAL PRICING EXAMPLES**

Chula Vista’s gymnasium and pool hourly range rates are among the lowest compared to the benchmark cities. The range includes resident and nonresident tiers as well as nonprofit pricing. Chula Vista’s hourly range rates for multipurpose rooms are the highest at \$30-\$200. The multipurpose room ranges vary greatly due to the room size and amenities included with each room rental.

Agency	Gymnasium	Multipurpose Room**	Pool
	Hourly*	Hourly*	Hourly*
Chula Vista	\$17-\$130	\$30-\$200	\$32-\$64
Carlsbad	\$54-\$108	\$28-\$98	\$80-\$120***
Oceanside	\$100-\$200	\$25-\$150	\$50
Escondido	\$40-\$100	\$15-\$95	\$110-\$165
Poway	\$24-\$86	\$21-\$94	N/A

\*Rates are inclusive of Resident and Nonresident tiers, as well as Nonprofit

\*\*Room size and amenities vary significantly

\*\*\*Monroe Street Pool only (Alga Norte is \$4500-\$5500 for 6 hours)

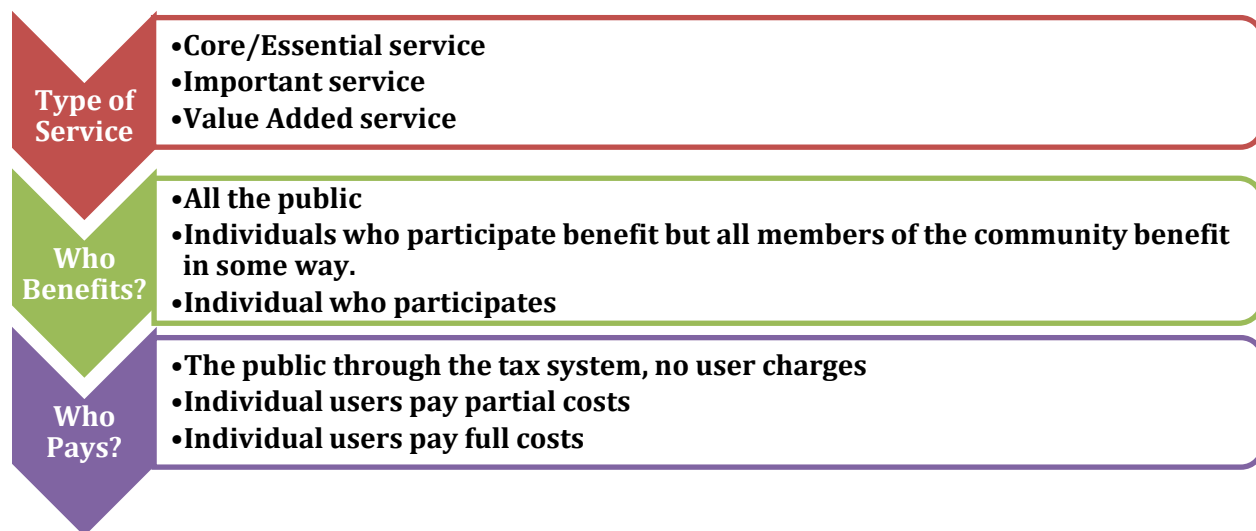


## CHAPTER FOUR - CLASSIFICATION OF SERVICES

### 4.1 FOUNDATIONAL CONCEPTS

Classifying services is an important process for an agency to follow in order to remain aligned with the community’s interests and needs, the mission of the organization, and to sustainably operate within the bounds of the financial resources that support it. The criteria utilized and recommended in service classification stems from the concept’s foundation detailed by Dr. John Crompton and Dr. Charles Lamb, two Texas A & M University professors with extensive expertise in marketing strategies for public recreation and park agencies.

In their publication, Marketing Government and Social Services, they propose that programs should be evaluated on the criteria of type of service provided, who benefits, and who bears the cost of the program. This concept is illustrated below:



The approach taken in this cost recovery project expands classifying services in the following ways:

- For whom the program is targeted
- For what purpose
- For what benefits
- For what cost
- For what outcome

## 4.2 PARAMETERS FOR CLASSIFYING SERVICE TYPES

The first milestone in this project was to develop a classification system for the services and functions of Recreation Department that reflect the obligations of the entire Department, support functions performed, and the value-added services that enrich both the visitor experience and generate revenues in mission-aligned ways to help support operating costs.

The results of this process is a summary of classification definitions and criteria, recommended classification of services provided by the Chula Vista Recreation Department, and a recommended range of cost recovery for each service based on these assumptions.

Program and service classification is important as financial performance (cost recovery) goals are established for each category of services. These classifications should be aligned with the existing cost recovery levels identified in the Cost of Service model listed in the previous section and then organized to correspond with cost recovery expectations defined for each category.

## 4.3 SERVICE CLASSIFICATION PROCESS

The service classification process consisted of the following steps:

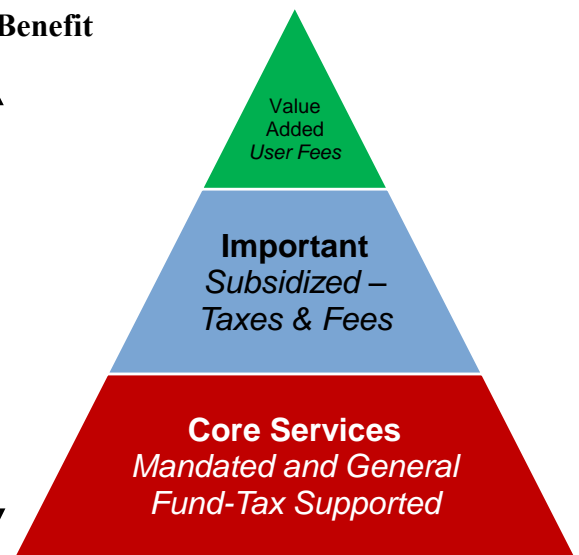
1. Confirm the definition for each classification of service that fits the expectations of the Recreation Department, their ability to meet public needs within the appropriate areas of service, and the mission and core values of the community and the respective areas.
2. Develop criteria that can be used to evaluate each service and function within the Recreation Department, and assign a classification that is defensible and logical.
3. Establish a range of cost recovery that can be attributed to each area listed within the service classifications. The established range can then serve as a target for staff to work towards achieving through a combination of reduced costs, as well as revenues from fees, charges, and non-traditional sources.

Service Classification process was iterative with the PROS Consulting team and staff commencing the process in a work session and then refining it through internal discussions until there was consensus on the same.

The classifications are not meant to be set in stone. The

City should evaluate the classifications annually to ensure congruence with the mission and values as well as the existing financial situation and cost recovery goals.

**Individual Benefit**



**Broad Public Benefit**



**4.3.1 SERVICE CLASSIFICATION DESCRIPTIONS**

The service classification matrix below was used in the process described in the previous section. This conceptual framework served as a guide to follow when classifying services and determining how each program should be managed with regard to cost recovery.

Clarifying what constitutes a “Core Essential Service”, an “Important Service”, and a “Value Added Service” will provide the Recreation Department and its stakeholders a better understanding of why and how to manage each program area in terms of public value and private value. Additionally, the effectiveness of the criteria linked to performance management expectations relies on the true cost of programs (direct and indirect cost) being identified. Where a program falls within this matrix can help to determine the most appropriate cost recovery rate or a range that should be pursued and measured.

CORE ESSENTIAL SERVICES	IMPORTANT SERVICES	VALUE ADDED SERVICES
High Public Expectation	High Public Expectation	High Individual and Interest Group Expectation
Free, Nominal or Fee Tailored to Public Needs  Requires Public Funding	Fees Cover Some Direct Costs  Requires a Balance of Public Funding and a Cost Recovery Target	Fees Cover Most Direct and Indirect Costs  Some Public Funding as Appropriate
Substantial Public Benefit (negative consequence if not provided)	Public and Individual Benefit	Primarily Individual Benefit
Limited or No Alternative Providers	Alternative Providers Unable to Meet Demand or Need	Alternative Providers Readily Available
Open Access by All	Open Access / Limited Access to Specific Users	Limited Access to Specific Users

**4.3.2 CHULA VISTA RECREATION DEPARTMENT SERVICE CLASSIFICATION MATRIX**

Using this process from Section 4.3.1, the Recreation Department staff in conjunction with the Consulting team developed the classification of services based on community values and Department mission.

These classifications are the basis for future pricing policy decisions and desired cost recovery goals for individual areas. Best practice agencies usually have elected leadership approve these classifications while staff implements fees and charges and revenue strategies to meet the cost recovery goals required for the approved classifications. It is recommended that these classifications be evaluated every one to two years to ensure alignment with community values and the established cost recovery goals.

Program/Service	0% -30%	31% -70%	71% or higher
	Core Essential (Must Offer)	Important (Should Offer)	Value-Added (Nice to Offer)
Adult Health & Fitness Programs - Intro level(include Martial Arts)		Yes	
Adult Health & Fitness Programs - Adv level(include Martial Arts)			Yes
Adult Instructional Classes - Intro (include Dance)			Yes
Adult Instructional Classes - Adv (include Dance)			Yes
Adult Sports Leagues			Yes
Adult Sports Tournaments			Yes
Adult Learn to Swim		Yes	
Aquatics- Intro. Instructional Levels (Pre-school through LTS)	Yes		
Aquatics- Adv. Instructional Levels (Pre-school through LTS)		Yes	
Aqua Fun & Fit (Fitness Programs)			Yes
Aqua Therapy		Yes	
ASPIRE (Free After School Program in Recreation Enrichment)	Yes		
CV WARN (Water Awareness Residential Neighborhoods)	Yes		
Mixed Use Drop-in/Open Play (Other than ASPIRE) - Youth and Adult		Yes	
Elementary Learn to Swim (ELTS) - Grant Funded Program		Yes	
Empower Hour (grant funded after-school program in the parks)	Yes		
Enrichment/Specialty Camps			Yes
First Aid/CPR/AED Training		Yes	
Fitness Center Memberships			Yes
Facility Rentals (Non-resident)			Yes
Facility Rentals (Resident/Non-profits)		Yes	
Inclusion Services (ADA)	Yes		
Junior Lifeguard Program			Yes
Lap Swim		Yes	
Lifeguard Training		Yes	
Master's Swim Team (Adult)			Yes
Pre-school Programs**		Yes	
Private/Semi-private Swim Lessons			Yes
Recreational Swim	Yes		

Program/Service	0% -30%	31% -70%	71% or higher
	Core Essential (Must Offer)	Important (Should Offer)	Value-Added (Nice to Offer)
Senior Health & Fitness Programs (intro.)	Yes		
Senior Health & Fitness Programs (adv.)			Yes
Senior Programs (Instructional - intro.)	Yes		
Senior Programs (Instructional - adv.)			Yes
Senior Programs (Support Services through partnerships - free programs)	Yes		
Special Events (Department e.g Movies in the Park)	Yes		
Special Events (City-wide e.g. Community Fun Run Fundraiser)			Yes
Special Events (Partners)		Yes	
Teen Diversionary Activities (6-9 pm)	Yes		
Teen Programming (intro)		Yes	
Teen Programming (advanced / camps etc.)			Yes
Excursions			Yes
Therapeutic Programs & Camps		Yes	
Tiny Tot Program		Yes	
Youth Day & Sports Camps			Yes
Youth Instructional Classes - Intro. (Music, Language, Performance, Dance)		Yes	
Youth Instructional Classes - Adv. (Music, Language, Performance, Dance)			Yes
Youth Health & Fitness Programs (including Martial Arts) - Intro		Yes	
Youth Health & Fitness Programs (including Martial Arts) - Adv.			Yes
Youth Sports Instruction		Yes	
Recreation Department Youth Sports Leagues		Yes	
Youth Swim Team			Yes
Youth Sports Tournaments			Yes

## CHAPTER FIVE - COST OF SERVICE ANALYSIS

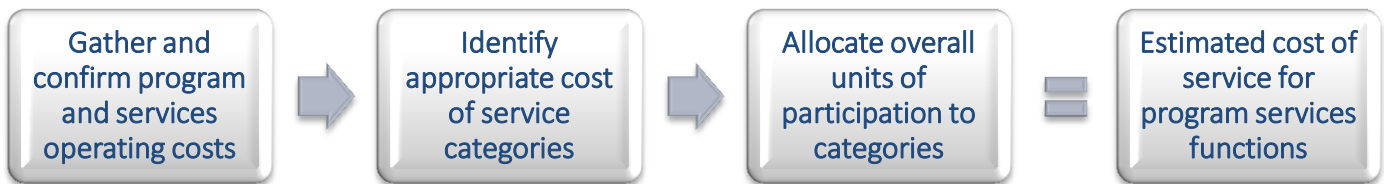
The cost-of-service analysis summarizes Chula Vista’s financial information to understand the cost per unit of service or activity, depending on the particular function.

Financial and participation (service unit) data were provided by Chula Vista’s Recreation and Public Works staff. Departmental financial data were also supplemented with City cost allocation plan data which identifies each department’s share of the cost for City support services. Additionally, costs for utilities such as water were also included for park amenities such as picnic shelters etc. The City support services costs were subsequently attributed to each division and program.

The Direct cost recovery represents the revenues divided by direct program expenditures indicating the highest level of cost recovery. With every additional level of cost (e.g. Department overhead costs, City overhead) added, the overall cost recovery percentage continue to decrease as revenues remain constant. However, this comprehensive structure is the most accurate reflection of the ‘true’ costs of providing the service and the proportion of costs recovered.

### 5.1 COST OF SERVICE ANALYSIS PROCESS

The illustration below depicts the cost of service analysis and allocation process that was followed in this project.



### 5.2 GOAL OF THE COST OF SERVICE ANALYSIS MODEL

It is understood that this model was the first step in identifying the most accurate cost accounting structure and thus, knowing the true cost of offering a program or a service. It is quite common to see agencies that may not have every single level of costs available and, thus, the model helps make valid assumptions to fill the gaps and help staff ensure they can capture those costs moving forward.

In order to be successful, Chula Vista must continue to update and refine the model as they move forward. This includes determining accurate units of participation, updating costs at all levels (direct, indirect and overhead) and tying those to cost recovery goals based on the service classifications agreed to by the City Council.

### 5.3 SUMMARY OF INITIAL COST OF SERVICE

Given below is a sample of summary costs extracted from the Cost of Service model. The entire model is a dynamic excel based model available to the staff for future updates and trend analysis.

As seen from the service classification section in Chapter 4, all Adult Softball is established as value-added programs which is expected to have a cost recovery goal of 71% or higher. In addition, per the benchmark analysis in Chapter 3, Chula Vista’s fees are also lower in comparison to most, if not all, the other benchmarked agencies.

Thus, a combination of existing cost recovery, proposed service classification (and its associated cost recovery goal) and benchmarked fee and charge data are the factors used in determining future fees and charges recommended in Chapter 7.

PROGRAM AREA CLASSIFICATION Benefit	<i>Value Added</i>	<i>Core</i>	<i>Important</i>	<i>Value Added</i>	<i>Important</i>
	Individual	Public	Public & Individual	Individual	Public & Individual
PROGRAM CATEGORY	Adult Sports	Pool Activities	Preschool	Special Events	Youth Sports
PROGRAM CATEGORY	Adult Softball League (MSM)	Aquatics- Intro. Instructional Levels (Loma Verde)	Tiny Tots - Montevalle	Community Fun Run - (Fundraiser)	Youth Fall Basketball League
Revenues	108,315	66,137	28,811	16,925	22,709
Expenditures:					
Staff	40,957	41,512	4,318	1,613	12,264
Outside Services	480		-	1,500	
Supplies & Services	17,082	6,250	175	11,670	2,349
Facility / Field Use		12,908	6,840		10,152
Cost Per Session	58,519	60,670	11,333	14,783	24,765
Number of Sessions	1	1	4	1	1
Program Cost	58,519	60,670	45,332	14,783	24,765
<b>Total Program Costs</b>	58,519	60,670	45,332	14,783	24,765
Department Administration	26,169	27,131	20,272	6,611	11,075
Park Cost	17,742				
Custodial Staff	-	7,240	6,024		3,485
City-Wide Overhead	43,077	44,661	33,370	10,882	18,230
Total Expenditures	145,507	139,701	104,997	32,276	57,554
Revenues Over (Under) Expenditures	(37,192)	(73,564)	(76,186)	(15,351)	(34,845)
<b>Cost Recovery</b>					
Direct Program Cost Recovery	185%	109%	64%	114%	92%
Program Cost Recovery with Department Overhead	128%	75%	44%	79%	63%
<b>Total Cost Recovery with City overhead</b>	74%	47%	27%	52%	39%

## CHAPTER SIX - PRICING POLICY

### 6.1 PRICING PHILOSOPHY AND POLICY

The proposed pricing policy includes the following:

1. A proposed philosophy that focuses on exclusivity of use and the level of benefit (individual versus community benefit) received.
2. A structure that sets fees and charges to recover true cost of service but with resident / nonprofit discounts
3. A consistent implementation of fees and charges based on prime (peak) time and non-prime (non peak) times
4. Standardized policies and procedures including cancellation windows, reservation policies etc.

To gain and provide consistency among the City leadership, the Parks and Recreation Commission, user groups, staff, and the community, a philosophical revenue and pricing foundation must be implemented. As changes in pricing strategy and philosophy are implemented, it would be helpful for the staff to incorporate the following five steps in their approach:

#### 6.1.1 PRICE SERVICES TO THE BENEFITS RECEIVED

Using the classification matrix, continue to price services based on the benefits received to offset operating costs. This approach will provide a fair method to distribute resources to the largest number of users of the system. In addition, the Recreation Department should prepare for future changes in government funding that may result as agencies in California and nationwide respond to fiscal realities.

#### 6.1.2 PRICE SERVICES BASED ON COST RECOVERY GOALS WITH PRICING FLEXIBILITY

Pricing based on meeting established cost recovery goals will provide a defensible approach to justify staff's decision making and ensure community and leadership buy-in for a process that is objective and process-driven versus one that may seem more subjective and personality-driven.

#### 6.1.3 PROVIDE USERS' OPTIONS THROUGH DIFFERENTIAL PRICING

Options in pricing of services allow users to pick and choose what components of the service they want to buy and allow staff to provide a tiered range of service offerings. This approach is helpful in the establishment of multi-tiered pricing and allows users to pick and choose what level of quality or quantity they want and will pay for accordingly.

Differential pricing options encourage users to move to a classification that best fits their schedule and price point. These pricing options provide opportunities for staff to maximize utilization and revenue generation for facility rentals and program offerings. The pricing options below include some that Chula Vista currently offers and some others that could be evaluated by staff for future offerings.

• Primetime	• Incentive Pricing
• Non-primetime	• Length of Stay Pricing
• Season and Off-season Rates	• Cost Recovery Goal Pricing
• Multi-tiered Program Pricing	• Level of Exclusivity Pricing
• Group Discounting and Packaging	• Age Segment Pricing
• Volume Pricing	• Equipment Pricing

#### 6.1.4 UTILIZE COST ACCOUNTING

The Recreation Department will continue developing an activity-based costing that includes direct, indirect (and where possible, overhead) costs for the future. This will determine the cost per experience and level of contribution before the actual pricing of the product or service. An activity based costing process will facilitate efficient decision-making in determining the best method to price the program, activity, rental or service in the most cost effective manner as well as identify programs that may not be able to meet their cost recovery goals as outlined in the program classification matrix. This is an effective process but requires appropriate resources to support data collection, analysis and reporting.

#### 6.1.5 COMMUNICATE TRUE (FULL) COSTS TO ALL USERS

In all cases, especially when planning a price change, communicating the true (full) costs of a service or program to all users helps increase their understanding of the value received. Often, users believe that the price or fee they pay accounts for the entire cost of that offering. Marketing and communicating to convey the benefits received and the level of contribution by the City will help aid the users' understanding of the price changes implemented.

Example: The price of your program or service covers the individual benefit associated with the service such as materials and supplies, consumptive goods, exclusive use of the facility, and non-mission related staffing costs associated with providing the service. Recreation Department or this specific program achieves a “\_\_\_\_\_” recovery rate of the cost to provide services primarily through user fees, while the City’s General Fund covers the remainder.



The fees and charges schedule recommended in this report should be periodically reviewed and updated as needed based on the changes that have occurred within the offerings provided. This will help the staff to evaluate which offerings should be adjusted based on the pricing policy or cost recovery goals and also communicate the rationale behind the changes to the users.



## CHAPTER SEVEN - IMPLEMENTATION

These recommendations are guidelines for the city leadership and the Recreation department to follow. It is important to keep a flexible approach as it applies to implementation of the recommendations. Consistent measurement and tracking as well as on-going communication with the community will be critical to ensure buy-in for the process. The recommendations are based on the following:

- Community input from public meetings
- 1,200+ online and print survey responses in English and Spanish obtained from every recreation facility
- Comparable information from benchmarked sources
- Available direct, indirect and overhead cost data supplemented by staff assumptions
- Parks and Recreation Commission input
- Iterative staff feedback across multiple City departments
- Consultant’s operational experiences and nationwide best practices

### 7.1 RECOMMENDATIONS

#### 7.1.1 RECOMMENDATION #1- INCORPORATE PROGRAM BASED PRICING PHILOSOPHY BASED ON EXCLUSIVITY AND LEVELS OF BENEFIT

It is recommended that City leadership adopt a pricing philosophy based on **exclusivity** and **levels of individual versus community benefit**. This philosophy ensures core programs have highest level of General Fund subsidy while value-added programs have the lowest level of General Fund subsidy with the following range of cost recovery goals for the program areas that fall in each category.

- Core Programs (0% - 30% full cost recovery)
- Important Programs (31% - 70% full cost recovery)
- Value-Added Programs (71% - 100% full cost recovery)

#### 7.1.2 RECOMMENDATION #2- OFFER BASE PRICES WITH RESIDENT AND/OR NONPROFIT DISCOUNTS

Create a base fee structure for all offerings and rentals with discounts for residents and/or nonprofits. See below for the definitions of those terms.

Fee Terminology	
<b>Resident</b>	Resides within City of Chula Vista and other zip code specific groups (e.g. Bonita)
<b>Nonprofit</b>	"Nonprofit organization" means an organization organized or incorporated for educational, civic, charitable, religious or cultural purposes, having a bona fide membership, when proceeds, if any, arising from its activities are used for the purposes of such organization and may not be used for the individual benefit of the membership of such organization.
<b>Groups are required to submit form with State of California Nonprofit Tax ID number</b>	
<b>Nonresidents/Commercial</b>	This includes anyone who does not fall into the resident or nonprofit category.

- A resident shall be considered any person residing within the City limits or any person owning property in the City. (“Resident”). In order to qualify for Resident pricing, the Resident must supply proof of residency or property ownership, by one of the following methods: Valid California Driver’s License, or official identification (“I.D.”) card issued by the Department of Motor Vehicles for non-drivers, displaying a City address on the license or I.D..
- Current year utility bill, in the Resident’s name, for an address within the City.
- Current year property tax statement, in the Resident’s name, for an address within the City.

**7.1.3 RECOMMENDATION #3 – OFFER DIFFERENTIAL PRICING RATES (TIMING / RESIDENCY RATES)**

Establish differential and tiered pricing structures for all offerings. This is an established practice in the recreation and travel industries (greens fees for twilight golf versus early morning tee-times, air fare pricing etc.)

It is a great way to manage facility capacity utilization and provide incentives for people who have flexibility in times to access facilities or rentals when they would otherwise be underutilized. There are a number of differential pricing strategies utilized within the parks and recreation industry as outlined in Section 6.1.3 and shown in the table below.

Types of Differential Pricing Strategies	
• Primetime	• Incentive Pricing
• Non-primetime	• Length of Stay Pricing
• Season and Off-season Rates	• Cost Recovery Goal Pricing
• Multi-tiered Program Pricing	• Level of Exclusivity Pricing
• Group Discounting and Packaging	• Age Segment Pricing
• Volume Pricing	• Equipment Pricing

As further detailed in Chapter 7, it is recommended that staff continue to expand use of differential pricing strategies in Chula Vista based on “timing” of offerings or activities e.g. time of day, weekday versus weekend and regular weekends versus holiday weekends and “resident and / or nonprofit discounts”.

**Timing**

	Prime Time	Non-Prime Time
<b>Facilities/ Pools</b>	5pm - close (Mon - Fri) / Sat. all day	Mon - Fri during the day and Sun. all day

**Resident and / or Nonprofit Fee Tiers**

Based on the Resident/Nonprofit discount and Prime Time versus Non-Prime Time pricing concepts, the consulting team and staff recommend the following approach of tiered fees and charges as well as resident discounts.

**Fee Tiers (Programs)**

Base Fees: Any Nonresident/For-Profit + During Prime Time = Base Fee

Resident Discount Fees: Any Resident/Nonprofit Registration + During Prime Time or Any Nonresident/For-Profit + During Non-Prime Time = 75% of Base Fee

**Fee Tiers (Facility/Pool Use, Rentals)**

Base Fees: Any Nonresident/For-Profit + During Prime Time = Base Fee (or 100% of Council adopted fee)

Resident Discount Fees: Any Resident/Nonprofit Use + During Prime Time or Any Nonresident/Commercial Use + During Non-Prime Time = 50% of Base Fee

Super Discount Fees: Any Resident/Nonprofit Use + During Non-Prime Time = 25% of Base Fee

**7.1.4 RECOMMENDATION #4 – ANNUALLY UPDATE COST OF SERVICE MODEL**

Continue to track indirect and overhead costs (including custodial, park maintenance etc.) to identify the true cost of offering recreation services. Annually update the cost of service model with data captured during the year and communicate the cost of service to the staff and users on an on-going basis. Each year, the Recreation Department will review the cost of service model with the Parks and Recreation Commission and, if need be, adjust the policies or existing practices to continue serving the community’s needs in the best way possible.

**7.1.5 RECOMMENDATION #5 - INCORPORATE CITY'S ASSET MANAGEMENT PROGRAM INTO RECREATION FEES**

A large number of existing parks and facilities as well as amenities in those facilities, are aging and at the end of their useful lifecycles. While a pending asset lifecycle replacement study will provide clarity on future needs, ensuring a pricing structure that supports long term capital improvement and maintenance will be critical as the population served by the city increases, and consequently, so does the demand for parks and recreation offerings.

### 7.1.6 RECOMMENDATION #6 – SEEK NON-TRADITIONAL FUNDING SOURCES

More and more parks and recreation agencies are looking to partnerships and creative revenue generating sources as a means to ensure long-term financial sustainability without burdening the existing user base. Pursue new earned income options as a way to ensure greater financial sustainability.

The following are some creative sources of revenue that agencies nationwide have been successfully pursuing in recent times. For a detailed list of all funding and revenue strategies based on staff discussions of implementation risk and implementation feasibility, please see the Appendix.

- **Sponsorships**

These are typically cash or in-kind fees paid to an agency by a brand or a business in exchange for being able to promote their brand or business through the agency’s offerings (e.g. programs, events or facilities). The City of Dallas recently had a partnership with the Naked Juice Brand for promoting Naked Coconut Water at one of their park sites / walking and biking lanes and Chula Vista is exploring the same as well.

(e.g. City of Roseville, CA: Sponsorships for the Utility Exploration Center)

<https://www.roseville.ca.us/explore/sponsorships.asp>

- **Naming Rights**

These are a type of advertising where a brand or a business paid a fee to be able to name a venue, park or facility or even an event for a period of years. This can vary from 3-20 years and is a very common practice in the private sector but is also getting more prevalent in the public sector as well.

(Lewisville, TX - Toyota of Lewisville Railroad Park)

<http://www.cityoflewisville.com/index.aspx?page=538>



- **Crowd-funding**

Refers to the collection of funds to sustain an initiative from a large pool of backers—the "crowd"—usually made online by means of a web platform. The initiative could be a nonprofit campaign (e.g. to raise funds for a school or social service organization), a philanthropic campaign (e.g. for emergency funds for an ill person or to produce an emerging artist), a commercial campaign (e.g. to create and sell a new product) or a financing campaign for a public agency (capital projects or program / operations related e.g. printing costs for all marketing materials)



Crowdfunding models involve a variety of participants. They include the people or organizations that propose the ideas and/or projects to be funded, and the crowd of people who support the proposals. Crowdfunding is then supported by an organization (the "platform") which brings together the project initiator and the crowd. Given below are two examples of the most popular platforms that are currently out there.

- [www.Fundyourpark.org](http://www.Fundyourpark.org) - Started by the National Recreation and Park Association (NRPA) specifically focused on parks and recreation agencies and crowdfunding their needs for programs and amenities in their communities.
- [www.Kickstarter.com](http://www.Kickstarter.com)
  - **The Mountair Park Community Farm to build urban farms in unused City Park Space**  
<https://www.kickstarter.com/projects/1255067972/growing-in-the-city-the-mountair-park-community-fa?ref=live>
  - **Marketing Support for creating Outdoor Recreation Map**  
<https://www.kickstarter.com/projects/403262169/outdoor-recreation-map-of-the-bob-marshall-wildern?ref=live>
- [www.Razoo.com](http://www.Razoo.com)
  - **After-School Programs for Environmental Education** <http://www.razoo.com/story/Feel-Good-About-Contributing-To-Urban-Sprouts>
  - **Local Community Theater Support Group** <http://www.razoo.com/story/Team-Wang>
  - **Community-Led Design Project** <http://www.razoo.com/story/Hsc-Board-Match-Challenge>

**7.1.7 RECOMMENDATION # 7 – UPDATE MASTER FEE SCHEDULE - PROPOSED FEES AND CHARGES**

Update the City’s Master Fee Schedule to include all facility rentals. To ensure consistent approach replace program fees with formula to develop fees based on the program classification, current and desired cost recovery goals e.g. Aquatics program fees are the only ones currently included in the fee schedule

Based on the current cost recovery rates, the service classification philosophy, cost recovery goals and staff, the following table shows the proposed processes, recommended policies to be consistently implemented and base fees and charges.

The following sections list the sample recommended program fees as well as facility use / rental fees.

Consistency in Policy / Process	Implementation
<b>Rentals / Facility Use Permits</b>	21 days cancellation notice required
<b>Non-refundable Reservation Fee</b>	\$100 fee applied to permit fees
<b>Rental Fee Payment</b>	Payment in full, 21 days prior to event date
<b>Commercial Vendor Permit</b> (Charged per Vendor)	Base Fee (\$100) ; Resident Discount (\$50) (use of air jump, pony ride, llama ride, petting zoo or similar)
<b>Custodial Fee</b>	Weekend (Friday-Sunday) and holiday rentals to include \$60 non-refundable at all facilities (with opportunity for annual COLA)

**SAMPLE PROGRAM FEES**

Fees for Recreation Department activities and classes shall be set in consideration of the City's full cost including overhead. As recommended in Section 1.3, to ensure consistency, the Master Fee Schedule should include only facility, field and park rentals. As for program fees, shown below is a depiction of the model using the service classification philosophy and existing cost recovery goals to determine recommended program fees including appropriate resident discounts.

	Revenues	Current Full Cost	Classification	Recommended Range	Current Full Cost Recovery Percentage	Desired Full Cost Recovery Percentage	Percentage Change Required to meet Recommended Cost Recovery	Current Fee	Recommended Resident Discount (25% Discount)	Recommended Base Fee
<b>RECREATION PROGRAM AND CLASS FEES</b>										
Adult Softball League (MSM)	\$108,315	\$145,507	Value Added	71% - 100%	74%	100%	26%	\$435	\$411	\$548
Aquatics- Learn To Swim Intro.	\$66,137	\$139,701	Core	0% - 30%	47%	30%	-17%	\$35	\$22	\$29
Tiny Tots - Montevalle	\$28,811	\$104,997	Important	31% - 70%	27%	60%	33%	\$188	\$188	\$250
Community Fun Run - (Fundraiser)	\$16,925	\$32,276	Value Added	71% - 100%	52%	100%	48%	\$10	\$11	\$15
Youth Fall Basketball League	\$22,709	\$57,554	Important	31% - 70%	39%	70%	31%	\$95	\$93	\$124

**USE PERMIT – OTHER FACILITIES**

**CURRENT FEES**

<b>Fitness Centers (quarterly fee for 12 week session)</b>	
<u>Otay and Salt Creek Centers</u>	
Resident	\$20
Non-Resident	\$40
<u>Norman Park Center</u>	
Resident	\$28
Non-Resident	\$56
<u>Morning Fitness (Otay)</u>	
Resident	\$35
Non-resident	\$70

<b>2. Swimming Pools, Rentals, per hour</b>	
Shared use	\$60
Exclusive use	\$64
<b>3. Swimming Pools, Other Charges</b>	
<u>Equipment charges</u>	
Fee per day, per team	\$3
Maximum monthly fee per team	\$25
<b>4. Swimming Pool, Cancellation Fee</b>	
Recreation office must be notified of cancellation a minimum of <b>24</b> hours prior to scheduled time for swimming pool rental. Failure to do so will result in assessment cancellation fee.	
Cancellation fee	\$75
Non-profit, shared or exclusive use	\$32
Non-profit, long term shared use	\$28





**PROPOSED FEES**

USE PERMITS – OTHER PROPOSED CHARGES

PROPOSED	Base	Resident Discounted Rate
<b>1. Cancellation Fee</b>		
Recreation office must be notified of cancellation a minimum of <b>21 days</b> prior to scheduled time for activity. Failure to do so will result in forfeiture of the fee. Applies to General Facilities - Use Permit rentals only.		
<b>2. Commercial Vendor Permit</b>		
Charged per Vendor (use of air jump, pony ride, llama ride, petting zoo or similar)	\$100	\$50
<b>3. Required Deposits</b>		
Nonrefundable Reservation Fee	\$100	
<b>4. Custodial Fee, per rental</b>		
All Facilities (weekends and City holidays only)	\$60	

FACILITY FEE SCHEDULE – PER HOUR  
**CURRENT FACILITY FEES**

Facility	II	III	IV
<b>Parkway Community Center</b>			
Auditorium/Main Hall	\$17	\$56	\$111
Classroom	\$11	\$33	\$67
Dance room	\$11	\$33	\$67
Kitchen facilities	\$6	\$11	\$22
Game room			
Parkway Gymnasium	\$17	\$65	\$130
Small gym			
Large gym			
<b>Heritage Community Center</b>			
Auditorium/Main Hall	\$17	\$56	\$111
Outdoor/stage	\$17	\$56	\$111
Craft room	\$11	\$33	\$67
Kitchen facilities	\$6	\$11	\$22
<b>Norman Park Senior Center</b>			
Cornell Hall - full		\$111	\$222
Cornell Hall - half		\$56	\$111
Game room	\$10	\$20	\$40
Conference room			
<b>Loma Verde Recreation Center</b>			
Auditorium/Main Hall	\$17	\$56	\$111
Classroom	\$11	\$28	\$56
Dance room	\$11	\$33	\$67
Kitchen facilities	\$6	\$11	\$22
Game room	\$10	\$20	\$40
<b>Other Recreation Facilities</b>			
Chula Vista Woman's Club		\$56	\$83
Memorial Bowl (2 hr minimum)		\$67	\$133
<b>Otay Recreation Center</b>			
Gymnasium	\$11	\$56	\$111
Classroom	\$11	\$28	\$56
Game room	\$10	\$25	\$50
Patio	\$10	\$25	\$50
<b>Salt Creek Center</b>			
Gymnasium - full	\$30	\$65	\$130
Gymnasium - half	\$20	\$40	\$80
Fitness Center	\$5	\$35	\$56
Multipurpose rooms:			
~Full (includes kitchen and patio use)	\$30	\$75	\$150
~Half with kitchen	\$10	\$35	\$70
Exterior patio only		\$60	\$120
Outdoor basketball court		\$25	\$50
Tennis Court		\$25	\$50
Soccer Arena	\$25	\$50	\$100
Game room	\$10	\$20	\$40

*Note: Salt Creek Fitness Center is currently not available to rent.*



Facility	II	III	IV
<b>Montevalle Center</b>			
Gymnasium - full	\$30	\$65	\$130
Gymnasium - half	\$20	\$40	\$80
Multipurpose rooms:			
~North	\$25	\$60	\$120
~South	\$25	\$60	\$120
~Middle	\$15	\$40	\$80
~2 room combo	\$30	\$75	\$150
~3 room combo	\$50	\$100	\$200
Craft room	\$15	\$40	\$80
Dance room	\$15	\$40	\$80
Outdoor basketball court		\$25	\$50
Tennis court		\$25	\$50
Game room	\$10	\$20	\$40
Interior courtyard		\$30	\$60
Fire pit		\$40	\$80
Exterior "west view" patio		\$10	\$20
<b>Veterans Center</b>			
Gymnasium - full	\$30	\$65	\$130
Gymnasium - half	\$20	\$40	\$80
Annex	\$30	\$75	\$150
Multipurpose rooms:			
~Full	\$30	\$75	\$150
~Half	\$15	\$35	\$70
~Half with kitchen	\$17	\$45	\$90
Dance room	\$15	\$40	\$80
Game room	\$10	\$20	\$40
<b>Sunset View Park</b>			
Roller hockey facility		\$50	\$100
<b>Equipment Charges for Montvalle, Salt Creek and Veterans Centers</b>			
Sound system		\$50 flat fee	
Lectern		\$10 flat fee	
Television/DVD/VCR		\$50 flat fee	
Dry erase board		\$10 flat fee	
City staff is provided on an hourly basis, as needed. This charge is in addition to the above hourly rental rates.			
<b>City staff</b>		<b>Full cost recovery</b>	
Part-time			\$16
Part-time aquatic staff			\$18

**PROPOSED FACILITY FEES**

RECREATION PROPOSED	Base Fees	Resident Discounted Fees	Super-Discounted Fees
(NR - Non.Res / PT - Prime Time / R - Resident / NPT - Non Prime Time) <i>Prime Time = 5pm - close (M-F) / Saturday - All day; Non Prime Time = M-F during the day / Sunday - All day</i>	NR + PT	R + PT <u>or</u> NR + NPT	R + NPT
	<b>100%</b>	<b>50%</b>	<b>25%</b>
<b>Parkway Community Center</b>			
Gymnasium - Large	\$150	\$75	\$38
Gymnasium - Large Half	\$95	\$48	\$24
Main Hall / Gym - Small	\$130	\$65	\$33
Kitchen facilities w/MH	\$25	\$13	\$6
Classroom	\$75	\$38	\$19
Dance room	\$75	\$38	\$19
Game room	\$45	\$23	\$11
<b>Heritage Community Center</b>			
Main Hall (MH)	\$130	\$65	\$33
Kitchen facilities w/MH	\$25	\$13	\$6
Outdoor Stage	\$130	\$65	\$33
Craft room	\$75	\$38	\$19
<b>Norman Park Senior Center</b>			
Cornell Hall Full	\$130	\$65	\$33
Cornell Hall Half	\$75	\$38	\$19
Conference Room	\$25	\$13	\$6
Game room	\$25	\$13	\$6
Kitchen facilities	\$25	\$13	\$6
<b>Loma Verde Recreation Center</b>			
Main Hall (MH)	\$130	\$65	\$33
Classroom	\$65	\$33	\$16
Dance room	\$75	\$38	\$19
Kitchen facilities w/MH	\$25	\$13	\$6
Game room	\$25	\$13	\$6
<b>Chula Vista Woman's Club</b>			
Main Hall (MH)	\$130	\$65	\$33
<b>Otay Recreation Center</b>			
Gymnasium - Full	\$130	\$65	\$33
Gymnasium - Half	\$75	\$38	\$19
Classroom	\$60	\$30	\$15
Patio	\$55	\$28	\$14
Game Room	\$25	\$13	\$6

RECREATION PROPOSED	Base Fees	Resident Discounted Fees	Super-Discounted Fees
(NR - Non.Res / PT - Prime Time / R - Resident / NPT - Non Prime Time) <i>Prime Time = 5pm - close (M-F) / Saturday - All day; Non Prime Time = M-F during the day / Sunday - All day</i>	NR + PT  <b>100%</b>	R + PT <u>or</u> NR + NPT  <b>50%</b>	R + NPT  <b>25%</b>
<b>Salt Creek Center</b>			
Gymnasium - Full	\$150	\$75	\$38
Gymnasium - Half	\$95	\$48	\$24
Multipurpose rooms:			
- Full (includes kitchen and patio use)	\$175	\$88	\$44
- Half with kitchen	\$80	\$40	\$20
Game room	\$45	\$23	\$11
<b>Monteville Center</b>			
Gymnasium - Full	\$150	\$75	\$38
Gymnasium - Half	\$95	\$48	\$24
Multipurpose rooms:			
~North Room (N)	\$140	\$70	\$35
~South Room (S)	\$140	\$70	\$35
~Middle Room (M)	\$95	\$48	\$24
~2 Room Combo	\$175	\$88	\$44
~3 Room Combo (N, M, S)	\$230	\$115	\$58
Craft room	\$95	\$48	\$24
Dance room	\$95	\$48	\$24
Game room	\$45	\$23	\$11
<b>Veterans Center</b>			
Gymnasium - Full	\$150	\$75	\$38
Gymnasium - Half	\$95	\$48	\$24
Main Hall (MH)	\$175	\$88	\$44
Multipurpose rooms:			
~Full (kitchen)	\$175	\$88	\$44
~Half	\$80	\$40	\$20
~Half w/ kitchen	\$105	\$53	\$26
Dance room	\$95	\$48	\$24
Game room	\$45	\$23	\$11

<b>FACILITY</b>	<b>Base</b>	<b>Resident Discounted Fees</b>	<b>Super-Discounted Fees</b>
<i>(NR - Non.Res / PT - Prime Time / R - Resident / NPT - Non Prime Time)</i> <i>Prime Time = 5pm - close (M-F) / Saturday - All day; Non Prime Time = M-F during the day / Sunday - All day</i>	<i>NR + PT</i>	<i>R + PT <u>or</u> NR + NPT</i>	<i>R + NPT</i>
	<b>100%</b>	<b>50%</b>	<b>25%</b>
<b>Outdoor Courts</b>			
Basketball Court	\$55	\$28	\$14
Tennis Court	\$55	\$28	\$14
<b>Salt Creek Community Center</b>			
Soccer Arena	\$115	\$58	\$29
<b>Sunset View Park</b>			
Roller hockey facility	\$115	\$58	\$29

<b>PROPOSED</b>	<b>Base</b>	<b>Resident Discount</b>	<b>Super-Discount</b>
<i>(NR - Non.Res / PT - Prime Time / R - Resident / NPT - Non Prime Time)</i> <i>Prime Time = 5pm - close (M-F) / Saturday - All day; Non Prime Time = M-F during the day / Sunday - All day</i>	<i>NR + PT</i>	<i>R + PT <u>or</u> NR + NPT</i>	<i>R + NPT</i>
	<b>100%</b>	<b>50%</b>	<b>25%</b>
<b>Swimming Pools, Rentals, per hour</b>			
Shared use	\$140	\$70	\$35
Exclusive use	\$150	\$75	\$38
Swim Lane Rentals (per lane)	\$30	\$15	\$8

<b>Amphitheaters (per hour)</b>		
	<b>Non-Resident/ For-Profit</b>	<b>Resident/ Non-Profit</b>
Memorial Bowl	\$150	\$75
Mountain Hawk Park	\$150	\$75

<b>City staff</b>	<b>Full cost recovery</b>
Part-time	\$17
Part-time aquatic staff	\$19



Other Proposed Fees

Active Recreation Areas (Non-sports specific)		
	Non-Resident/ For-Profit	Resident/ Non-Profit
Daily	\$25	\$20
Quarterly	\$250	\$200

Picnic Shelters		
	Non-Resident/ For-Profit	Resident/ Non-Profit
Small Shelter, Reservation Fee / day	\$150	\$75
Medium Shelter, Reservation fee / day	\$300	\$150
Large Shelter, Reservation Fee / day	\$600	\$300
Cleaning / Damage Deposit	\$100	\$100
Cancellation Fee, all	\$25	\$25

Cancellation Fee, 48-hour minimum notice required all shelter reservations

Others		
	Non-Resident/ For-Profit	Resident/ Non-Profit
Larger Inflatable (15 x 15 and / or larger)	\$150	\$75
Food / Gaming Trucks	\$150	\$75

**Eliminating Deposits**

Based on discussions with staff and evaluating the cost benefits of the time spent (indirect expenses) on administering the deposit collection and refunding process, it was found that the costs significantly outweighed the revenue generated from the rare instance that the deposit was retained. In addition, it is also an inefficient process resulting in a poor customer experience, and thus, it is recommended that deposit collection in those specific instances be eliminated.

Since the renter’s details will also be on file prior to reservation, the Department would always be able to recover costs associated with damages should that situation arise.



## CHAPTER EIGHT - CONCLUSION

The key to a successful plan and philosophy centers on knowing the true costs to produce a service or product and using a consistent process to manage, expand or eliminate offerings based on community values and financial goals. The expectation is not that the plan is perfect from the start but that it is realistic and dynamic, thus allowing the staff to continue using and updating it over time.

Pricing of services is a dynamic process and complex process. By recommending a consistent philosophy driven by service classifications, cost recovery goals and differential pricing, the proposed plan supports Council goals and establishes a sustainable process for cost recovery in the future.

The pursuit of earned income dollars should continue to be emphasized, and support and training should be provided to staff to ensure the plan's success in achieving the desired results. Additionally, updating the cost of service model annually will allow staff to reflect revenue and expense updates accurately in the updated Master Fee Schedule. If the recommendations are implemented in their entirety, based on current projections and market conditions, it is realistic to estimate a 5% - 10% increase in as a combination of increased revenue and streamlined expenses (as well as operational efficiencies). This could translate into an impact of \$100,000 - \$200,000 on the bottom line in the upcoming year, which will go a long way towards helping the Department achieve increased financial sustainability.

The recommendations outlined recognize Chula Vista's growing and diverse population, the socio-environment and the need to ensure long-term financial sustainability.

Lastly, a successful plan implementation requires a focused persistence but also warrants patience in implementing, tracking and modifying strategies based on their success or failure. It is important to bear in mind that this plan is meant to be a guideline that helps elevate the data-driven decision making process of the Recreation Department and thus lead to long-term financial sustainability.

Supportive leadership and trained staff who all buy into the collective vision and consistently communicate that vision to all users will be the key to ensuring that the Recreation Department meets the community needs in a financially sustainable manner for years to come.



## APPENDIX A - FUNDING AND REVENUE STRATEGIES

### REVENUE AND FUNDING STRATEGIES

Park and Recreation systems across the United States today have learned to develop a clear understanding of how to manage revenue options to support parks and recreation services in a municipality based on the limited availability of tax dollars. Park and Recreation systems no longer rely on taxes as their sole revenue option but have developed new sources of revenue options to help support capital and operational needs.

A growing number of agencies have developed policies on pricing of services, cost recovery rates and partnership agreements for programs and facilities provided to the community. They also have developed strong partnerships that are fair and equitable in the delivery of services based on whom receives the service, for what purpose, for what benefit and for what costs. In addition, agencies have learned to use parks and recreation facilities, amenities, programs and events to create economic development as it applies to keeping property values high around parks and along trails through increased maintenance, adding sports facilities and events to drive tournaments into the region that create hotel room nights and increase expenditures in restaurants and retail areas. They have learned to recognize that people will drive into their community for good recreation facilities such as sports complexes, pools, recreation centers and for special events if presented correctly and if they are well managed.

Outlined below are several options for Chula Vista to consider. Some if not all of these sources should be considered as an option to support the capital and operational needs of the department.

The following chart examines each funding strategy’s implementation feasibility and risk by rating the strategy high, medium, or low. The chart is sorted by strategies beginning at high feasibility with low implementation risk descending to low feasibility with high implementation risk.

Funding Strategy	Implementation Feasibility	Implementation Risk	Currently Practicing
Corporate Sponsorships	High	Low	
Crowdfunding	High	Low	
Friends Groups	High	Low	
Mello Roos District	High	Low	
Reservations	High	Low	
Equipment Rental	High	Low	
Lighting and Landscape District	High	Low	
Private Concessionaires Management	High	Low	
Advertising Sales	High	Low	
Partnerships	High	Medium	
Volunteerism	High	Medium	
Dedication/Development Fees	High	Medium	
Permits (Special Use Permits)	High	Medium	
CDBG Funding	High	Medium	
Property Taxes	High	Medium	
Naming Rights	High	Medium	
Private Developers	High	Medium	
Pouring Rights	High	Medium	
Special Fundraisers	Medium	Medium	
Impact Fees	Medium	Medium	
Food and Beverage Tax	Medium	Medium	
Capital Fees	Low	Low	
Land Trust	Low	Low	
Hotel, Motel and Restaurant Tax	Low	Low	
Private Donations	Low	Low	
Irrevocable Remainder Trusts	Low	Low	
Special Improvement District/Benefit District	Low	Medium	
Recreation Service Fees	Low	High	
Foundations/Gifts	Low	High	

## FUNDING SOURCES

The following financial options outline opportunities for the department to consider in supporting capital improvements as well as operational costs associated with managing the system for the future.

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### EXTERNAL FUNDING

- **Corporate Sponsorships** - This revenue-funding source allows corporations to invest in the development or enhancement of new or existing facilities in park systems. Sponsorships are also highly used for programs and events.
  - Notes: Consider for Dog Parks but in an unobtrusive way
  - Example: Charleston County Parks and Recreation (<http://www.ccprc.com/index.aspx?NID=5>) as well as establishing frameworks for sustained sponsorship opportunities by providing packaged choices of offerings - City of Santa Barbara ([http://www.santabarbaraca.gov/gov/depts/parksrec/recreation/sponsor\\_opportunities.asp](http://www.santabarbaraca.gov/gov/depts/parksrec/recreation/sponsor_opportunities.asp)).
- **Crowdfunding** - Fairly new web-based source which aggregates funds from a group of people who are willing to support a specific project, be it program related or facility related. Some sites that successfully do that are [www.kickstarter.org](http://www.kickstarter.org) and [www.razoo.com](http://www.razoo.com) etc.
  - Notes: Determine appropriate programs / capital updates
- **Partnerships** - Partnerships are joint development funding sources or operational funding sources between two separate agencies, such as two government entities, a nonprofit and a City department, or a private business and a City agency. Two partners jointly develop revenue producing park and recreation facilities and share risk, operational costs, responsibilities and asset management, based on the strengths and weaknesses of each partner.
  - Notes: Uncertainty for multi-year partnerships already budgeted for.
  - Example: A relevant example includes the Muskingum Recreation Center being developed in Zanesville, Ohio which is a partnership between the Muskingum County Community Foundation (MCCF), the Muskingum Family Y (MFY), Genesis HealthCare System and Ohio University Zanesville (OUZ) (<http://www.muskingumrecreationcenter.org/>).
- **Foundations / Gifts** - These dollars are raised from tax-exempt, nonprofit organizations established with private donations in promotion of specific causes, activities, or issues. They offer a variety of means to fund capital projects, including capital campaigns, gifts catalogs, fundraisers, endowments, sales of items, etc.
  - Notes: Not enough internal capacity to focus on Foundations / Gifts
- **Private Donations** - Private Donations may also be received in the form of funds, land, facilities, recreation equipment, art or in-kind services. Donations from local and regional businesses as sponsors for events or facilities should be pursued.
- **Friends Groups** - These groups are formed to raise money typically for a single focus purpose that could include a park facility or program that will better the community as a whole and their special interest.
  - Notes: Similar to the Library and Police, to focus on O&M and Capital opportunities
- **Irrevocable Remainder Trusts** - These trusts are set up with individuals who typically have more than a million dollars in wealth. They will leave a portion of their wealth to the city in a trust fund that allows the fund to grow over a period of time and then is available for the city to use a portion of the interest to support specific park and recreation facilities or programs that are designated by the trustee.

- **Volunteerism** - The revenue source is an indirect revenue source in that persons donate time to assist the department in providing a product or service on an hourly basis. This reduces the city's cost in providing the service plus it builds advocacy into the system.
  - Notes: The Department has a large number of volunteers across multiple programs. They are also tracked through Vologistics software system in Human Resources.
  - Example: The City of San José Parks, Recreation and Neighborhood Services has leveraged a very unique volunteer relationship by utilizing graduates from The Harvard Business School to identify potential sponsorship value of its inventory and craft a compelling message for potential sponsors - all on a pro-bono basis ([http://www.hbsanc.org/cp\\_home.html?aid=1142](http://www.hbsanc.org/cp_home.html?aid=1142)). There could certainly be potential opportunities of this sort with any of the educational institutions including Mira Costa College, Palomar Community College, or University of California San Diego.
- **Special Fundraisers** - Many park and recreation agencies have special fundraisers on an annual basis to help cover specific programs and capital projects.
  - Notes: **Community Fun Run, City Amateur Golf Tournament** are fundraisers for the Department and they are looking to start fundraisers / giveaways at **Movies in the Parks** - all done through the Friends Group.

#### CAPITAL FEES

- **Capital Fees** - Capital fees are added to the cost of revenue producing facilities such as golf courses, pools, recreation centers, hospitality centers and sports complexes.
- **Dedication/Development Fees** - These fees are assessed for the development of residential properties with the proceeds to be used for parks and recreation purposes, such as open space acquisitions, community park site development, neighborhood park development, regional park acquisition and development, etc.
  - Notes: The City is going through the PAD fees / Developers building turnkey parks - projects
- **Impact Fees** - These fees are on top of the set user rate for accessing facilities such as golf courses, recreation centers and pool facilities to support capital improvements that benefit the user of the facility.
  - Notes: User feedback from the Chula Vista community often emphasized ensuring that dollars generated are spent on facility specific infrastructure issues
- **Mello Roos District** - Fees for a specific purpose with an election approving district and fees by 2/3 majority.
  - Notes: This is already being done in Chula Vista.

#### USER FEES

- **Recreation Service Fees** - This is a dedicated user fee, which can be established by a local ordinance or other government procedures for the purpose of constructing and maintaining recreation facilities. The fee can apply to all organized activities, which require a reservation of some type or other purposes, as defined by the local government. Examples of such activities include adult basketball, volleyball, tennis, and softball leagues, youth baseball, soccer, football and softball leagues, and special interest classes. The fee allows participants an opportunity to contribute toward the upkeep of the facilities being used.

- Notes: Focus on across the board impact fee not just targeting organized groups.
- **Fees / Charges** - The Department must position its fees and charges to be market-driven and based on both public and private facilities. The potential outcome of revenue generation is consistent with national trends pointing to generating an average 35% to 50% of operating expenditures for combined parks and recreation agencies.
  - Notes: The current fee study is aimed towards specifically addressing these.
- **Permits (Special Use Permits)** - These special permits allow individuals to use specific park property for financial gain. The city either receives a set amount of money or a percentage of the gross service that is being provided.
  - Notes: These are currently in place system-wide.
- **Reservations** - This revenue source comes from the right to reserve specific public property for a set amount of time. The reservation rates are usually set and apply to group picnic shelters, meeting rooms for weddings, reunions and outings or other types of facilities for special activities.
  - Notes: These need to be consistent and reflect the exclusivity it provides - which is a recommendation made in **Section 1.4**
- **Equipment Rental** - The revenue source is available on the rental of equipment such as tables, chairs, tents, stages, bicycles, roller blades, boogie boards, etc. that are used for recreation purposes.
  - Notes: Currently, the pools in Chula Vista do provide equipment rentals.

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## GRANTS

- **CDBG Funding** - Funding received in accordance with the Community Development Block Grant (CDBG) Programs national objectives as established by the U.S Department of Housing and Urban Development. Funding may be applied to such programs as Infrastructure Improvements, Public Facility and Park Improvements, Human Service Enhancements, Lead-Based Paint Education and Reduction, Housing Education Assistance, and Economic Development and Anti-poverty strategies.
  - Notes: This is prone to change and, thus, not a predictable source for the future. It is currently availed for Norman Park Senior Center Operational hours and Therapeutic Recreation Programs.
- **Land Trust** - Many systems have developed land trusts to help secure and fund the cost for acquiring land that needs to be preserved and protected for greenway purposes. This could be a good source to look to for acquisition of future lands.

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## TAX SUPPORT

- **Property Tax**- Ad valorem taxes on real property
- **Lighting and Landscape Districts** - Special property owner approved assessment
  - Notes: Evaluating creating a maintenance District; eastside park Stylus Park - developer responsible for 50% of the maintenance / annually.
- **Hotel, Motel, and Restaurant Tax.** - Tax based on gross receipts from charges and meal services, which may be used to build and operate sports fields, regional parks, golf courses, tennis courts, and other special park and recreation facilities.
  - Notes: Could evaluate for future eastside development / hotels.
- **Special Improvement District / Benefit District** - Taxing districts established to provide funds for certain types of improvements that benefit a specific group of affected properties. Improvements may

include landscaping, the erection of fountains, and acquisition of art, and supplemental services for improvement and promotion, including recreation and cultural enhancements.

- **Food and Beverage Tax** - The tax is usually associated with convention and tourism bureaus. However, since parks and recreation agencies manage many of the tourism attractions, they receive a portion of this funding source for operational or capital expenses.
  - Notes: Evaluate potential for Bayfront Convention Center to be built.

## FRANCHISES AND LICENSES

- **Pouring Rights** - Private soft drink companies that execute agreements with the City for exclusive pouring rights within park facilities. A portion of the gross sales goes back to the City. The City of Westfield, IN just signed a 10 year, \$2 million pouring rights deal at their sports complex with Pepsi.
  - Notes: Potential to consider for future sports complex development or in conjunction with the former Chula Vista Olympic Training Center now named the **Chula Vista Elite Athlete Training Facility, a USOC Olympic and Paralympic Training Site**
- **Private Concession Management** - Contract with a private business to provide and operate desirable recreational activities financed, constructed and operated by the private sector, with additional compensation paid to the City.
  - **Notes:** It is currently very minimal but the city has taken a step in that direction with Point Loma Trust and with future development could be an increasingly viable opportunity for the department.
- **Naming Rights** - Many cities and counties have turned to selling the naming rights for new buildings or renovation of existing buildings and parks for the development cost associated with the improvement.
  - **Notes:** Evaluate potential for existing facilities / youth sports etc.  
 Example: Many cities and counties have turned to selling the naming rights for new constructions of facilities or parks as a way to pay for the development and, occasionally, costs associated with the project. A great example of this was in Lewisville, Texas where the city signed a 10 year naming rights deal with a local Toyota dealership for their signature community park which opened in 2009 and includes multiple sports fields, a dog park, skate park, walking and jogging trails, three lakes for irrigation etc. (<http://www.cityoflewisville.com/index.aspx?page=538>).
- **Private Developers** - These developers lease space from City-owned land through a subordinate lease that pays out a set dollar amount plus a percentage of gross dollars for recreation enhancements. These could include a golf course, marina, restaurants, driving ranges, sports complexes, equestrian facilities, recreation centers and ice arenas.
- **Advertising Sales** - This revenue source is for the sale of tasteful and appropriate advertising on park and recreation related items such as in the city's program guide, on scoreboards, dasher boards and other visible products or services that are consumable or permanent that exposes the product or service to many people.