



Kensington Community Center: Economic Overview

bae

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Purpose & Approach to Economic Analysis



- **The economic analysis is based on study of rates, usage, and operations at other East Bay centers**
 - ▣ Albany, El Cerrito, Piedmont, UC Berkeley Botanical Garden, East Bay Regional Parks (Brazil Room, etc.), 7 others
- **Look at the potential to attract more paying events to the community center to help lower its costs**
 - ▣ Address potential demand, uses for the Annex building
- **Provide information for upcoming KPPCSD Board decisions on improvements, future operations**

Lessons From Other Publicly Owned Centers



- **The publicly owned centers studied accommodate a wide range of uses and activities**
 - ▣ Weddings, social events, recreation classes, youth programs
- **Earned revenues reduce costs but typically do not result in break-even operations**
 - ▣ Due to the mix of private rentals and public programming
 - ▣ For improvements, it's not “return on investment” but providing an amenity to the community, enhancing quality of life

Current Community Center Operations



- **Originally built as a “youth hut”, the community center currently hosts a range of uses**
 - ▣ KCC programs weekdays; annual \$15,000 payment
 - ▣ KPPCSD, other agencies, and clubs meetings and training
 - ▣ Limited rental activity: approx. \$8,000 projected this year; previous years has been as high as \$17,000+

- **The Annex building is not in use; its was previously leased to a tenant**

Current Community Center Operations



- **Estimated net cost – revenues minus expenses -- of operating the center this year is \$34,600**
- **This is most of the cost of operating Kensington Park that is not covered by the assessment**
 - ▣ Shortfall comes out of KPPCSD annual General Fund of \$2.6 million

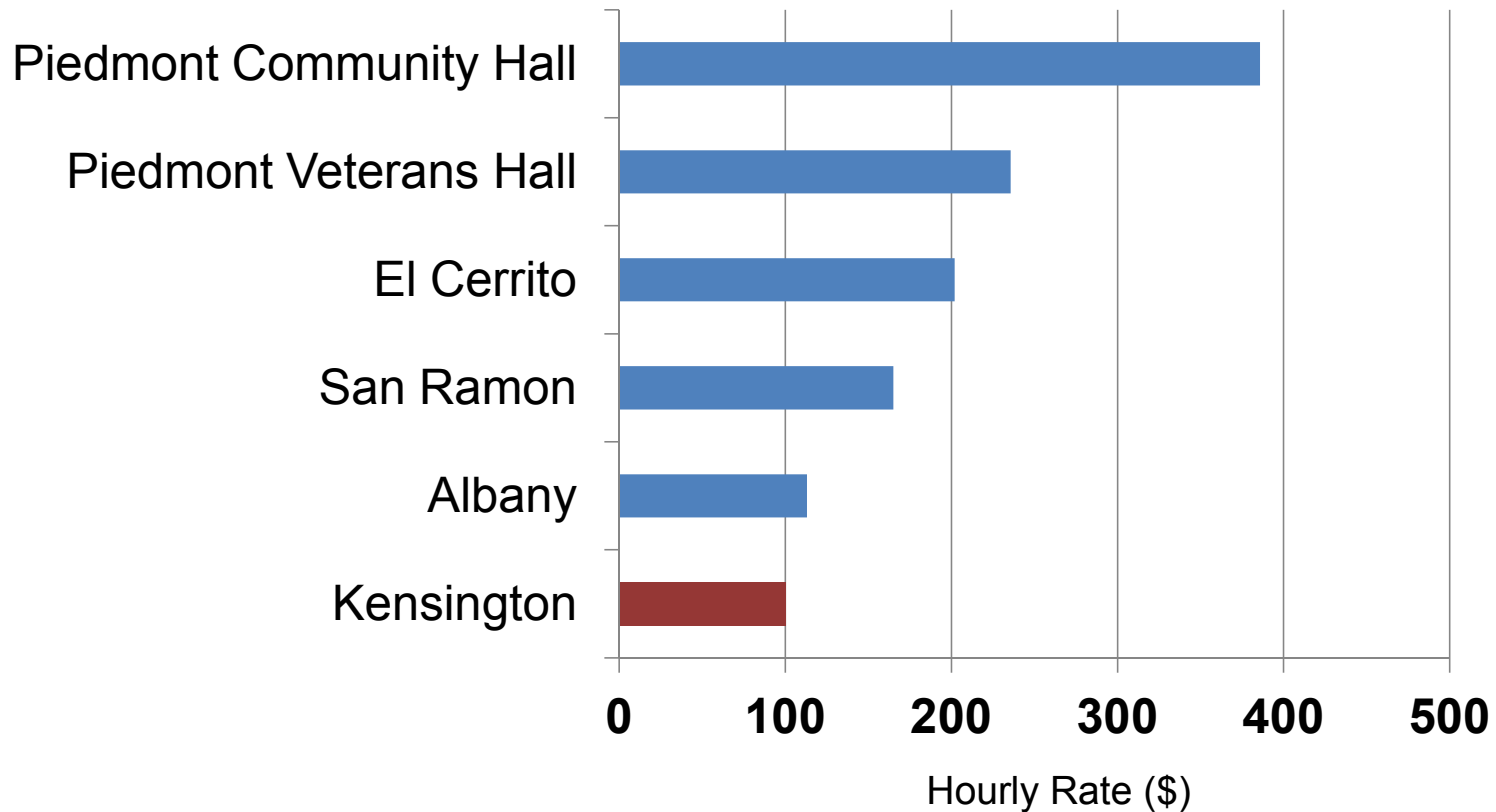
Key Considerations for Economic Analysis



- **The community center, based on the condition of facilities, is not competitive with other centers**
 - ▣ Particularly for weddings, usually largest revenue generator
- **Assume changes to make it competitive**
 - ▣ Open up views; improved finishes; updated kitchen, etc.
 - ▣ Enhanced staff to market facility, support events
 - ▣ Flexibility on uses, scheduling
- **Priority for paying uses for peak weekend periods**
 - ▣ Agency, club, non-profit uses are typically weekdays, or unbooked weekend periods

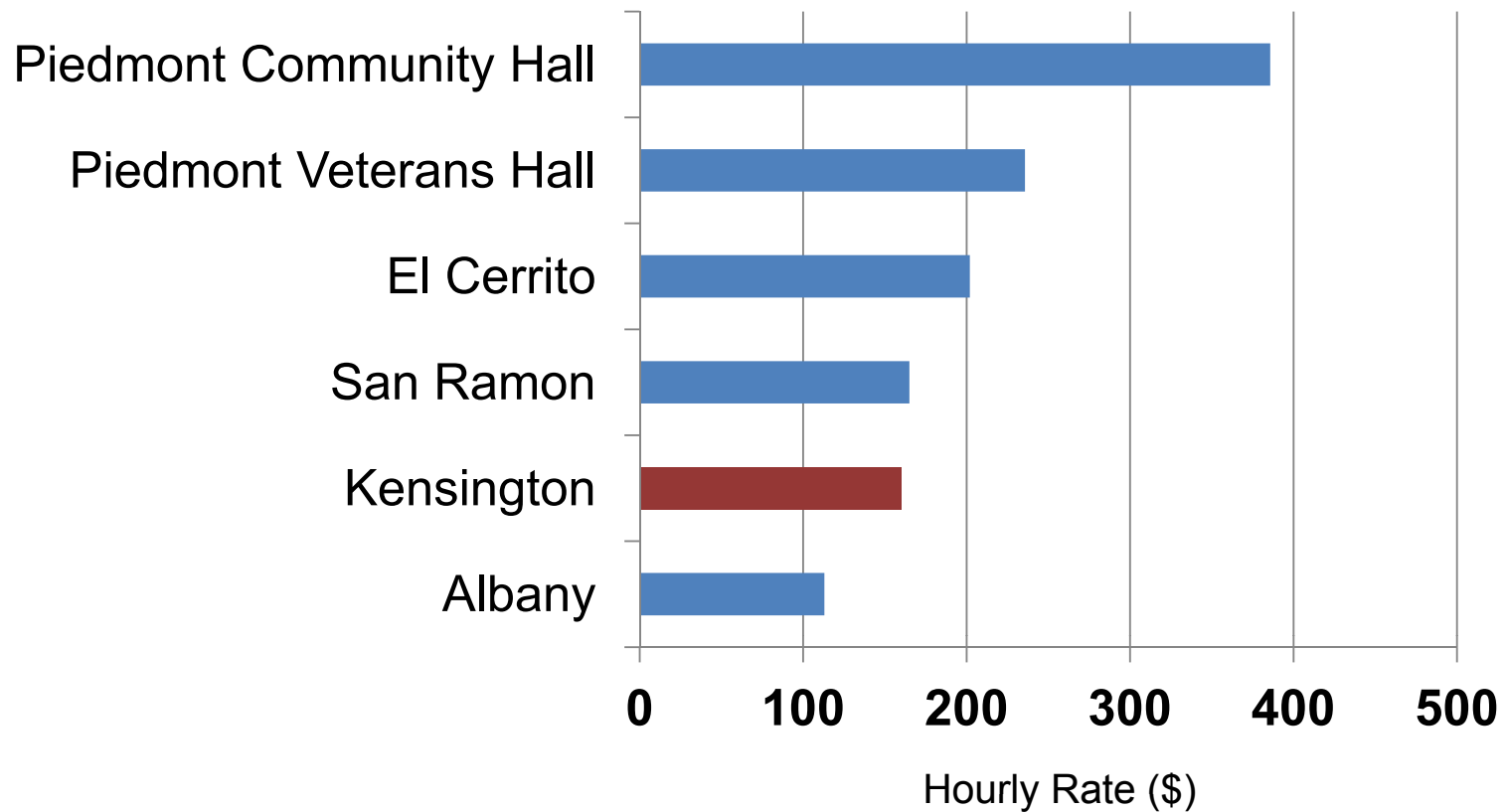
Current Rates in Kensington, Other Centers

- **Current rates are \$100/hour for non-residents; lower than all other studied centers**



Potential Future Rates

- **Could increase non-resident rate to \$160/hour and remain competitive**



Other Considerations for Rates



- **Based on demand, with highest rates Saturdays**
 - ▣ Lower rates Fridays, Sundays, lowest rates weekdays
- **Maintain discounts for residents**
- **Provide discounts for all non-profit groups**
- **Staff able to negotiate rates for off-season use**
- **Any new rate structure is yet to be determined**

Potential Future Usage



- **Current usage is 22 paid events per year**
- **Comparable centers range from 98 to 150 events per year; assume 60 events per year (conservative)**
 - ▣ 24 weddings per year (40%)
 - ▣ Remainder are social events; fundraisers; business meetings; club and other group meetings
- **This level of use would triple current rental revenues**

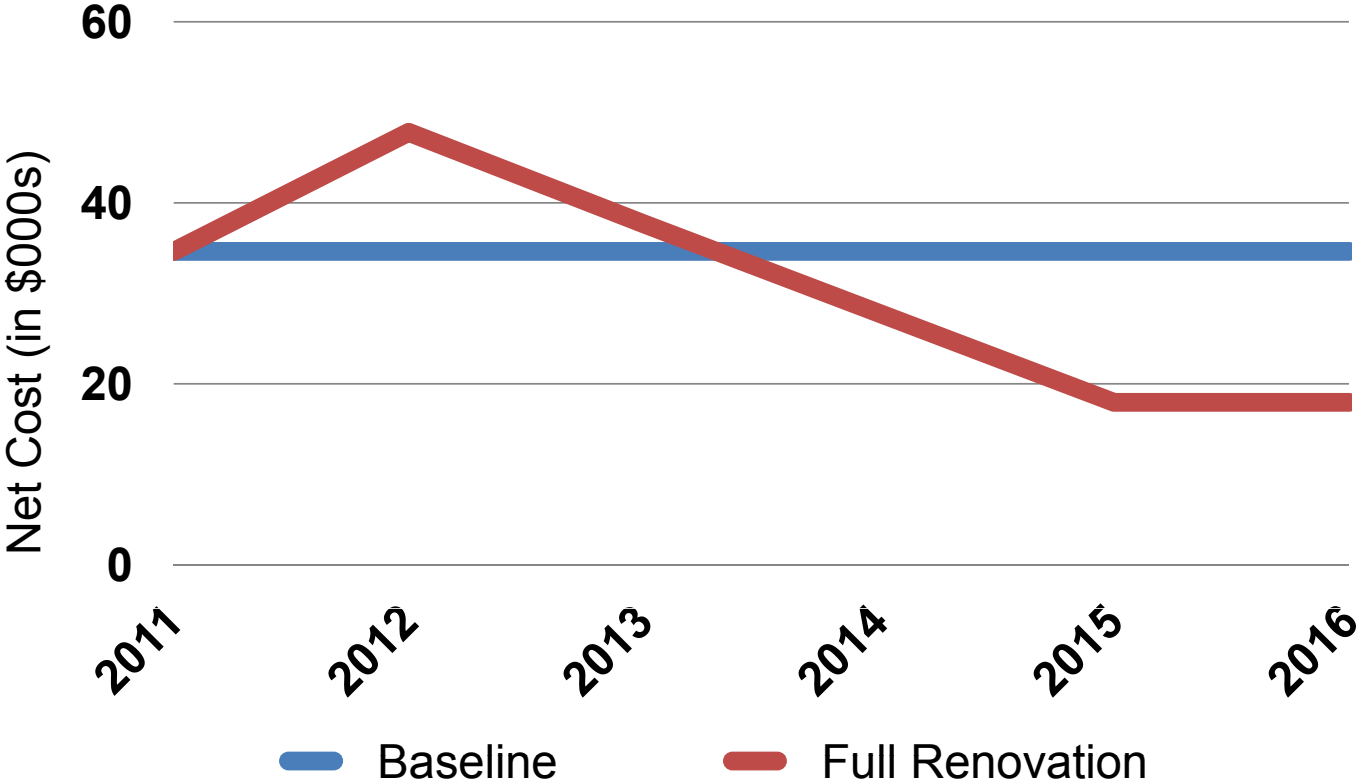
Operations of the Community Center



- **Most centers use a mix of agency, part-time staff**
 - ▣ One or more part-time persons to handle marketing inquiries, provide coordination and assistance to renters
 - ▣ Part-time staff to support events
- **Currently Kensington has 5 hour/week coordinator, custodian on contract**
- **Supporting additional uses requires adding part-time coordinator; hourly event staff**
 - ▣ Increases costs by up to 50% from current levels

One Scenario for Current vs. Potential Future Operations

- Costs increase at first to attract additional business, before improvement in the long-term bottom line



Additional Considerations – Annex Building



- **From a market perspective, the Annex may not be necessary to generate more rental revenues**
- **Suggests three potential scenarios for Annex use:**
 - ▣ Use it to provide more flexibility in scheduling current uses, help free up community center for rental uses; *OR*
 - ▣ Reserve it until KCC or another organization can create additional programs using the Annex, and rehabilitate it; *OR*
 - ▣ Lease it to another tenant, provided cost of rehab is reasonable compared to rent that can be generated

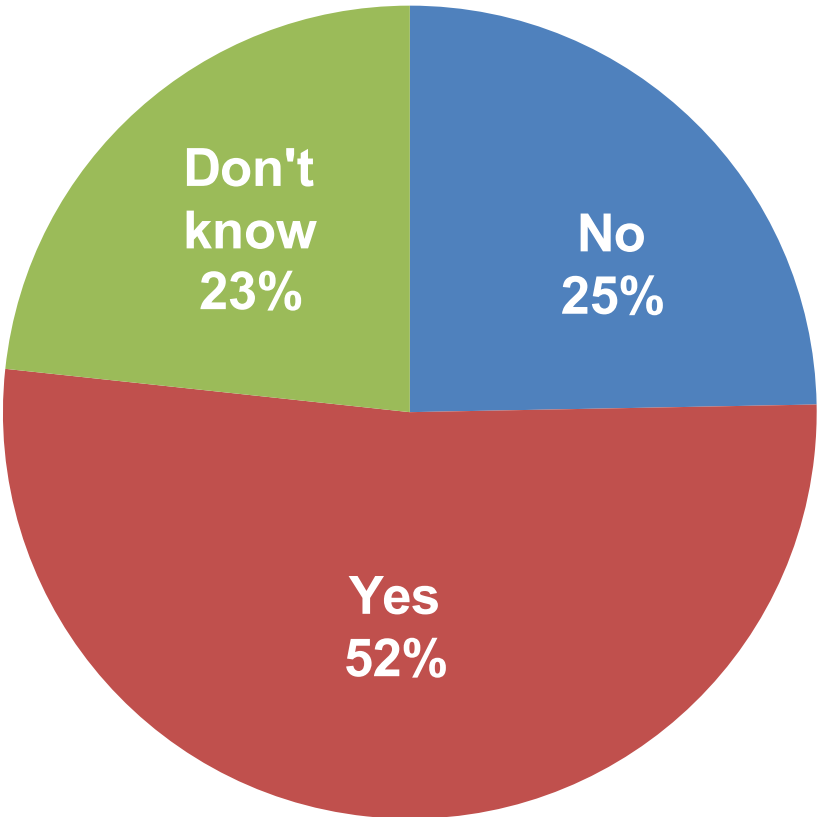
The Community-Wide Survey



- Postcard mailed to each Kensington household**
- Online survey - received 240 responses**
- 55% attended an event at the center in the last year**
- Median number of years lived in Kensington: 19**
- 30% of survey responders had children under 18**
- Following slides highlight selected findings**

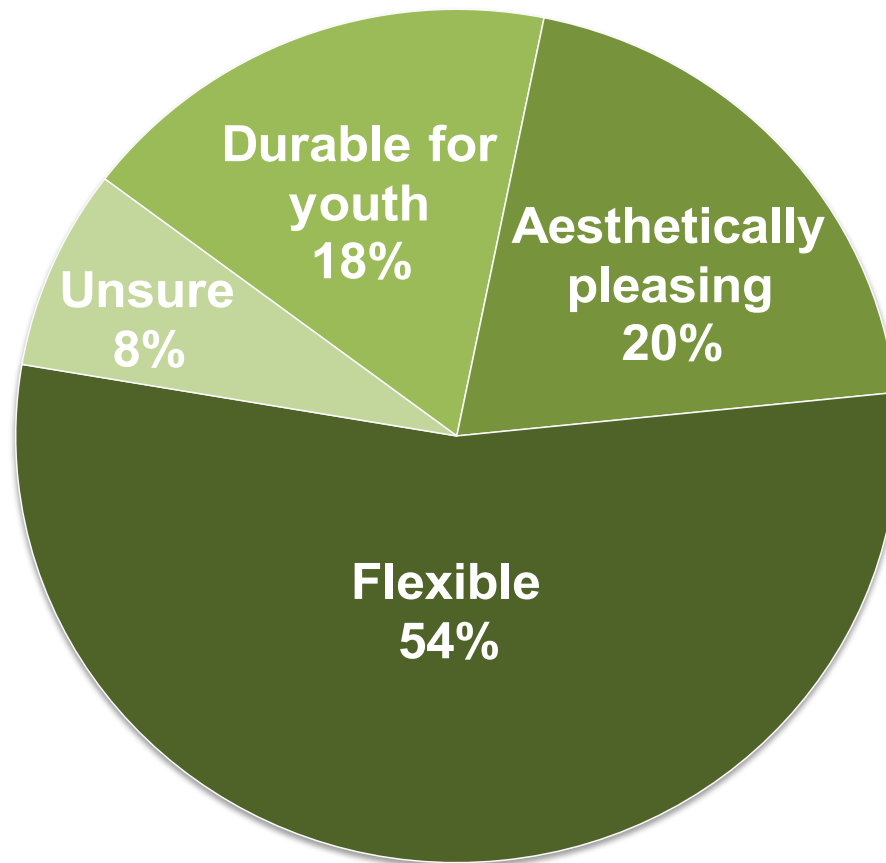
Survey Respondents Believe the Community Center Needs Improvement

Does the community center need improvement?



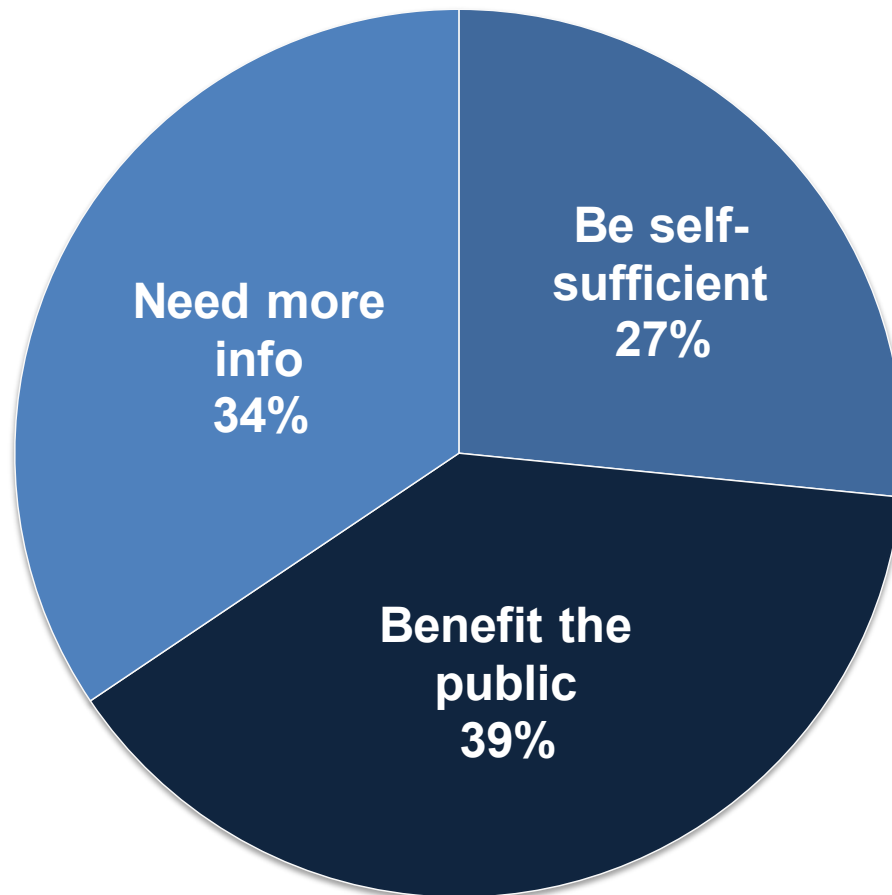
Flexibility for a Wide Range of Uses Is An Important Priority

□ **Improvements should be:**



Balance Public Benefit And Revenues

- **The Community Center should primarily:**



Choices Before the KPPCSD Board



- **The Board has a series of choices before it on the future of the community center and the Annex:**
 - ▣ The mix of uses for each building
 - ▣ Improvements that should be made, and phasing
 - ▣ Future rate structures
 - ▣ Reservations and operating policies
 - ▣ Budget goals

Discussion

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