pennsylvania
DEPARTMENT OF MILITARY
AND VETERANS AFFAIRS

# *Armory Rentals*

Exhibit B

2 December 2020

*Facilities and Engineering Enterprise*

# Agenda

- ✓ Problem
- ✓ Authority
- ✓ Background
- ✓ Rental Data
- ✓ Recommendation

# Problem

- ✓ Due to the current situation with COVID-19 and civil unrest within the communities, should we continue to rent readiness centers for public use?
  - Ware and tear on facilities
  - Physical security
  - COVID-19 and additional cost to deep clean facilities after events and risk to soldiers/state employees
  - Administrative manhours
  - Cost

# Authority

- ✓ Title 51, Chapter 15, Section 1509

  "The State Armory Board may issue such rules and regulations for the rental of armories for non-military purposes to responsible persons or organizations at scheduled rates approved by the State Armory Board. Notwithstanding any other provision of law, said rentals shall be payable to the State Treasury Armory Fund (STAF)."

- ✓ STAF is a non lapsing account used by OFE to offset costs

# Background

- ✓ Current policy:
  - Rentals have been discontinued since March 2020 due to COVID
  - Available for private and public use
  - Discounted rate available for certain circumstances
  - No cost rentals available for governmental agencies, non-profit, and civic organizations
- ✓ Over head costs for rentals average approximately $375 per rental for administrative associated work
- ✓ On average there are approximately 6-8 facilities that are used for rentals
- ✓ Governmental (local, county, state, federal) and civic use of facilities makes up 67% of rentals
- ✓ Rentals must follow Armory Rental SOP published by OFE

# Rental Data

| Year | No of Non-Paid Rentals | No of Pd Rentals | Rental Amt | Ovhd | Total Income | Remarks |
|---|---|---|---|---|---|---|
| 2015-2016 | 91 | 48 | $75,515 | $14,400 | $61,115 | |
| 2016-2017 | 103 | 52 | $83,150 | $15,600 | $67,550 | |
| 2017-2018 | 91 | 45 | $70,287 | $13,500 | $56,787 | |
| 2018-2019 | 140 | 69 | $108,006 | $20,700 | $87,306 | Rental rate increase went into effect |
| 2019-2020 (YTD) | 69 | 34 | $62,482 | $10,200 | $52,282 | |

**Total net income $325,040**

# Recommendation

- ✓ Continue rentals only for governmental (local, county, state, federal) use and certain civic venues (elections, red cross blood drives, etc) and family support activities that support the unit.
- ✓ All private rentals will no longer be booked