

INTRODUCED: January 22, 2024

AN ORDINANCE No. 2024-033

To amend City Code § 8-555, concerning fees for the temporary use of Main Street Station, for the purpose of revising the schedule of fees for the temporary use of Main Street Station.

Patron – Mayor Stoney

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: FEB 26 2024 AT 6 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That section 8-555 of the Code of the City of Richmond (2020) be and is hereby **amended** and reordained as follows:

Sec. 8-555. Fees for temporary use of Main Street Station.

This section applies to that portion of City-owned real estate located in the block bounded generally by East Main Street to the south, North 15th Street and Interstate 95 to the west, East Broad Street to the north, and Ambler Street and Crane Street to the east. The Chief Administrative Officer, or the designee thereof, is authorized to license Main Street Station or any portion thereof

AYES: 8 NOES: 0 ABSTAIN: _____

ADOPTED: FEB 26 2024 REJECTED: _____ STRICKEN: _____

for temporary use by the public in the manner provided and to the extent permitted by Section 8-2 only for the following fees:

<i>Description</i>		<i>Fee</i>
Fees for temporary use of Main Street Station:		
(1)	Head house:	
	a. Sunday through Thursday:	
	1. All day package	[\$3,900.00] <u>\$5,000.00</u>
	b. Friday through Saturday:	
	1. All day package	[\$7,000.00] <u>\$7,500.00</u>
(2)	Train shed (first floor only):	
	a. Sunday through Thursday:	
	1. All day package	[\$2,800.00] <u>\$3,500.00</u>
	b. Friday through Saturday:	
	1. All day package	[\$3,500.00] <u>\$4,000.00</u>
(3)	Train shed (second floor only):	
	a. Sunday through Thursday:	
	1. All day package	[\$8,900.00] <u>\$13,000.00</u>
	b. Friday through Saturday:	
	1. All day package	[\$14,800.00] <u>\$19,000.00</u>
(4)	Commercial kitchen:	
	a. Ice maker rental	\$500.00
	b. Plate warmer, for each rental	\$250.00
	c. Stand-alone rental	\$2,500.00
	d. Add-on rental to event	\$1,000.00
(5)	North Plaza:	
	a. Add-on rental to event:	
	1. Sunday through Thursday	\$500.00
	2. Friday through Saturday	\$1,000.00
	b. Stand-alone rental:	
	1. Sunday through Thursday	\$1,000.00
	2. Friday through Saturday	\$1,500.00
(6)	The Square:	
	a. Sunday through Thursday	\$750.00
	b. Friday through Saturday	\$1,000.00
(7)	The Gallery at Main Street Station, per month	\$500.00
(8)	Multi-space pricing:	
	a. If a licensee rents the train shed (second floor only), pricing for the head house for the same rental period will be reduced to 50 percent	
(9)	Train shed (second floor only) set-up pricing:	
	a. Licensee may rent space for set-up days at a 50 percent rate	

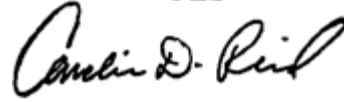
§ 2. This ordinance shall be in force and effect on July 1, 2024.

APPROVED AS TO FORM:


City Attorney's Office

A TRUE COPY:

TESTE:


City Clerk



City of Richmond

900 East Broad Street
2nd Floor of City Hall
Richmond, VA 23219
www.rva.gov

Master

File Number: Admin-2023-2078

File ID: Admin-2023-2078

Type: Request for Ordinance or Resolution

Status: Regular Agenda

Version: 1

Reference:

In Control: City Clerk Waiting Room

Department:

Cost:

File Created: 12/20/2023

Subject:

Final Action:

Title:

Internal Notes:

Code Sections:

Agenda Date: 01/22/2024

Indexes:

Agenda Number:

Patron(s):

Enactment Date:

Attachments: Admin-2023-2078 MSS Results (Model) - vF,
Admin-2023-2078 WD Ordinance MSS_Fees - AATF

Enactment Number:

Contact:

Introduction Date:

Drafter: Adam.Hohl@rva.gov

Effective Date:

Related Files:

Approval History

Version	Seq #	Action Date	Approver	Action	Due Date
1	1	12/20/2023	Robert Steidel	Approve	12/21/2023
1	2	12/20/2023	Adam Hohl - FYI	Notified - FYI	
1	3	12/20/2023	Meghan Brown	Approve	12/21/2023
1	4	12/21/2023	Sheila White	Approve	12/21/2023
1	5	12/21/2023	Sabrina Joy-Hogg	Approve	12/22/2023
1	6	12/21/2023	Adam Hohl - FYI	Notified - FYI	
1	7	1/2/2024	Jeff Gray	Approve	12/22/2023
1	8	1/5/2024	Lincoln Saunders	Approve	1/11/2024
1	9	1/18/2024	Mayor Stoney	Approve	1/23/2024

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:

Text of Legislative File Admin-2023-2078

City of Richmond
Intracity Correspondence

O&R Transmittal
DATE: December 6, 2023

TO: The Honorable Members of City Council
THROUGH: The Honorable Levar M. Stoney, Mayor
THROUGH: J.E. Lincoln Saunders, Chief Administrative Officer
THROUGH: Sabrina Joy-Hogg, Deputy Chief Administrative Officer
THROUGH: Sheila White, Director of Finance
THROUGH: Meghan Brown, Acting Director of Budget & Strategic Planning
FROM: Robert Steidel, Deputy Chief Administrative Officer
RE: Revise Fees for Temporary Use of Main Street Station
ORD. OR RES. No.

PURPOSE: To revise Chapter 8 City-Owned Real Estate, Article XIII, Section 8-555 Fees for temporary use of Main Street Station to reflect revised fee values as a result of recent market and cost analysis.

BACKGROUND: The Chief Administrative Officer, or the designee thereof, is authorized to license Main Street Station or any portion thereof for temporary use by the public in the manner provided and to the extent permitted by Section 8-2 for certain areas of Main Street Station. The established fee schedule was last revised in 2020. In 2023, the City administration contracted with a consultant to perform a cost and market analysis in order to better inform recommended rental fees to maximize revenue while maintaining competitive advantage. The results of that analysis are hereby recommended for consideration in order to best meet net revenue requirements for the rental facility.

Based on current assumptions, the cost analysis suggests that to cover all assumed costs, either the number of rentals need to increase significantly, or there would need to be a substantial increase in the current fee structure. Further, the benchmarking analysis suggests that Shed fees may having pricing power to increase.

COMMUNITY ENGAGEMENT: Upon adoption, revised rental fees will be communicated to new prospective customers. Existing customers who have already signed a contract for facility rental beyond the effective date will maintain the contracted fee value.

STRATEGIC INITATIVES AND OTHER GOVERNMENTAL: Efficient & High Quality Service Delivery; Responsive, Accountable, and Innovative Government.

FISCAL IMPACT: Estimated revenue of \$945,000. The market will likely prevent the fees from generating the full net revenue requirements, although intangible economic benefits to the City of Richmond should also be considered.

DESIRED EFFECTIVE DATE: July 1, 2024

REQUESTED INTRODUCTION DATE: January 8, 2024

CITY COUNCIL PUBLIC HEARING DATE: January 22, 2024

REQUESTED AGENDA: Consent

RECOMMENDED COUNCIL COMMITTEE: Finance and Economic Development

AFFECTED AGENCIES: Department of Public Works

RELATIONSHIP TO EXISTING ORD. OR RES.: Ord. No. 2020-202

<[https://richmondva.legistar.com/LegislationDetail.aspx?](https://richmondva.legistar.com/LegislationDetail.aspx?ID=4641790&GUID=C00508D0-C781-49ED-B72A-B3B54D4D2EB4&Options=ID|Text|&Search=2020-202)

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ORD 2020-192 <[https://richmondva.legistar.com/LegislationDetail.aspx?](https://richmondva.legistar.com/LegislationDetail.aspx?ID=4641780&GUID=B6BC6D53-564B-412B-AB88-D7CAFC9B7BC8&Options=ID|Text|&Search=2020-192)

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ORD 2020-008 <[https://richmondva.legistar.com/LegislationDetail.aspx?](https://richmondva.legistar.com/LegislationDetail.aspx?ID=4304320&GUID=638D8858-2DA1-4F06-99B3-E8D99CD2D243&Options=ID|Text|&Search=2020-008)

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ATTACHMENTS: Summary of MSS Calculations and Option for Consideration

STAFF: Robert Steidel, DCAO Operations, 804-646-1378

City of Richmond
Fee Calculations Project
Summary of MSS Calculations and Option for Consideration

KEY INPUTS & ASSUMPTIONS

Revenue Requirements

- Includes the following costs:
 - 2024 Annual Operating Budget (\$2.4)
 - 20% of Annual Depreciation (\$0.5m)
- Includes the following revenue offsets:
 - FY24 Budget Revenue from Other MSS Sources (\$0.9m)
 - Est. Tax Sales, Meals, and Lodging Tax Revenues (\$0.1m)
- Net Revenue Requirements total \$1.9m

Scenarios

- 1). Assumes 96 rentals (based on FY23 rentals) and distributes costs using current ratios
- 2). Assumes 96 rentals (based on FY23 rentals) and distributes costs using square footage
- 3). Assumes 364 rentals (based on 20% booking rate) and distributes costs using current ratios
- 4). Assumes 364 rentals (based on 20% booking rate) and distributes costs using square footage

CALCULATION RESULTS

<u>Weekend Rates</u>	Existing	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Average
Head House	\$ 7,000	\$ 16,760	\$ 5,990	\$ 2,890	\$ 8,830	\$ 8,620
Shed 1st Floor	3,500	8,380	18,260	8,820	4,410	9,970
Shed 2nd Floor	14,800	35,440	43,040	20,780	18,670	29,480
Shed North Plaza	1,500	3,590	1,920	930	1,890	2,080
The Square	1,000	2,390	-	-	1,260	910
The Gallery, per month	1,000	2,390	1,370	660	1,260	1,420

<u>Weekday Rates</u>	Existing	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Average
Head House	\$ 3,900	\$ 9,340	\$ 3,330	\$ 1,610	\$ 4,920	\$ 4,620
Shed 1st Floor	2,800	6,700	14,610	7,050	3,530	6,940
Shed 2nd Floor	8,900	21,310	25,880	12,500	11,220	15,960
Shed North Plaza	1,000	2,390	1,280	620	1,260	1,310
The Square	500	1,200	-	-	630	470
The Gallery, per month	750	1,800	1,030	500	950	1,010
Shed Commercial Kitchen	\$ 2,500	\$ 5,986	\$ 1,410	\$ 681	\$ 3,153	\$ 2,750

BENCHMARKING ANALYSIS

Existing rental fees are largely in line with the market. However, based on our analysis of comparable venues, the following adjustments should be considered:

- 1). The Shed second floor fees likely have pricing power to increase.
 - 2). The weeknight discount could be reduced for both the Shed and HeadHouse.
- The impact of these adjustments should be evaluated by MSS staff.

POTENTIAL RATE OPTION FOR CONSIDERATION

	FY 2023 (Units)	Existing Fees	Revenue	Modified Fees	Revenue
<u>Weekend Rates</u>					
Head House	23	\$ 7,000	\$ 161,000	\$ 7,500	\$ 172,500
Shed 1st Floor	4	3,500	14,000	4,000	16,000
Shed 2nd Floor	25	14,800	370,000	19,000	475,000
Shed North Plaza	-	1,500	-	1,500	-
The Square	2	1,000	2,000	1,000	2,000
The Gallery, per month	-	1,000	-	1,000	-
<u>Weekday Rates</u>					
Head House	13	\$ 3,900	\$ 50,700	\$ 5,000	\$ 65,000
Shed 1st Floor	9	2,800	25,200	3,500	31,500
Shed 2nd Floor	14	8,900	124,600	13,000	182,000
Shed North Plaza	-	1,000	-	1,000	-
The Square	2	500	1,000	500	1,000
The Gallery, per month	-	750	-	750	-
Shed Commercial Kitchen	-	\$ 2,500	\$ -	\$ 2,500	\$ -
Total	92		\$ 748,500		\$ 945,000

KEY TAKEAWAYS

- The market will likely prevent the fees from generating the net revenue requirements. However, this analysis does not capture the vast economic benefits the venue provides to the City of Richmond.
- Advertising and marketing efforts should be explored in effort to increase demand
- Other revenue streams should be pursued, such as increased parking fees, fees from preferred catering, photography access fees, etc.