

HACIENDA DE LAS FLORES

2008 BUSINESS PLAN

**A STRATEGY FOR FACILITY
IMPROVEMENTS, MARKETING AND
COST RECOVERY**

PREPARED BY MIG INC.

FEBRUARY , 2008



M O O R E I A C O F A N O G O L T S M A N , I N C .

January 11, 2008

Moraga Town Council
Town of Moraga
2100 Donald Drive
Moraga, California 94556

Honorable Mayor and Members of the Council,

I am pleased to submit this business plan for the Hacienda Site. Information for this report was derived from historical operating data, input from staff, on-site inspections and an analysis of the Hacienda de las Flores Committee Report. Within the next four months ending in July 2008, the Town Staff intends to bring to the Town Council a vision for the Hacienda. This vision will assist the Hacienda Foundation as they move forward on a strategy for funding improvements and services.

Findings

- The Hacienda site offers a unique setting for weddings and special events that very few other facilities within the region can provide.
- Because of the limited size of indoor spaces, large group gatherings and weddings are restricted to outdoor facilities. As a result, very few events occur during the winter months.
- The lack of adequate and convenient parking continues to be a problem and would become a very serious problem if a large event space was created. Parking is not conveniently located for rentals at the Pavilion.
- A large indoor gathering space would attract major events throughout the year.
- While 65% subsidy seems high, about a third of its operating cost is for grounds maintenance. Currently, neither recreation programs nor Town operations contribute any revenue towards its operating budget.
- Currently, weddings contribute about 65-70% of the revenue. In other similar event centers, weddings contributed as much as 90% of the revenue.

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Recommendations

Six options were considered:

- Expansion of new rentals
- Offering two weddings a day
- Provide additional rental space in the La Sala remodel
- Additions and changes to the Pavilion
- Remodel of the upstairs Hacienda
- Changes to the Casita

From these options a three-step process of changes and improvements are recommended.

Step 1 Minimal Physical Change: This step emphasizes changes in marketing efforts and promotes the idea of two weddings a day. Specific features of this step include:

- A more aggressive marketing effort
- Better signage
- Some two-per-day weddings

Step 2 Minor Site and Building Improvements: this step capitalizes on the marketing effort created in step 1 and adds a small amount of additional meeting space in the La Sala Building. Specific features of this step include:

- Marketing effort continues
- Modifications to the La Sala Building
- Wedding revenue remains the same
- Non-wedding revenue increases
- Reconfiguring of the parking areas to create more spaces

Step 3 Major Building Improvements: The final step is the addition of approximately 5,000 square feet of indoor space for medium-sized group gatherings. This facility will provide the needed space to accommodate indoor events throughout the year.

Step 3 includes:

- Construction of a 5,000 square foot building to replace the Casita
- Further increased marketing effort

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A summary of the impacts of these three steps are shown in the table below.

Step	Operating Revenue	Operating Cost	Deficit
Current	\$119,165	\$345,340	\$226,175 (65%)
Step 1	156,935	348,590	191,655 (55%)
Step 2	174,435	350,840	140,435 (40%)
Step 3	416,005	621,762	205,757 (33%)

Note: if the debt service was not included in the cost analysis of step 3, the deficit would only be \$9,000 or a rate of 2%.

Sincerely,

Jerry Draggoo

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PART I BACKGROUND

INTRODUCTION

In July 2005, the Town Council approved the Parks and Recreation Commission's recommendation to create the Hacienda Committee and Work Charter. The purpose of the committee was to advise the Council regarding the development and implementation of a five-year plan to increase the use of the Hacienda property. The five year plan includes recommendations concerning maintenance, operations, restoration, and possible expansion. The proposed plan also included a funding mechanisms to finance the improvements (Appendix E). The Work Charter is displayed in Appendix C.

In addition to the work done by the Committee, the recreation staff conducted a survey of several Bay Area venues similar to the Hacienda to investigate a variety of potential uses. Results are in Appendix D. The Hacienda's location, size, parking limitations, street access, handicap accessibility, and community input from the Parks and Recreation Master Plan survey were also used in determining potential uses. The Parks and Recreation Commission also provided input regarding uses for the Hacienda as did Town staff.



Additionally, staff met with and interviewed event planning professionals, a consultant who contracts with event planners for speaking engagements as well as hiring MIG, a consulting firm to develop this comprehensive business plan for potential continued and expanded use of the Hacienda.

HISTORY

Hacienda de las Flores is a Spanish-style estate located in the heart of Moraga, California. Originally the 20-acre site was owned by the Moraga Family but since 1857, it has been a ranch, a three bedroom home for the Rheem family, and a Christian Brothers Retreat. The Hacienda property was purchased from the Moraga Family for \$800 in 1857. It is now a building complex used for Town offices and public gathering places.

In 1929, Donald Rheem bought the 20 acre estate with a dream of a country club on site. The house was extensively enlarged and

remodeled. Added to the site was a stable, a race track and an Olympic-size pool. Eventually the property was sold to Christian Brothers who intended to use it as a retreat. Today the stables, race track and swimming pool are gone, but the pavilion with its classic Roman columns still remain.

In 1973 the Moraga Parks and Recreation Authority purchased the remaining 9.8 acres from Christian Brothers. After further renovation and improvements to the property, the facility was opened to recreation classes and special events. After extensive public input, the estate was named the Hacienda de las Flores, or the House of Flowers. The Parks and Recreation Authority renovated and furnished the Hacienda with a loan from the Public Retirement System (PERS) and contributions from local service groups. After the Town of Moraga was incorporated, the Authority was dissolved and the Town assumed management responsibility.

In 1988 the Town offices were moved to the second floor of the Hacienda. In 2005 the Town purchased an office building on Rheem Boulevard and has moved some departments to that location. It is anticipated that by 2010 all of the remaining Town functions, including the Corporation Yard, will have moved from the Hacienda site.

SETTING

Today, the 9.8-acre site contains four major buildings, the Town Corporation Yard, a large expanse of turf and landscaping, and large areas of vegetated hillsides. Bordering most of the site is a heavy layer of trees and natural vegetation. The secluded site is surrounded by homes on two sides and is bordered by Moraga Road on the east and Donald Drive on the north. Primary public access is from Donald Drive. A public street abuts the property on the south but is only used for emergencies. A second access to the site is from Moraga Road and is used primarily by the Town's maintenance crew. Since this access point is on a major arterial street and is not signalized, public access is discouraged. The Road does not currently have a left turn pocket, making ingress even more difficult. It does appear that with some minor modifications, a left turn pocket could be made in the street. For the most part, the site is heavily wooded with trees past their life expectancy and could present a fire hazard. Mature landscaping helps to screen the surrounding properties. Two

open turf areas-one in front of the Hacienda and the other in front of the Pavilion are used for public gatherings. Laguna Creek runs the entire length of the site from north to south. A short nature trail exists within the ravine next to the creek and extends up the hill to Donald Drive on the West. The Creek occasionally floods and has, at times, damaged the Pavilion.

CURRENT ACTIVITY SPACES

HACIENDA

The Hacienda building is the original site of the home and is rich in Spanish-style architecture. The ground floor has a number of special-use rooms suitable for small group gatherings. The upstairs is used for Town offices. Also included on the second floor are quarters for an on-site caretaker. Downstairs is a large full-service kitchen. Currently this kitchen is used by caterers and contains a large gas stove and oven, two coolers, commercial dishwasher and large preparation tables. Behind the kitchen is a large room storing banquet tables and chairs. Major activity spaces and their approximate size are as follows.

Table 1: Major Indoor Activity Spaces (Hacienda Site)

Activity Space	Size (sq. ft.)	Location
Town Offices	4,160	2nd Floor
Bride's Dressing Room	260	1st Floor
Fireside Room	589	1st Floor
Mosaic Room	588	1st Floor
Kitchen	736	1st Floor
Kitchen Storage Area	390	1st Floor
Dance Room	532	1st Floor
North Entry	263	1st Floor
Pre School Room (meeting room)	313	1st Floor
Single Occupancy Restrooms (4)*	40	1st Floor
Recreation Office	394	1st Floor
Caretaker Apartment**		2nd Floor

* There are restrooms in the Bride's Room, by the Recreation office, one off the Pre School Room, and one off the storage room by the kitchen. In addition, there are also two restrooms on the second floor.

** Floor area included in the 2nd floor Town Offices

CASITA

The Casita is located at the far southerly end of the site and at one time was used as the original chauffeur's apartment. While the building has a tile roof, it does not have the Spanish style architecture of the Hacienda building. The interior has not been upgraded in many years and is used primarily for recreation classes such as beginning carpentry, arts and crafts, etc. A small portion of the building is used as an office for the Town's maintenance crew. A large beam in the classroom would make it easy to divide this space into two smaller spaces on either a permanent or temporary basis.



Major activity spaces and their approximate size within the Casita are as follows.

Table 2: Indoor Activity Spaces (Casita)

Activity Space	Size (sq. ft.)
Classroom	925
Maintenance Office	150
Restroom	50

PAVILION

The Pavilion was originally the bathhouse for a large outdoor swimming pool. Today, all that exists is the unique bathhouse with the tall Roman columns. The swimming pool was eventually filled in and now consists of a large 65' x 65' turf area used primarily for weddings. On each side of the turf area is a tall wall and arbor that creates an intimate setting for weddings and other events. The space within the wall measures approximately 100' x 95' and can easily accommodate 150-200 people for an event.

The Pavilion structure and the surrounding grounds are at nearly the same elevation as Laguna Creek. Several times the area has flooded and recently, the floor in the Pavilion was damaged. A second culvert is proposed for the creek, but even with it, the Pavilion will be subject to occasional flooding. The possibility of constructing a berm around the building to prevent future flooding should be analyzed.

The Pavilion contains a small kitchen with a residential stove and refrigerator. There is a storage room upstairs where Town records are kept. The building also has a unique bar room with wooden panels and a small gathering area. Major activity spaces and their approximate size for the Pavilion are as follows.

Table 3: Indoor Activity Spaces (Pavilion)

Activity Space	Size (sq. ft.)
Gathering Room	600
Kitchen	100
Bar	200
Restrooms (2)	70

LA SALA BUILDING

The La Sala Building is adjacent to the Hacienda but does not have the architectural character of the other buildings. It is the first building seen when entering the site and is used primarily for Town Board and Commission meetings, seniors and small group meetings.

The largest room is approximately 18” lower than the rest of the building requiring a ramp for handicap access. This ramp uses up a sizeable amount of area in that space. Between the ramp, the entrance and hallways, a large portion of the building is used for access. This building also has a small kitchen with a residential stove, a refrigerator and dishwasher.

A small room of approximately 300 square feet is used by the Police Department for storing evidence and is accessed from the outside. This space, adjacent to the existing small meeting room, will become available for other uses once Town functions are moved.



Table 4: Indoor Activity Spaces (La Sala Building)

Activity Space	Size (sq. ft.)
Main Meeting Room	678
Kitchen	150
Small meeting room	130
Library/Entrance	350
Restrooms (2)	150
Evidence Room	300

The Moraga Movers, who represent and include a significant number of the Town's senior population, use the La Sala building as their meeting place for bridge on Mondays and Fridays while the small meeting room next to the kitchen is used as their office. their lending library occupies a wall in the entry way, and their monthly board meetings are held in the Hacienda pre-school room.

CORPORATION YARD

The Corporation Yard is an area east of Laguna Creek and fronts on Moraga Road. This is an informal area containing several small buildings and is where the Town's maintenance equipment is located. In the future the Corporation Yard could be moved to another location, making this space available for some other activity. The area is less than one acre in size and is wooded. A paved access road from Moraga Road connects to the paved roads within the Hacienda area. In order to provide ingress and egress from Moraga Road to the corporation yard entrance, Moraga Road would require further study. With minimal clearing of small trees, about 35-50 parking spaces could be created in this area, at a cost of approximately \$1600 per space.

PARKING

A total of 83 (plus 3 handicap parking) stalls have been marked out on the site. Much of the parking is located at the front entrance of the site, requiring a lengthy walk to either the Hacienda or Pavilion. Much of the parking is inefficient with extra wide driveways. In several places, parking is striped on only one side.

PART II CURRENT OPERATIONS

MANAGEMENT RESPONSIBILITY

The Town's Recreation Department is responsible for managing and operating the Hacienda site. In addition to this responsibility, the Department manages the Town's park system and offers recreation programs, classes, and rentals. This is the first year in which the Department has offered its own recreation program in three years. In the past, Moraga ran its own recreation program but partnered with the City of Lafayette for 2005-2007. It is anticipated that most indoor recreation classes will be offered at the Hacienda, La Sala, Casita and Pavilion.

ACTIVITIES

The site is used for six primary functions. These include Town operations, Town use, community use, weddings, rentals and recreation classes. Each is described below.

Town Operations: The second floor of the Hacienda contains approximately 4,160 square feet of floor area and is primarily used for most of the Town's administrative activities. A small portion of the second floor is made up of living quarters for the site's caretaker. In the Casita, about 150 square feet of floor area is occupied by the Town's maintenance administrative staff. The Corporation Yard occupies the eastern portion of the site. All three of these areas are used on a daily basis during the week. It is anticipated that in the near future, all Town functions, excluding Recreation, may move to another location.



Town Use: The Town uses the Hacienda for a number of recurring meetings. Annually, the Town hosts the State of the Town address and the Volunteer Recognition Reception. A number of monthly meetings are also scheduled at the Hacienda: the Parks and Recreation Commission meetings; Planning Commission meetings; SWAT meetings; EDAC meetings; Beautification meetings; and Design Review Board meetings.

Community Use: Many community groups use the Hacienda for annual meetings and celebrations. The Garden Club, the Women's Society, the Historical Society, the Junior Women's Club, and the Boy Scouts are a few of the community groups that enjoy using the Hacienda once a year for their special events. Community use of the facility supports one original intended use of the Hacienda.

Weddings: Wedding rentals currently provide most of the income for the Hacienda. Weddings for the most part are held outside during the summer months, and most occur on Friday, Saturday or Sunday. There are several places at the Hacienda where a wedding could be held, but only one wedding occurs on the site at a time. While this is not an efficient use of the site, it has become a major selling point. Indoor weddings are much less popular because of the limited sizes of the rooms at the facility. In addition, limited parking precludes very large gatherings or concurrent gatherings at the same time.

The Town's responsibility for weddings is to:

- reserve a site
- provide chairs and tables
- conduct set-up and take-down (tables, chairs, umbrellas, and space heaters)
- conduct heavy cleaning
- provide event logistics
- correspond with the renter
- coordinate with the professional caterers, florists and wedding coordinators.

The wedding party and caterer are expected to clean up after the event at the direction of the caretaker who provides the heavy cleaning.

Rentals for weddings are considered to be in the midrange when compared to facilities in the region. However, preferred catering rates are at the high end, and wedding parties must use one of the caterers approved by the Town or provide a \$1,000 refundable deposit to use their own licensed caterer. Generally weddings are booked as much as a year in advance. The Town provides representatives at all wedding events.

A breakdown of weddings for the 2006 year was as follows.

Table 5: Weddings by Month - 2006

Month	Day of the Week			Residency		Total Weddings
	Fri	Sat	Sun	Resident	Non Res.	
Jan		2	1	1	2	3
April		1			1	1
May		3	2	1	4	5
Jun	1	4	2	1	6	7
July		5	2	2	5	7
Aug	2	3	4	2	7	9
Sep	1	5	2	1	7	8
Oct	1	3		1	3	4
Nov		1		1		1
Total	5	27	13	10	35	45

Of the 45 weddings held that year, 60% were held on Saturday. Only five were held on Friday. Most of the weddings (78%) were booked by non-residents. No weddings were held in December and few occur in the winter months. About two thirds of the weddings are held at the Hacienda, one sixth at the Pavilion, and the remaining one sixth utilize both sites.

At the Pavilion, most wedding ceremonies are held on the patio in front of the colonnade. Guest seating is usually on the patio but for larger groups, some seating occurs on the grass. Some weddings are oriented towards the grape arbor in which case all seating is on the grass. For larger weddings the area in front of the Hacienda is used.

During 2006, the 45 weddings generated \$98,430 in revenue.

Rentals: Some small group rentals occur on the site. In the FY 06/07 the revenue was about \$20,735. These rentals are listed on the following table.

Table 6: Fee Based Rentals 2006

Room	No. Rentals
Dance Room	5
Mosaic Room	4
Kitchen	7
Fireside	15
Preschool	7
Pavilion	9
La Sala	100
Patio	1
Outdoor	3
Total	151

The La Sala Building is used most often for rentals. This is because two groups, Weight Watchers and Kumon, use it twice a week during a portion of the year.

While the Town has offered free rentals in the past, the policy is that any Moraga based non-profit organization can rent a room for \$350 (\$200 + \$150 for insurance) on a one-time basis. Thereafter, a standard fee is imposed.

Recreation Classes: For the past three years, the Town of Moraga and the City of Lafayette jointly offered a recreation program. Starting in fall of 2007, the Town began to once again offer its own programming. Most indoor classes are held on the grounds of the Hacienda site. Summarized below is a typical week of use for the months of September to December. While not every class will eventually be filled, it illustrates the days of the week when the site is most heavily used for recreation classes.

Sun	Mon	Tue	Wed	Thur	Fri	Sat
0	8	3	3	9	1	0

As can be seen in the table, recreation classes are seldom offered at the site on Fridays, Saturdays and Sundays. These are most often the days when weddings occur. Monday and Thursday are most booked for classes, and these are held from mid-morning into the evening. About 294 class meetings are scheduled for the months of September – December. A breakdown of classes by space is as follows.

Table 7: Anticipated classes by Space –Hacienda
September –December 2007

Room	No. Classes
Dance Room	89
La Sala	75
Pavilion	56
Mosaic Room	51
Hacienda Kitchen	13
Casita	10

Of the classes to be held, 176 are scheduled before 5PM and the remaining 118 are evening classes.

EXISTING PHYSICAL CONDITIONS

The following information on physical conditions of the site is taken from the Hacienda Committee Report.

Heating Ventilation and Air Conditioning: The heating and air-conditioning system was inspected by PG&E as well as Moraga Heating and Air. The present air-conditioning system although fragmented is in good condition and well-maintained, but not energy efficient and limited should additional load be required as the use of the building substantially increases.

PG&E recommends a more energy efficient system that includes the purchase of a new furnace with the capacity for installing a condenser for air-conditioning for the first floor. The second floor has air conditioning, but the air flow is inadequate. The ducts need to be reconfigured so that air flow heats and cools all the rooms consistently. Additionally, the ducts need to be replaced with insulated ducting which will greatly improve energy efficiency. However, before any work can be done to renovate the ducting system the Town will need to seal off and encapsulate the asbestos located in the crawl space under the Hacienda. Cost estimates are in Appendix F.

The Hacienda Committee Report suggested an investigation into the use of geothermal energy for heating and cooling. Because of

the extensive research needed, no recommendation has been made regarding this item.

Roof: The tile roofs are in good shape and have a very long life provided any broken tiles are replaced before water gets into the underlying sheathing. The flat roofs around the air-conditioning system and on the smaller buildings appear to be in good condition, but will need to be replaced at the time major work is done on the heating and ventilating system. There is no need to do anything except routine maintenance on the roofs at this time.



The gutters are copper and of superior quality. However, as a preventative measure flashing needs to be placed along the edge of the tiles so that no water can get under the tile and cause the sheathing to rot. Cost estimates are in Appendix F.

Windows: The Windows throughout the Hacienda are single-paned windows. From an energy conservation standpoint the Town would be better off with double paned windows. The cost estimate is listed in Appendix F, but given the other projects needed at the Hacienda, window replacement is lower on the priority list. Generally, the current windows are in good repair. Some single pane windows will perform better, and the aesthetics of the buildings will be able to be maintained, if a film were installed on the existing windows, deflecting some heat.

Grounds: The pipes in the irrigation system are 2" galvanized pipes. They have been piecemealed together over the years as repairs were necessary. Pipes come and go throughout the property without a clear map of what area each pipe serves. Renovating the irrigation system at the same time the lawn is replaced is recommended. If seed is used rather than sod, the costs will be substantially lower. The cost estimate in Appendix F is for replacing the lawn with seed. If seeded during the off-season, the wedding season should not be interrupted.

CURRENT FINANCIAL CONDITIONS

Operations at the Hacienda have continued to be subsidized as operating expenses exceed revenue. For the fiscal 06/07 year the budget was as follows:

Expenses	\$345,340
Revenue	\$119,165
Deficit	\$226,175 (65%)

One of the reasons that the expenses are high as compared to other similar facilities is that Grounds maintenance is included in the overall operating budget. For FY 2008 it is estimated at \$118,000, which is about half of the total operating cost of the Hacienda site.

PART III CONCLUSIONS AND RECOMMENDATIONS

SITE ISSUES

- The Hacienda offers a unique setting for weddings and special events. While the buildings are old and need some upgrading, it is the character and garden setting of the site that sets it apart from other event facilities.
- Because of the limited size of indoor spaces on the site, most large weddings, rentals and special events are held outside on the property or they are lost to a larger venue. As a result, very few events are held during winter months.
- Adequate parking also limits the size of large group gatherings. For large events, parking occurs along Donald Drive. About half of the parking is located at the front of the site, requiring a lengthy walk to either the Hacienda or Pavilion. Since there are no sidewalks, pedestrians must share the roadway with automobiles. During inclement weather this walking distance is especially uncomfortable.

About 25 more parking spaces could be created by changing to angle parking. This would, however, require a turnaround towards the back of the site. Approximately 35-50 additional parking spaces could be added to the area now occupied by the Corporation Yard. A second major entrance is possible from Moraga Road but will require a left turn pocket in the Road. There appears to be adequate right of way to widen the road at this point but will require further engineering.

- Today there is little parking available close to the Pavilion. Access is from the above-described parking lot, via a large flight of stairs or the driveway behind the Hacienda. Because this driveway is steep in places, it poses the threat of slipping in wet weather. A ramp built into the slope with switchbacks could address the access issue.
- There is a weak entrance to the Hacienda from the parking lot. One can enter either through the back of the building, which is



apparently the main entrance, or through the front patio. While there is a directional sign outside the Hacienda, it is too small to read from a car. In addition, neither entrance to the Hacienda has a directory or adequate directional signs once one enters the building.

- There is an excess of driveways on the site. If the Maintenance Division moves, some of the driveways should be removed.
- There are three kitchens on the site. One is a full-service catering kitchen and two have a complete residential kitchen layout. The two residential kitchens could be downsized or eliminated with their functions moved to the main kitchen.
- The La Sala Building could be easily renovated to create a larger meeting space by combining the kitchen, the existing small meeting room and the evidence room into one room of approximately 580 square feet.
- Flood control measures should be initiated to protect the Pavilion from future flooding.
- A large indoor meeting space would attract weddings and other large group gatherings throughout the year.

OPERATIONAL ISSUES

- While a 69% subsidy seems like an exorbitant amount for the Hacienda, a \$260,000 deficit is not out of line for a community center operation. However, most small- to medium-sized event centers operate on a near breakeven basis. The biggest cost issue facing the Hacienda is grounds maintenance.
- A majority of the weddings are booked by non-residents who pay a higher fee for rentals. Weddings account for about 65-70% of the revenue. Most of this revenue comes in during the prime summer months and on weekends.
- Only one wedding is held per day. It would be possible to accommodate two weddings per day, if properly scheduled and rental time was extended to later in the evening. However, because of limited parking, it would be difficult to schedule two

weddings at the same time. Also, simultaneous weddings would take away some of the ambiance that now makes the site unique. Two weddings per day will require more staff for setup, breakdown, janitorial and administration.

- While recreation classes occupy a majority of the available time during the week, rental time is not charged against the program.
- More marketing of the site would attract more use.
- Directional signage and general information about the site is weak. A first-time visitor will find it difficult to locate a specific building or even where the entrance is located.
- The Town currently offers free rentals to some non-profit organizations. While it does not amount to a significant revenue loss, the bigger issue is whether all residents should pay a user fee.

OPTIONS FOR IMPROVEMENTS

Seven options for increasing use and subsequent additional revenue are possible, based on the amount of capital outlay and staff additions the Town wishes to make. From this list a three-step set of recommendations are made. The six possible options include:

1. New Rentals: While a major marketing effort is made for weddings, little is done to attract special interest groups, corporate organizations or other similar groups. Current indoor activity spaces limit larger group meetings. Until a large indoor space is created, the Town should place an emphasis on attracting large outdoor events during the summer months and small group events in the winter, spring and fall months. Rentals to medium-sized groups could be accommodated for all periods of the year. Reservations to corporations and medium-sized groups would command a higher rental rate. To attract new types of rentals, a marketing plan should be developed that identifies new opportunities. Some of the considerations could include:

- Class reunions;
- Corporate retreats;
- Memorial services;



- Banquets;
 - Holiday parties;
 - Birthday parties;
 - Anniversaries;
 - Receptions;
 - Wine tasting or other food parties; and
 - Outdoor small trade or specialty shows.

While the St. Mary’s Soda Center attracts rentals for the above type of activities, the Hacienda site can offer a more intimate, historical and tranquil setting. Because of this, it is expected that the Hacienda site will capture its share of group rentals. According to surveys conducted during the development of the Town’s Park and Recreation Plan, a large number of residents are not familiar with the Hacienda site nor even know it exists.

Some of the suggested activities could occur on weekends, hence conflicting with weddings. As a result, scheduling of spaces will be important to maximize use and eliminate conflicts. Based on these assumptions new rentals as described should produce an additional \$8,000 a year, as summarized in the table below.

Table 8: Non Wedding Rentals

Rental Type	No. Rentals	Rental Rate	Total Revenue
Class Reunions	1	\$500	\$500
Corporate Retreats	3	500	1,500
Holiday Parties	5	300	1,500
Birthday Parties	8	200	1,600
Anniversaries	2	200	400
Receptions	10	200	2,000
Wine Tasting/Food Parties	4	300	1,200
Total Rental Revenue			\$8,700

It is assumed that over time, the number of rentals will increase as the site becomes more well-known and popular.

2. Two Weddings a Day: Currently, only one wedding is held per day. With weddings limited to summer months, and mostly weekends, the average of 45 weddings per year is at the site's capacity. It is recognized that one wedding per day is a major marketing feature; however, scheduling two weddings in a day so they do not conflict is possible. Scheduling five-hour blocks of time (9AM- 2PM and 4PM – 9PM) would accommodate two weddings, and leave a two-hour period open. This approach has the added feature that no additional parking is needed and both the Hacienda and Pavilion could be used in any one day.

Because of the shorter rental period, two different rental rates should be charged. Some may wish to rent the entire site in which case the rental rate should be increased over what now exists. Revenue assumptions for this approach are as follows.

Table 9: Total Wedding Revenue (Assumes 45 Wedding Days)

Wedding Schedule	Rate (Average)	No. Weddings	Revenue
Full Day Wedding Rental	\$3,500	25	\$87,500
Half Day Wedding Rentals	\$1,000	40	\$40,000
Total			\$127,500

3. La Sala Remodel: The Town recently received a grant to remodel the La Sala Building. While the major emphasis of the remodel is to create a more formal council chambers, the existing small meeting room should be enlarged to create a meeting space for approximately 30-40 people. This room would then have the added feature of offering a second meeting room for the Council when private deliberations are required.

4. Addition to the Pavilion: In the past, a proposal was made to construct a 4,200 square foot building at the opposite end of the Pavilion Building. While this would be an excellent addition, creating a year-round wedding event space, it has two difficulties. These are the absence of nearby available parking and the potential for flooding. Until these two problems can be solved, the Pavilion should continue to be used as a summer event space. To attract more summer daytime meetings, break away rooms

could be created along the arbor. According to old pictures of the site, rooms were previously located in this area. To make catering easier, the Pavilion kitchen should be downgraded in function but provide more counter space.

5. Remodel of the Upstairs Hacienda: In the near future, the Town's administrative staff may be moved from the upstairs of the Hacienda. This will make available approximately 4,160 square feet of floor space. Two possible uses for this space are apparent. The first is to make it into one large open space, suitable for large banquets or other events. While there are three fully functional stairwells, handicap accessibility and a fire emergency exist system are two issues that will need to be addressed. The existence of the large kitchen below makes this option very suitable for large group gatherings. It is not known if the building is structurally strong enough to support a large group of people.

A second alternative for the upstairs is to make it into a series of small meeting rooms for recreation classes and small group meetings. In either scenario, an elevator will be required.

6. Changes to the Casita: It is one conclusion of this report that a large indoor event space of approximately 5,000 square feet of floor area with a small warming kitchen is warranted. The most desirable option would be at the Pavilion, but due to parking constraints and the threat of flooding, this option does not seem possible. A second option would be to remodel or replace the Casita with a larger building of approximately 5,000 square feet. (The current space is about 1,100 square feet.) It would be possible to place this size of building in this space without removing trees. The only site feature lost would be the driveway in front of the building. If designed correctly, the new building could face on to the large open grass area and not affect the adjoining neighbors. This space also has the advantage that most parking is nearby.

A 5,000 square foot multi-purpose room could accommodate about 325 patrons in a meeting arrangement, or seat about 230 banquet-style.

Additional Improvements: The following is an excerpt from the Committee Report regarding other meeting needs: "*Replacing Chairs and Tables:* The purchase of new tables and chairs is a important first



step in improving the facility. As many as 220 new chairs need to be purchased. The maximum capacity for weddings/special events is 200. *Audio-Visual Equipment:* Audio-visual equipment is necessary for meeting presentations. Two LCD projectors with mounting brackets, two laptops, and two screens would allow two separate meetings to take place simultaneously. Presentation easels, large dry eraser boards with markers would be necessary and could provide several rooms for classes and breakout sessions. Two speaking podiums with a built in speaker system are also necessary. Podiums could be used for the larger meeting areas such as the La Sala, the Pavilion, and the Hacienda patio and grounds. *Wireless Internet Access:* In order to be able to offer an up-to-date facility convenient for those agencies using the facility for meetings, wireless internet access throughout all four buildings is recommended. *Lighting in the Hacienda:* There are several areas in the Hacienda where the lighting is very poor. Additionally, the lighting is out of date and could be redone in a much more energy efficient manner.”

RECOMMENDATIONS

Three steps are proposed for improving use and reducing the operating deficit. These steps start with little or no capital outlay, but by the third step, substantial changes and improvements are involved. The Town can decide how far it wishes to proceed, based on available capital funding and interest to changes in the site.

Step 1: Minimal physical changes

This step emphasizes changes in marketing efforts and recommends some two per day weddings. Because of the Hacienda’s site character, reducing operating costs will be difficult, but more revenue can be produced by increasing the number of events held at the site.

On the revenue side, current activity spaces limit large group rentals, especially during winter months. But even with the current layout, the Hacienda should be able to attract more use. The key will be a more aggressive marketing effort, especially directed towards non-wedding rentals.

Features of Step 1

- More **marketing effort** is made for non-wedding events. This can occur with the existing staff.
- Additional **parking** is not needed since larger events are not proposed.
- **Better signage** is recommended. A larger informational and direction sign needs to be placed closer to the entrance of the site. In addition, the four buildings should have their name prominently displayed. For the Hacienda Building, the primary entrance should be adequately signed and a directory placed at the entrance.
- Some **two weddings per day** are proposed. This, combined with some one-day weddings, will produce about \$127,500 in revenue, which is about \$27,070 over what is now generated. (See Table 9 for the income analysis.)
- Some **additional labor costs** will be required to accommodate the increased activity. It is assumed that 80 additional hours will be needed for setup and breakdown for weddings, plus an additional 136 hours for setup and janitorial for other new rentals. Based on an average labor rate of \$15 per hour for a contract or non-benefited part-time employees, an additional \$3,250 in labor costs will be incurred.
- **Additional non-wedding rentals** are anticipated from the increased marketing effort. Table 8 projects the additional new revenue to be \$8,700.
- It is recommended that **free rentals** to non-profit organizations continue as long as the number does not significantly increase over the current pattern. A clear policy of who is eligible should be clarified. Based on the history of other communities who began charging all groups, we have found that the resultant loss of good-will overshadowed the value of additional revenue generated.



Summary of Financial Impacts – Step 1

Current Operating Cost	\$345,340
Added Labor Cost	\$3,250
Total Operating Cost – Step 1	\$348,590
Current Wedding Revenue	98,430
Additional Wedding Revenue	29,070
Existing Other Rentals and Events	20,735
Additional Other Rentals and Events	8,700
Total Revenue	\$156,935
Deficit	\$191,655

The above scenario produces about \$49,805 in additional revenue, with an added operating cost of \$3,250. The result is a reduction in the deficit from 65% to 55%.

Step 2: Minor site and building improvements

Step 2 capitalizes on the marketing effort developed in the first step and adds more indoor meeting space in the La Sala Building. It is assumed that with increased marketing, more non-wedding rentals will occur. In this step, the Town should prepare a master plan for the entire site that addresses parking, traffic circulation, pedestrian movements and the placement of the proposed reception hall. The cost of the site master plan is not included in the pro forma because it will be a one-time cost.

Features of Step 2

- **Marketing effort** for non-wedding events continues.
- **Modifications** to the La Sala Building are made.
- **Wedding revenue** will remain at the same level as in Step 1 because no new facilities or wedding programs are proposed.

- Additional **non-wedding rentals** will come from the additional space at the La Sala Building. It is assumed that 125 small – medium group events will occur. This is an average of approximately three events per week. At an average rate of \$100 per hour weekdays and \$200 per hour on weekends for a three-hour event, about \$17,500 in new revenue will be generated. This assumes that 50 events will occur on weekends and 75 will occur during the week.
- Minor **additional labor costs** will arise because of increased use of the La Sala Building. Assuming 150 rentals a year in this building, and a setup, breakdown and general janitorial of one hour per event, it means a 150 additional hours will be required. Based on an average labor rate of \$15 per hour, an additional \$2,250 in labor will be required.
- **Some capital outlay** will be required to remodel the La Sala Building. Since the Town has received a grant to upgrade the large room, it is assumed the cost of combining the kitchen, meeting room and the evidence room into one space will be part of that overall cost.
- Preparation of a site master plan, estimated between \$20,000 and \$25,000.
- By creating angle parking in some areas, more parking stalls can be created. This approach will require a turn-around at some point. While a specific location for the turn-around is not specified, it should be about half way into the site. A possible location is the parking area near the patio of the Hacienda.



Summary of Financial Impacts – Step 2

Total Operating Cost – Step 1	\$348,590
Added Labor Cost – Step 2	2,250
Total Operating Cost – Step 2	\$350,840
Total Revenue from Step 1	156,935
Added Revenue from Step 2	17,500
Total Revenue – Step 2	\$174,435

Deficit \$140,435

The above scenario produces about \$17,500 in additional revenue over Step 1, while operating cost will increase by \$2,250. The result is a reduction in the deficit from 65% at the current level to 40%.

Step 3: Major building improvements

Step 3 is a major expansion of services and requires substantial capital outlay. The key to this step is the development of a medium-sized reception hall of approximately 5,000 square feet. With this facility the Town will be able to offer weddings and other large group gatherings on a year-round basis. To support this level of service, additional parking and a major marketing effort will be required.

Features of Step 3

- The key to this step in services is the development of a **medium-sized reception hall**. The recommended size is approximately 5,000 square feet of floor area. While there is room on the site for a larger facility, the Town should not try to compete in the large-scale reception market. While the design should promote the historical theme of the site, the building itself should primarily be a large clear span with basic support facilities. A small catering kitchen is recommended, along with operable walls so the room can be sectioned into smaller spaces.

The Casita location is recommended. The other possible location is at the Pavilion, but this is not recommended, because of the potential flooding problem and inconveniently located parking. While a specific design program has not been developed, a facility as described above will probably run in the \$250 per square foot range. For a 5,000 square foot building total cost would be about \$1,500,000, which includes A/E fees.

- With the development of a major facility for weddings and other large group gatherings, a **major marketing effort** will be required. With this facility and the expansion of other rentals described in the first two steps, either a person with a strong background in marketing should be

hired, or a marketing firm commissioned to develop a marketing plan. The latter is recommended since it does not require additional staff. A marketing plan should cost about \$25,000. In addition, **more hours will need to be devoted to marketing efforts**. A cost of \$12,500 is budgeted which amounts to about 500 hours of extra effort.

- While grounds maintenance will remain at the same level, the use of the reception hall will generate **additional operating costs**. These will include utilities, general contract services, repairs and supplies. While it is somewhat difficult to forecast these costs, parameter costs of other similar facilities are shown in the table below.
- The Town may wish to consider replacing the existing turf located between the Casita and the Hacienda with synthetic turf. While it will not offer the same ambiance as natural turf, it will withstand more use and reduce current turf maintenance costs. There are a number of new products on the market that could fit the need. The cost of the replacement will probably run in the \$140,000 range which will take a number of years to recoup the cost. The cost of this item is not reflected in tables below.

*Table 10: Potential Operating Cost for the New Reception Hall
(Based on a 5,000 square foot facility)*

Expense Item	Cost per S.F.	Total Cost
Supplies	\$0.69	\$3,450
Repair/Maintenance	1.13	5,650
Utilities	2.69	13,450
Miscellaneous cost	.50	2,500
Total		\$25,050

- **Additional labor costs** will be incurred by the use of the reception hall because of the need for janitorial service and setup and breakdown needs. In addition to the labor costs for the other buildings, about 1,000 hours of janitorial and setup time will be needed for the new reception hall. Assuming part time labor at \$15 per hour, about \$15,000

in additional labor costs will be realized. It is assumed that some additional administrative costs will occur.

- It is assumed that the Town will need to **borrow money** through either a revenue bond or create a special assessment district to pay for the cost of the reception hall. A municipal bond of \$1,500,000 paid over a period of ten years will have an annual cost of \$196,622.

Table 11: Summary of Added Operating Cost Step 3 of the Business Plan Annualized

Expense Item	Cost
Debt Service on Reception Hall	\$196,622
Marketing Plan	25,000
Extra hours for marketing	12,500
Reception Hall Operating Cost	25,050
Added Maintenance Cost	15,000
Total	\$274,172

- Weddings will continue to be the major revenue source, but with the new indoor space, weddings can occur throughout the year. Based on the history of similar reception halls, the facility should attract rentals from throughout the region, and be fully booked a year or more in advance. It is assumed that weddings will occur in three possible locations: the Hacienda, the Pavilion and the new proposed reception hall. It is anticipated that some half-day weddings will occur, and there is a potential for two weddings to occur at the same time. However, this will require careful scheduling, to allocate needed parking and eliminate potential conflicts between wedding parties. Revenue assumptions for weddings are as follows.

Table 12: Total Wedding Revenue Steps 1-3

Wedding Schedule	Rate (Average)	No. Weddings	Revenue
Full Day Wedding Rental	\$2,500	100	\$250,000
Half Day Wedding Rentals	\$1,500	40	\$60,000
Total			\$310,000

The above table reflects total wedding revenue including current levels plus Step 1. To calculate the net increase in wedding rentals between Steps 2 and 3, \$122,430 should be deducted from the above table. Therefore, with the addition of the reception hall, an increase of **\$187,570** from additional wedding revenue should be realized.

- Additional **non-wedding rentals** will occur from the additional space at the La Sala Building as described in Step 2 and from the proposed reception hall. It is assumed that the reception hall will attract approximately 25 large- and 50 medium-sized group events a year. While the Hacienda and Pavilion will continue to attract summer rentals, the new reception hall will see much of its demand during the winter months.

Table 13: Total Non-Wedding Rental Revenue
Proposed Reception Hall Only

Rental Schedule	Average Rate	No. Rentals	Revenue
Large Group Rentals	\$2,000	15	30,000
Medium-Sized Group Rentals	\$800	30	24,000
Total			54,000

Table 14: Summary of Added Operating Revenue Step 3 of the Business Plan Annualized

Revenue Item	Revenue
Added Wedding Revenue	\$187,570
Added Non-Wedding Rental Revenue	54,000
Total	\$241,570

Summary of Financial Impacts – Step 3

Total Operating Cost – Step 1	\$345,340
Added Labor Cost – Step 2	2,250
Added Operating Costs – Table 11	274,172
Total Operating Cost	\$621,762
Total Revenue from Step 1	156,935
Added Revenue from Step 2	17,500
Added Revenue from Step 3	\$241,570
Total Revenue	\$416,005
Deficit	\$205,757

The above scenario for Step 3 produces an additional \$241,570 in additional revenue over Step 2, while operating costs are increased by \$274,172. Over half of this increased operating cost is debt service to pay for the new building, and will disappear after ten years. The result is a reduction in the deficit from 65% to 33%. Overall, the operating deficit will be reduced from the current level of \$226,175 to \$205,757 for a net reduction of \$20,418. If the debt service was not considered in the cost, the reduction in the deficit would decrease to about \$9,000 or a rate of 2%.

POTENTIAL FUNDING OPTIONS

Comcast Funds: Prior to the expiration of the franchise agreement with Comcast, seven local cities negotiated a deal with Comcast for one-time funds. The funds are to be used to improve

cable infrastructure for televised community meetings as well as improve public access and education. Funds may be used for audio visual equipment needed to televise meetings as well as facility renovations to improve the meeting space. The La Sala was an ideal location for Commission and Council meetings; therefore, all the renovations at the La Sala could be funded by the Comcast monies. The Town has received \$175,000 of the \$265,000 expected.

Hacienda Foundation: The Hacienda Foundation will soon be a newly formed 501(c)3 dedicated to raising funds specifically for improvements, renovations, maintenance, and operations of the Hacienda de las Flores. The Foundation will raise funds through special events, memberships, and a variety of fund raising efforts. Ongoing maintenance funds are critical to the longevity of the facility. Maintaining funds for ongoing maintenance and repairs has historically been neglected by the Town.



Palos Colorados Funds: Over the next six years the Town will receive portions of the settlement money from the Palos Colorados project. As early as June 2007 the stream of funds will begin. A total of \$17 million will be available over the next six years. Given that the Hacienda functions as the Town's Recreation Center, Civic Center, and Community Center, the Hacienda Committee requests that the Town Council allot a portion of the settlement funds be used for the Hacienda improvements and renovations.

Grants: Staff has continued to seek out grant funding.

Local Financing: The Hacienda Committee discussed the possibility of financing the renovations and improvements to the facility. The best financing that is available for property such as the Hacienda is:

1. A tax exempt based debt or loan.
2. A municipal lease which encumbers the new facilities/improvements but does not place a mortgage on the Hacienda property. These leases are done regularly by municipal governments. The advantage is that the bank funds these leases and receives depreciation on the property leased, plus, a moderate return in the form of tax exempt

interest that is tax exempt at both the federal and state level. For all practical purposes the interest earned on the investment has to offset income taxes. Currently, municipal leases offer a fully paid lease at a return of about 4.5% on a 15 year lease. This approach is good for small amounts of money around \$100,000-\$200,000.

3. For small improvements (\$100,000 or less) to the Hacienda such as the Pavilion kitchen there is short-term financing available from local banks, including First Republic Bank, that could be done without security. The key to these short-term loans would be providing new equipment such as a kitchen in the Pavilion building that will increase the revenue of the Hacienda complex and therefore generate funds to repay the loan. The one IRS rule that needs to be recognized is a requirement that a "Resolution of Intent to Finance" be passed by the Town Council. This resolution does not obligate the Town Council to doing any financing for the Hacienda, but it does set a date after which all funds spent on the Hacienda are eligible to be financed if and when a tax exempt loan or lease can be supported at the Hacienda. The immediate reason for passing the resolution is to make sure that the money spent on the LaSala Building, that was provided by Comcast, can be recaptured at a later date.)

APPENDICES

APPENDIX A

CENTERPLACE EVENT CENTER SPOKANE VALLEY, WASHINGTON

Telephone Conversation with Carol Carter, Marketing Manager (509) 688-0042

- It is a new facility (been in operation for two years)
- Total size: 54,000 sq. ft.
- Have two large event rooms of approximately 6,800 sq. ft. each. They will support about 450 persons. They also have a number of smaller meeting rooms
- They did 620 events last year
- So far this year they have had 103 weddings and are booked a year in advance
- Overall budget is \$276,000 with a forecasted revenue of \$262,000
- Staff: 3 admin; 1.5 maintenance; 1 janitor; 10 part time for setup
- They are doing 2 weddings a day
- They use a marketing firm
- Weddings cost \$1,185 for a 9 hour period with \$200 refundable as a damage deposit. Net cost: \$985
- Some of their rentals include: Dale Carnegie classes, graduations, High School SAT's, High School proms, Worship services, corporate meetings. They don't rent many small group meetings because of the cost. Small rooms rent for \$40 per hour.

APPENDIX B

PIONEER PARK PAVILION PUYALLUP, WASHINGTON

Telephone Conversation with Sarah Harris, Manager (253) 841-8457

- It is a new facility (been in operation for 4.5 years)
- Total size: 8,600 sq. ft. and consists of primarily one space + administration
- The large meeting hall will seat 558 persons or 400 in banquet style
- Also used as a Farmers Market on Saturdays
- Their market area is the entire Seattle region
- Marketing consists of advertising in wedding magazines, ads in local business papers, internet, yellow pages and word of mouth
- Staff: 5 plus the manager
- Operating budget: \$248,000; close to breaking even. Of this amount \$200,000 is from weddings
- They only have one large space and therefore do not cater to small groups
- Only do one wedding a day but are considering two. Reservations are out 1.5 years
- A six hour rental for weddings is \$1,350 + \$140 per hour thereafter
- A full day rental is \$2,000 for Friday and Saturday; less on other days
- Weekday rentals are \$450 for 4 hours and \$800 for weekends

APPENDIX C

MORAGA HACIENDA COMMITTEE CHARTER

Category: Park and Recreation Advisory Committee

Purpose: To advise the Park and Recreation Commission regarding the development and implementation of a five year plan to enhance the use of the Hacienda property through maintenance, restoration, and possible expansion. This five year plan will include developing funding mechanisms for the property as well as working with a consultant to increase the revenue from all sources year round. The Parks and Recreation Commission will review the work of the committee and make recommendations to the Town Council on use alternatives for the Hacienda.

Appointed by: Parks and Recreation Commission

Number of Members: Seven (7)

Composition: One (1) member from the Park and Recreation Commission, one (1) from the Moraga Historical Society, and six (5) members from the Moraga community

Term of Appointment: One (1) year, not to exceed 18 months

Staff Liaison: Parks and Recreation Director

Meeting schedule: Monthly

Budget: To be determined

Work Product: A 5 year improvement and funding plan for the Hacienda property.

MORAGA HACIENDA COMMITTEE WORK PLAN

- 6/21/05 Park and Recreation Commission Review Work Plan
- 7/27/05 Town Council approves committee charter and work plan.
- September Park and Recreation Commission recruits, interviews and appoints October committee members. Update Council on progress.
- October Hacienda Committee members attend Park and Recreation Commission meeting to receive direction from the Commission.
- October Staff arranges a regular meeting date, time, and location for the committee via email.
- November Committee meeting
Welcome / Introductions
Staff presentation regarding existing uses and physical conditions of the Hacienda, opportunities for enhancement, and potential revenue/funding sources.
Committee reviews work plan
Committee elects a chairperson, vice chairperson and secretary
Committee members volunteer for a subcommittee
- Use/Design Concepts (2 committee members)
 - Community Outreach (2 committee members)
 - Funding (2 committee members)
 - Plan Preparation / Report to Council (Secretary)
- December Committee meeting
Receive input from consultant

2006

January	Commission/Committee joint meeting Receive input from the public regarding opportunities for enhanced use of the Hacienda property Board/Committee discussion Update Council on progress
February	Committee meeting Finalize list of enhanced use opportunities Begin discussing design concepts for each use
identified	
March	Commission/ Committee joint meeting Receive input regarding physical improvements to the property and associated costs Board/Committee discussion
April	Committee meeting Finalize list of physical improvements as they relate to enhanced use alternatives Update Council on progress
May	Committee meeting Review revenue/funding alternatives
June	Committee meeting Outline draft plan
July	Committee meeting Review draft plan
August	Commission/Committee meeting Review and revise draft plan
September	Present plan to Town Council

APPENDIX D

SURVEY RESULTS FROM SURROUNDING VENUES

Venue	Total number of meeting rooms	Cost	Services Offered	Local vs Long Distance requiring Hotel Accomod.	How many days/wk are you booked?	How many hours is a typical booking?	Have requests increase or decrease over the last few years?
San Ramon Community Center	5	\$50-\$85/hr	In-house audio/visual, parking	75% local including Oakland, SF, SJ	At least one booking per day	8 hour blocks	Increase in request past two years
San Ramon Valley Conference Center	40	\$65-\$75/person per day	Comm. Services, in-house audio/visual, on-site catering, parking, high speed internet	75% local including Oakland, SF, SJ	At least one booking per day	8 hour blocks	Increase in request past two years
Scott's Restaurant	7	per person charge	In-house audio/visual, on-site catering, DSL, in-house florist	75% local from all over Bay Area	Booked 3 times per week - average	4 hrs lunch 6 hours eve	Increase in request past two years
Cal State Hayward-Oakland Professional Development Center	6	\$250-\$650 per day	Communications services, in-house audio/visual, educational services	50/50 mix	Booked 5 days per week	6 hour blocks	Increase in request past two years

Venue	Total number of meeting rooms	Capacity: Cost	Services Offered	Local vs Long Distance requiring Hotel Accomod.	How many days/wk are you booked?	How many hours is a typical booking?	Have they seen requests increase or decrease over the last few years?
Garre Winery Martinelli Conference & Event Center	5	\$16-\$39 per person	In-house audio/visual, on-site catering, parking	Majority from Lawrence Livermore Lab and Alameda County	A least 3 days per week	8 hr blocks	Steady – no increase or decrease
Shrine Event Center	4	\$950-\$1475 per day	In-house audio/visual, on-site catering, parking	Majority from East Bay	Average 3 days per week	8 hour block	Decrease in requests
Lafayette Park Hotel	Small suites to large rooms	Suites: \$279/day +food Large room: \$1700+/day	In-house audio/visual, on-site catering, parking	50/50 mix	Booked 7 days per week	9 hour blocks	Increase in the last two years
Sunol Valley Golf Course	4	\$300-\$1000 per day, plus the cost of food and beverages	In-house audio/visual, on-site catering, parking	75% local from all over Bay Area	At least one conference room booked/day	6 hour blocks	Decreased demand due to new facilities in Pleasanton.

APPENDIX E

DRAFT SUGGESTED PLAN TO FINANCE THE HACIENDA RESTORATION
SOURCE: MAC MCCARTT, COMMITTEE MEMBER

An Example of How the Payment could be made to Hacienda for the Restoration Costs could be done using Loan Term Debt from Palos Colorado Payments																		
Assumptions:	Per House	Amount	Est.Date of 1st Pmt	Last Pmt	Houses/ Month													
Total Palos Colorados Payment	117,886	\$14,500,000																
First Payment	28,455	3,500,000	Sep-07	Sep-07														
Second Payment - Grading Permits	28,455	3,500,000	Feb-09	Feb-09														
Third Payment Firm prorata as building permits issued	21,138	2,600,000	Dec-09	Mar-11	4													
Third Payment Conditional on 5000 square foot house permits	4,065	500,000	Dec-09	Mar-11	undetermined													
Fourth Payment	35,772	4,400,000	Oct-10	Jan-12	4													
Flow of Cash from Palos Colorados	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Month 13	Month 14	Month 15	Month 16	Month 17	Month 18
Estimated Debt	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09
Paid to Other than to the Hacienda Town Needs	3,500,000						3,500,000									77,335	77,335	77,335
Hacienda Payments																		
Proceeds from Borrowing																		
Uses and Costs of Hacienda Borrowing						Hacienda Debt Funded												
Required for Improvements	1,500,000					1,775,000												
Debt Related Costs	60,000																	
Payments on Hacienda debt at 100% of Payment 4																		
Balance on Hacienda Debt						1,775,000	1,775,000	1,775,000	1,775,000	1,775,000	1,775,000	1,775,000	1,775,000	1,775,000	1,775,000	1,775,000	1,775,000	1,775,000
Gross Interest Costs at 6%/year on unpaid Balance							8,875	8,875	8,875	8,875	8,875	8,875	8,875	8,875	8,875	8,875	8,875	8,875
Less: interest earned on Escrowed interest Payments@ 4%/year							-717	-689	-662	-635	-607	-580	-552	-524	-497	-469	-441	-441
Net Interest Cost for Month							8,158	8,186	8,213	8,240	8,268	8,295	8,323	8,351	8,378	8,406	8,434	8,434
Funds to Pay Interest placed in escrow	215,000						206,842	198,656	190,443	182,203	173,935	165,640	157,317	148,967	140,588	132,182	123,748	123,748

An Example of How the Payment could be made to Hacienda for the Restoration Costs could be done using Loan Term Debt from Palos Colorado Payments																							
Assumptions:	Per House	Amount	Est.Date of 1st Pmt	Last Pmt	Houses/ Month																		
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Third Payment Conditional on 5000 square foot house permits	4,065	500,000	Dec-09	Mar-11	undetermined																		
Fourth Payment	35,772	4,400,000	Oct-10	Jan-12	4																		
Flow of Cash from Palos Colorados	Month 19	Month 20	Month 21	Month 22	Month 23	Month 24	Month 25	Month 26	Month 27	Month 28	Month 29	Month 30	Month 31	Month 32	Month 33	Month 34	Month 35	Month 36	Month 37	Month 38	Month 39	Month 40	Month 41
Estimated Debt	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11
Paid to Other than to the Hacienda Town Needs	77,335	77,335	77,335	77,335	77,335	77,335	77,335	77,335	77,335	77,335	77,335	77,335	77,335										
Hacienda Payments																							
Proceeds from Borrowing																							
Uses and Costs of Hacienda Borrowing																							
Required for Improvements																							
Debt Related Costs																							
Payments on Hacienda debt at 100% of Payment 4								130,874	130,874	130,874	130,874	130,874	130,874	130,874	130,874	130,874	130,874	130,874	130,874	130,874	130,874	130,874	130,874
Balance on Hacienda Debt	1,775,000	1,775,000	1,775,000	1,775,000	1,775,000	1,775,000	1,775,000	1,644,126	1,513,251	1,382,377	1,251,502	1,120,628	989,753	858,879	728,004	597,130	466,255	335,381	204,506	73,632	Debt Paid	Debt Paid	Debt Paid
Gross Interest Costs at 6%/year on unpaid Balance	8,875	8,875	8,875	8,875	8,875	8,875	8,875	8,875	8,221	7,566	6,912	6,258	5,603	4,949	4,294	3,640	2,986	2,331	1,677	1,023			
Less: interest earned on Escrowed interest Payments@ 4%/year	-412	-384	-356	-328	-299	-271	-242	-213	-184	-157	-133	-110	-90	-71	-55	-41	-29	-19	-11	-6			
Net Interest Cost for Month	8,463	8,491	8,519	8,547	8,576	8,604	8,633	8,662	8,036	7,409	6,779	6,147	5,514	4,878	4,239	3,599	2,957	2,312	1,666	1,017			
Funds to Pay Interest placed in escrow	115,285	106,794	98,275	89,728	81,152	72,548	63,914	55,252	47,216	39,807	33,028	26,880	21,367	16,489	12,250	8,651	5,694	3,382	1,716	699	699	699	699

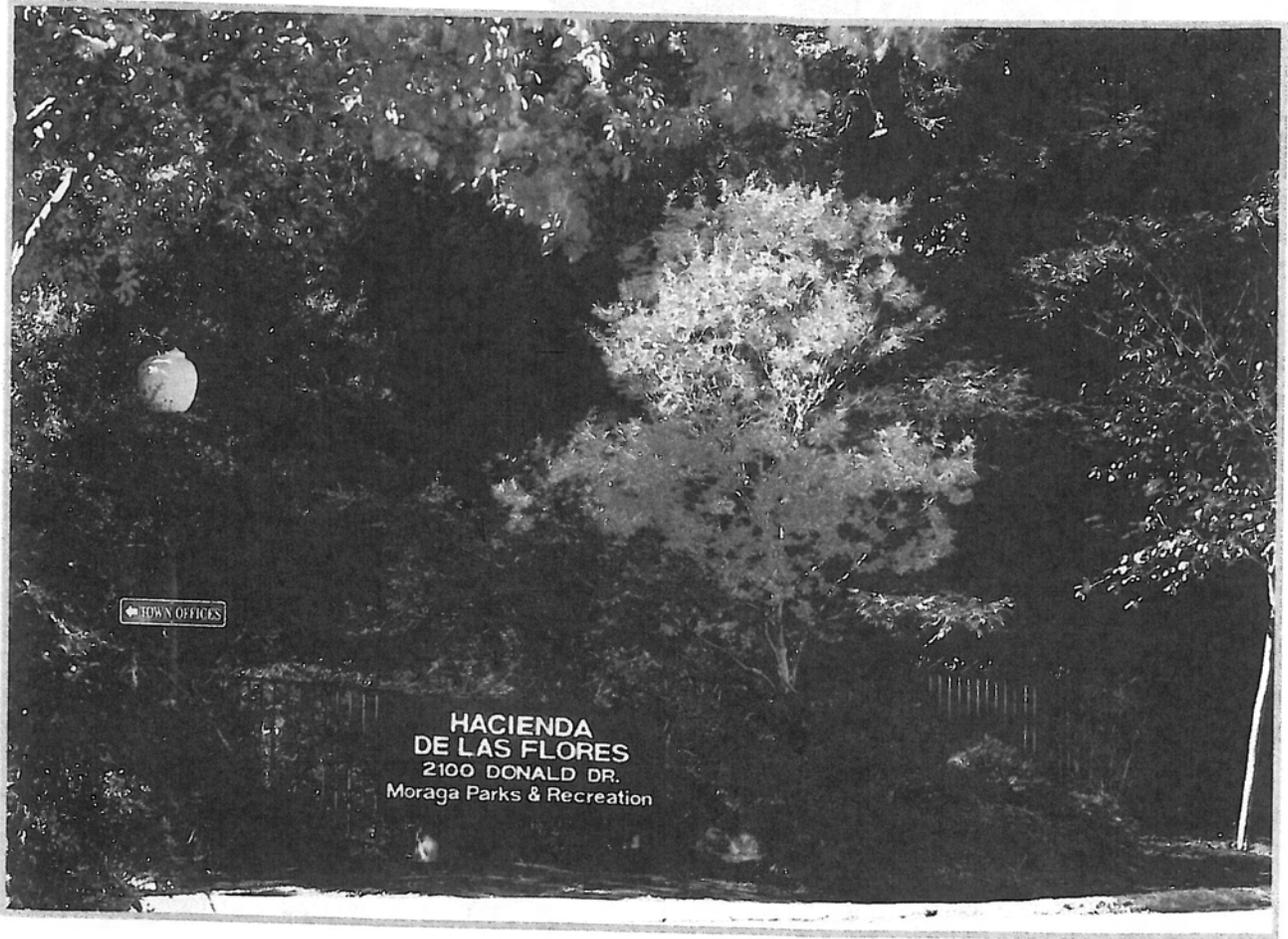
APPENDIX F

HACIENDA IMPROVEMENTS PROGRAM

	Description	Estimated Cost	Comments	Should improvement increase revenue	Will improvement expand capacity
La Sala Renovation	Reconfigure meeting space, bathrooms, renovate kitchen, new carpet, paint, etc	\$ 190,000.00	Funds are available. Town Engineer to oversee renovations with input from department heads, Council, Town Manager, Hacienda Seniors, P&Rcommission, and Hacienda Committee. Funds are available	yes	yes
AV Equipment for La Sala	Equipment to televise Council meetings, LCD, laptop, PA system, etc	\$ 50,000.00	funds are available.	yes	no
Wireless Internet for La Sala	Install necessary equipment for wireless connection for internet	\$ 1,500.00	funds are available.	yes	no
Conference Chairs for La Sala	Comfortable chairs appropriate for conferences	\$ 7,400.00	funds are available.	yes	no
Round Tables for La Sala	Round tables need to be purchaase for meetings and conferences	\$3,980.00	funds are available.	yes	no
TOTAL COMCAST GRANT		\$ 252,880.00			
Wireless Internet for Hacienda	Install necessary equipment for wireless connection for internet	\$ 1,500.00	will increase use of facility for meeting space	yes	no
Wireless Internet for Pavilion	Install necessary equipment for wireless connection for internet	\$ 1,500.00	will increase use of facility for meeting space	yes	no
AV Equipment for meetings and presentations	2 each of: portable podium with built-in speakers, laptop, LCD, screens	\$ 6,000.00	will increase use of facility for meeting space	yes	no
Marketing	Work with marketing firm to produce mailings, design marketing brochure, and internet exposure	\$ 6,000.00	this will be an ongoing cost that can be recouped with additional bookings from advertising.	yes	no
Renovate corp yard into parking area	Grading and paving of the area is needed for expanded parking by as many as 20 spaces	\$ 60,000.00	Easier access and expanded parking will increase use if Pavilion	yes	yes
Entrance from Moraga Rd -Phase 1	Pending recommendations from DRB, basic signage to show entrance to Hacienda Property	\$ 600.00	Signage (approved by DRB) would create more visibility for Hacienda and a second access	yes	yes
Renovate the Pavilion Kitchen	Expand, contemporary appliances, new counters, new cabinetry	\$ 100,000.00	a larger kitchen will more modern appliances will increase rentals	yes	yes
Fireside Room improvements	New drapes, carpet, paint	\$ 5,000.00	The Fireside room needs a fresher look that is within the theme of the Hacienda. No new furniture is recommended at this time	yes	no
Conference Chairs for Hacienda	Comfortable chairs appropriate for conferences and weddings/special events	\$ 7,400.00	The Hacienda needs new chairs, but has round tables to accommodate 200 guests	yes	no
Paint interior of Hacienda	upstairs and downstairs	\$ 17,000.00	building has been painted in a piecemeal manner	no	no
Create storage for tables and chairs on second florr	enclosed area where closet in located in small hall	\$ 3,000.00	So that rooms can be configured as needed storage for extra tables and chairs is needed	no	no
Conference Chairs for Pavilion	Comfortable chairs appropriate for conferences and weddings/special events	\$ 4,000.00	So that events can happen concurrently, the Pavilion should have its own set of tables and chairs.	yes	no
Round Tables for Pavilion		\$ 2,000.00	So that events can happen concurrently, the Pavilion should have its own set of tables and chairs.	yes	no
Asbestos Removal and Disposal	Asbestos is located throughout the crawl space under the Hacienda	\$ 25,000.00	No work can begin on renovating the ducting system until the asbestos is removed.	no	no
HVAC upgrades/replacements and new condensor for air conditioning first floor	PG&E has recommended a number of improvements that could reduce energy costs and replace the aging HVAC system	\$ 28,000.00	Through ABAG the Town can take advantage of excellent financing by implementing the PG&E energy saving ideas	yes	no

Lighting in the Hacienda	Install more energy efficient lighting not only in dim areas, but throughout the Hacienda	\$ 10,000.00	Several areas in the Hacienda are dimly lit. Also, there are more energy efficient lighting systems.		
Lawn renovation and irrigation system replacement	Seed lawn and replace irrigation system	\$ 125,000.00	There is currently an asset replacement fund for a new lawn	no	no
Electrical System upgrades	Locate switches and outlets in more strategic locations	\$ 10,000.00	More analysis is needed to determine how much needs to be done to the current system for this type of upgrade	no	no
Renovation of the concrete patio at the Pavilion	The concrete patio needs to be replaced	\$ 12,000.00	Not an immediate need.	no	no
Hacienda Roof repairs	add flashing to gutters	\$ 10,000.00	Add siding to gutters to prevent further wear and tear on exterior during heavy rain	no	no
Replace five doors at Hacienda	five doors need to be replaced in the Hacienda	\$ 1,750.00	Uniformity in door design would create a better looking interior	no	no
Entrance from Moraga Rd Phase 2	Pending final plans from the Tree Planting and Beautification Program		Implement recommendations from the Beautification Program	no	no
Cosmetic Lighting on Hacienda Grounds	Install uplight for trees on the Hacienda Lawn	\$ 20,000.00	The addition of cosmetic lighting would add a beautiful aesthetic value that would enhance evening rentals	no	no
Paint interior of Pavilion	Paint interior of Pavilion including the restrooms, hall, and closets	\$ 3,800.00	The Pavilion needs to be repainted to create a newer, cleaner look.	no	no
Window replacement	Replace windows with double-paned windows in all four facilities	\$ 120,000.00	Energy efficient windows, it would lower operating costs	no	no
Accordian Wall for the Casita	a 12 foot by 10 foot accordian wall	\$ 2,500.00	To create a multi-purpose room, and accordian wall would allow the carpentry set-up to remain while using the room for other classes	yes	no
TOTAL COSTS OF ALL PROJECTS		\$ 834,930.00			
TOTAL Minus Comcast Grant (\$252,880) and asset replacement for Lawn renovations (\$103,000)		\$ 479,050.00			

DRAFT



Hacienda de los Flores
Committee
Report

FORWARD

draft

The Hacienda Report is a collection of work generated from a Committee chosen by the Moraga Town Council to advise the Park and Recreation Commission regarding the development and implementation of a plan to enhance the use of the Hacienda property through maintenance, restoration, and possible expansion. The collection of work in this report ranges from current conditions and uses to proposed projects for renovations as well as a vision for future uses.

The Hacienda Committee is comprised of many experts. The committee has an expert in real estate, civil engineering, interior design and contracting, and recreation programming. The Committee also has expertise on the history of the Hacienda with the President of the Historical Society as one of its members. However, the Committee did not have a member with expertise in writing comprehensive business plans for facilities such as the Hacienda de las Flores. Unlike other Committees the Town Council has commissioned to produce planning reports, the Hacienda Committee has not hired consultants to complete the work. The work was completed entirely by the committee. As a result, the report may be viewed as *scratching the surface* rather than an in depth analysis - particularly regarding the financial portion of the report. If the Council desires a more in depth business plan, the Committee recommends hiring a consultant that specializes in facility planning, financial analysis, and long term business plans.

The Hacienda is a valuable Town asset, one of the few the Town owns. Though maintenance and operations of the Hacienda has not been a priority for the Town in the past 20 years, there exists an opportunity with one time monies coming to the Town from the Palos Colorados settlement that could greatly assist in the needed repairs and renovations of the Hacienda. The investment in repairs and renovations would increase usage and revenue; however, a complete financial analysis comparing the investment to a feasible expectation of the return is not thoroughly addressed in this report.

Hacienda Committee Report

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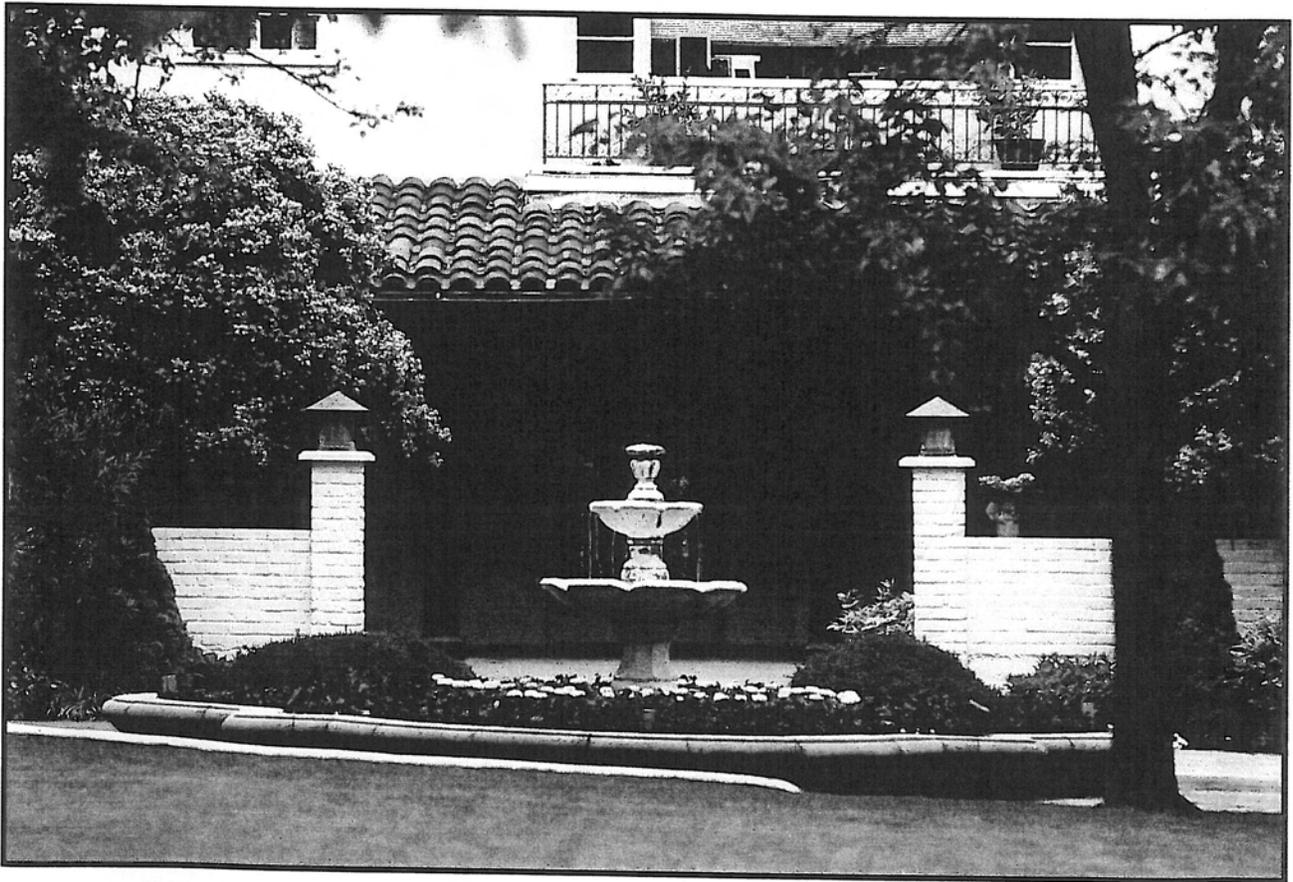
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Table 2	Special Events Revenue Analysis
Table 3	Hacienda Improvement Program
Table 4	Projected Revenues and Expenditures
Exhibit 1	Hacienda Committee Work Charter

Background

Chapter I



CAPTER 1: BACKGROUND

1.1 History of Hacienda de las Flores

Located at 2100 Donald Drive in Moraga, the Hacienda de las Flores is a treasure that represents an important part of Moraga's history. The Hacienda property was purchased from the Moraga Family for \$800 in 1857. Since that time the property has been a ranch, a three bedroom home, the summer home for Mr. & Mrs. Donald Rheem, Christian Brothers Retreat, and now the offices of the Town of Moraga. In 1929, Donald Rheem bought the 20 acre estate with a dream of transforming it into the San Simian of Northern California. The house was extensively enlarged and remodeled, with stables, a race track and an Olympic-size pool. The estate was eventually sold to the Christian Brothers.

The Moraga Parks and Recreation Authority purchased the Rheem estate from the Christian Brothers in 1973. After extensive public input, the estate was named the Hacienda de las Flores, or the House of Flowers. The Parks and Recreation Authority renovated and furnished the Hacienda with a loan from the Public Employee Retirement System (PERS). In 1975 the Hacienda opened its doors and began offering recreation classes and special event rentals. The Authority was eventually dissolved and the Town of Moraga became responsible for overseeing the special events and recreation programs in 1975.

1.2 Town Offices at the Hacienda

In 1988, the Town offices were moved to the second floor of the Hacienda. ~~It was the intent of the Town to move the offices to another location when a suitable location could be found.~~ In 2004, the Town purchased an office building at 329 Rheem Boulevard for the purpose of housing all of the Town's departments. In December of 2005, the Planning Department and the Police Department moved to the new location.

The Town intends to move its remaining operations to the second floor of 329 Rheem Boulevard; however, the Town is paying off a loan that was used to renovate the offices at the new location. Rent paid by the tenants occupying the second floor at 329 Rheem is helping offset the cost of the loan. The Town pays \$89,000 per year towards the loan with the last payment scheduled for June 30, 2010. The Town is left with two options; either the loan is retired or additional revenue generated from the Hacienda be applied toward the loan before the remaining Town offices will be able to move.

1.3 Hacienda Committee and Work Charter

In July 2005, the Town Council approved the Parks and Recreation Commissions' recommendation to create the Hacienda Committee and Work Charter. The purpose of the committee was to advise the Council regarding the development and implementation of a five-year plan to increase the utilization of the Hacienda property. The five year plan includes recommendations concerning maintenance, restoration, and possible expansion. The proposed plan will also include developing funding mechanisms to finance the improvements. The Work Charter is displayed in the Appendix.

1.4 Methods and Research

The recreation staff conducted a survey of several Bay Area venues similar to the Hacienda to research a variety of potential uses. Results are in **Table 1** located in the Appendix. The Hacienda's location, size, parking limitations, handicap accessibility, and community input from the Parks and Recreation Master Plan survey were also used in determining potential uses. The Parks and Recreation Commission also provided input regarding uses for the Hacienda as did Town staff.

Additionally, staff met with and interviewed event planning professionals, a consultant who contracts with event planners for speaking engagements as well as the MIG consultants regarding potential uses of the Hacienda.

1.5 Designating the Hacienda as an Historical Site

Based on conversations with staff from both the federal historic building and the state historic building, there appears to be no advantage to designating the Hacienda as a historic building for the following four reasons: (1) The designation of historic buildings can bring historic tax credits. These tax credits are not usable by an entity such as the Town of Moraga. For the tax credits to be usable, the Hacienda would have to be privately owned; (2) There are no grants or loans available from either the federal government or the state government at this time. There was a program offered by the state; however, the funds have been exhausted. Additionally, the State program did not require the designation of the building as a historic building; (3) The designation of the Hacienda as a historic building is not a likely candidate. The buildings are too new; (4) The designation of the Hacienda as a federal historic building would impose a number of standards that would limit modification of the building. The requirement of extensive architectural plans and engineering plans would delay doing anything to the building. The Town of Moraga and the citizens of Moraga can effectively ensure that the Hacienda remains a historic building without the intervention of the federal and state government.

Current Facility Uses

Chapter 2



CHAPTER 2: CURRENT FACILITY STATUS

In order to make sound recommendations as to the scheduling and renovations of the Hacienda, the Committee had to first assess the current uses and existing conditions of the facilities.

2.1 Current Utilization of the Hacienda

2.11 Weddings and Special Events

Outdoor weddings are popular at the Hacienda as nearly every weekend in May through October is booked several months in advance. Indoor weddings are much less popular as the limited sizes of the rooms at the facility are not conducive to large groups typical at weddings. The budgetary analysis in **Table 2** located in the Appendix shows weddings earn a profit; however, for the most part from November through March/April the Hacienda is under utilized. There may be an occasional memorial service or retirement party, but the vast majority of weekend rentals take place in May through October.

2.12 Recreation Programming

Currently, there are between 15-20 classes offered during the weekdays that are well-attended. Classes include Yoga, music classes for toddlers, and arts and crafts. There are an additional 2-3 classes in the evening which are primarily cooking classes. There are special interest seminars scheduled 2-3 times per quarter in the evenings. There are no weekend recreation classes offered at this time and evening classes are infrequent.

2.13 Town Use

The Town uses the Hacienda for a number of recurring meetings. Annually, the Town hosts the State of the Town address and the Volunteer Recognition Reception. A number of monthly civic meetings are also scheduled at the Hacienda: the Parks and Recreation Commission meetings; Planning Commission meetings; SWAT meetings; EDAC meetings; Beautification meetings; and Design Review Board meetings.

2.14 Hacienda Seniors

The Hacienda Seniors use the La Sala as their meeting place. Playing bridge on Mondays and Fridays has also been a tradition. The Hacienda Seniors also use the small office next to the kitchen in the La Sala. The Hacienda Seniors use the conference room at the Hacienda for their monthly board meetings.

+ have done so since 1975

2.15 Community Use

Many community groups use the Hacienda for annual meetings and celebrations. The Garden Club, Kiwanis, the Women's Society, the Junior Women's Society, and the Boy Scouts are a few of the community groups that enjoy using the Hacienda once per year for their special events. Community use of the facility supports the original intended uses of the Hacienda.

2.2 Maintenance and Repair Issues

2.21 Heating Ventilation and Air Conditioning

The heating and air-conditioning system was inspected by PG&E as well as Moraga Heating and Air. The present air-conditioning system is in good condition and well-maintained, but not energy efficient and limited in capacity should additional load be required as the use of the building substantially increases.

PG&E recommends a more energy efficient system that includes the purchase of a new furnace with the capacity for installing an condenser for air-conditioning for the first floor. The second floor has air condition, but the air flow is inadequate. The ducts need to be reconfigured so that air flow heats and cools all the rooms consistently. Additionally, the ducts need to be replaced with insulated ducting which will greatly improve energy efficiency. However, before any work can be done to renovate the ducting system the Town will need to remove and dispose of the asbestos located in the crawl space under the Hacienda. Cost estimates are in **Table 3** of the Appendix.

2.22 Roof

The tile roofs are in good shape and have a very long life provided any broken tiles are replaced before water gets into the underlying sheathing. The flat roofs around the air-conditioning system and on the smaller buildings appear to be in good condition, but will need to be replaced at the time major work is done on the heating and ventilating system. There is no need to do anything except routine maintenance on the roofs at this time.

The gutters are copper and of superior quality. However, as a preventative measure flashing needs to be placed along the edge of the tiles so that no water can get under the tile and cause the sheathing to rot. Cost estimates are in **Table 3** of the Appendix.

2.23 Windows

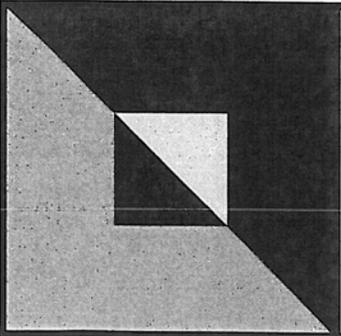
The Windows throughout the Hacienda are single-paned windows. From an energy conservation standpoint the Town would be better off with double paned windows. The cost estimate is listed in **Table 3**, but given the other projects needed at the Hacienda, window replacement is lower on the priority list. Generally, the current windows are in good repair.

2.24 Grounds

The pipes in the irrigation system are 2" galvanized pipes. They have been piecemealed together over the years as repairs were necessary. Pipes come and go throughout the property without a clear map of what area each pipe serves. Renovating the irrigation system at the same time the lawn is replaced is recommended. If seed is used rather than sod, the costs will be substantially lower. The cost estimate in **Table 3** is for replacing the lawn with seed. If seeded during the off-season, the wedding season should not be interrupted.

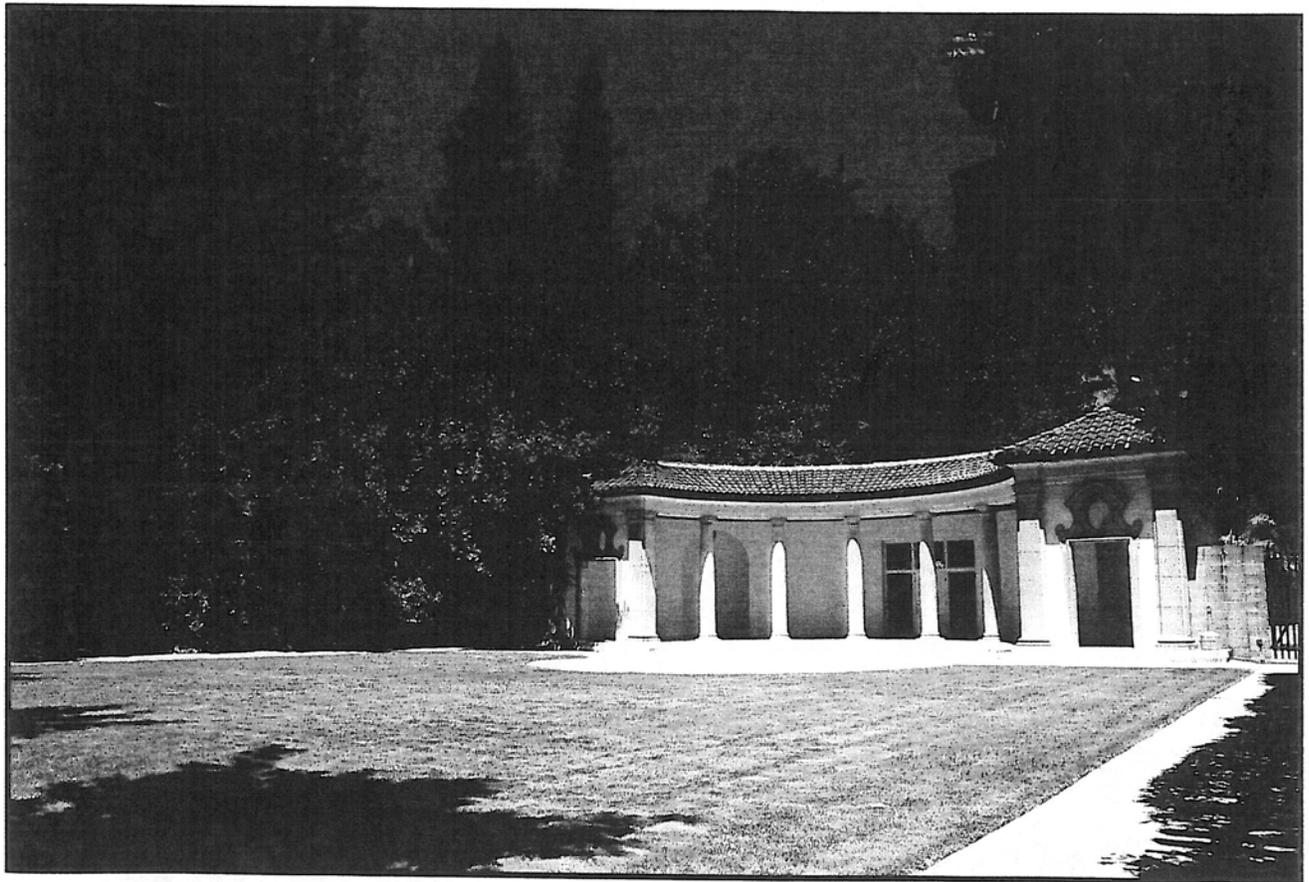
2.25 Parking

Currently, there are 83 striped parking spaces, three handicapped parking spaces, and eight non-striped parallel parking spaces at the Hacienda. Parking is adequate when the facility is being used for a single event. However, it is the intent of the Committee to recommend ways to expand use which will likely lead to more than one event happening at a time. If the corporation yard were relocated, and the area paved for parking, 20 additional parking spaces would be available. It would then be feasible to schedule a smaller event at the Pavilion at the same time there was an event at the Hacienda. Even with the expanded parking, staff will need to continue to consider parking as it will always be limited when scheduling events.



Proposed Future Plans for the Hacienda

Chapter 3



CHAPTER 3: PROPOSED FUTURE USES FOR THE HACIENDA

The Hacienda Committee envisions a hybrid of uses for the Hacienda. The Committee envisions a facility that is: available to the public; acts as a community center and recreation facility until a more suitable location can be found; a park that is available for passive recreation; as well as a Business retreat equipped with the modern amenities necessary for conducting meetings, seminars, and trainings. This multi-faceted approach will increase revenue, increase use during months when weddings and special events are typically not booked (considered the "off-season"), and at the same time keep the Hacienda available to the community.

3.1 Increasing Use of the Hacienda

3.11 Special Events

The Hacienda Committee recommends the continued use of the Hacienda for wedding rentals. But in addition, a savvy marketing plan is needed to increase exposure and revenue. Large indoor wedding and special events are not recommended as it would require reconfiguring the main house of the Hacienda to create larger meeting spaces. This would be a costly endeavor and would prevent use of the smaller classroom space for meetings and recreation classes. Special events that can be accommodated include: birthday parties, retirement parties, and banquets. Currently, advertising is primarily in wedding publications.

Staff met with a marketing agency and was advised that an inexpensive way to advertise is through the internet via search engine optimization. Also, partnering with party suppliers and event planners would also increase exposure as would advertising with caterers, DJs, florists, etc. Hosting an Open House with caterers, event planners, and florists, after a few of the key improvements have been completed would be a great way to launch a marketing campaign. Additionally, a professionally created marketing brochure with pictures and information needs to be developed.

Currently, there are between 47-51 special event rentals per year. The majority of those events take place between May and October and are primarily outdoors. Indoor parties in the La Sala, the Fireside Room, the Dance Room, and the Pavilion could accommodate smaller parties of up to 60 people during any time of the year, but particularly during the off-season.

3.12 Recreation

The Hacienda Committee recommends expanding recreation classes with classes that are consistent with the Hacienda's cultural character such as:

cooking classes, acting and music classes, art and sculpting classes, and wine tasting classes to name a few. Per the Park and Recreation Master Plan survey Moraga residents would like the Town to offer classes in the evenings and on weekends. Expanding classes during these times would not interfere with weekday Business rentals (section 3.15) and would generate additional revenue.

The Hacienda Committee recognizes that scheduling Business rentals and recreation classes at the same time needs to be well orchestrated as the activity from some of the recreation classes may interfere with the environment needed for meetings. Also, parking is an issue and will need to be monitored so if two or three events are going on simultaneously it does not create parking problems. Ideas for expanding parking are outlined later in this section, but will always need to be monitored even after parking is expanded.

3.13 Town Use

The Hacienda Committee recommends the continued use of the Hacienda to serve as the Town's meeting place for Commissions, Committees, and the Town Council. The Hacienda Committee supports the idea of renovating the La Sala with Comcast funds to create a meeting facility that is not only wired with the appropriate technological needs, but aesthetically inviting and comfortable. In doing so, each of the Town's committees and commissions would benefit not to mention the additional revenue from an increase in business rentals and community rentals.

3.14 Hacienda Seniors

The Committee supports the continued use of the La Sala and the conference room for the Hacienda Seniors. Beginning in November 2006, a group representing the Seniors began meeting with staff on a regular basis to determine ways to revive the Hacienda Senior's membership. The Hacienda Seniors are considering changing their name to the *Moraga Movers – Activities for Active Adults*. The group is making a concerted effort to provide activities and services to Moraga citizens over the age of 55. The Hacienda Committee sees the Hacienda Seniors as a vital part of expanded programming the Hacienda. Given that there is no other place for the Seniors to meet, the Hacienda should remain their home.

3.15 Community Use

Continued community use is a high priority for the Hacienda Committee. Ideally, expanded uses of Hacienda outlined in this plan will produce enough income so that community groups may continue to use the Hacienda at a reduced rate one time per year.

3.16 Business Rentals

Currently, the Town is not marketing the use of the Hacienda for Business rentals. Based on the findings from the surveys and the input from those interviewed, the Hacienda could be an ideal facility for Business meeting rentals for the purpose of training, education, and team building seminars. The trend in Business rentals is continuing to increase as agencies seek off-site venues for meeting space. Because of its unique setting and facilities the Hacienda is an attractive choice. Business rentals would fit easily into rooms that now sit empty throughout the day. There will be additional space available once the remaining Town offices move to 329 Rheem Boulevard.

Moderate improvements and purchases could make the Hacienda ready for Business rentals in a fairly short time. New conference tables and chairs are needed as the tables and chairs the Town currently owns are old and in disrepair as well as uncomfortable. Equipment for presentations such as a speaker podium with a PA system, a new LCD projector and a laptop would not be a large investment of funds. Lastly, the facility would need wireless access to the internet. Cost estimates for these purchases are in **Table 3**.

3.17 Privatization

Given that the Town does not have a Community Center or a place for recreation classes at this time, the alternative for fully privatizing the Hacienda is not recommended by the Hacienda Committee. Full privatization could prove counter-productive to the types of activities the Town would like to conduct at the Hacienda. Recreation classes, special events for the community, meeting space for the Town's Commissions and Council, as well as making the grounds available to the public would be difficult to coordinate with a private entity running the facility. If the community should choose to fund a community center/gym facility in the future, further consideration might be given to privatizing the Hacienda.

The Committee recognizes that joint ventures with the private sector could be beneficial, but the recommendation is to work with the private sector on an as needed basis with Town staff coordinating the effort. Joint private ventures include working with event planners, caterers, and businesses to conduct special events, classes, and seminars at the Hacienda.

3.2 Proposed Renovations, Improvements, and Equipment Replacement

In order to increase use in the areas outlined in section 3.1, the Hacienda Committee recommends the purchase of new equipment and technology

in addition to minor and major building renovations. Estimates for the projects listed in this section are in **Table 3**.

3.21 Corporation Yard

In an effort to increase rentals and uses at the Hacienda moving the corporation yard is a critical part of the plan. With the corporation yard relocated additional parking would be available; access to the Pavilion would be more convenient and would enable events to take place at the Hacienda and Pavilion concurrently. Accessibility to the Pavilion would also be addressed as handicapped parking would become available. Currently, those with disabilities have a difficult time using the Pavilion because the parking spaces are not conveniently located and access to the Pavilion from the Hacienda parking lot includes a steep path which is difficult to maneuver for people in a wheelchair or with other physical disabilities.

3.22 La Sala

The La Sala is the most ideal location for group meetings, Business rentals, Commission meetings, and Council meetings. The main meeting room, bathroom, entryway, handicap ramp, and kitchen can all be renovated and reconfigured to expand meeting space, provide a raised platform for a stage area, and a small enclosed area for meetings and breakout space next to the kitchen. A basic floor plan showing the reconfiguration is being developed and will be considered by staff, the Parks and Recreation Commission, the Hacienda Committee, and the Town Council to ensure the plan fits the needs of each of these groups.

The La Sala is detached from the main building and would allow for groups to use the facility free from any interference from activities at the Hacienda. Adequate parking would need to be considered when scheduling concurrent events.

3.23 Casita Improvements

The Casita is limited in use because of the way it is set up for carpentry classes. The Casita needs to be renovated so that it is more of a multipurpose facility. This could be accomplished by installing an accordion wall that converts the one large room into two smaller rooms which would be ideal for small recreation classes. With this renovation, the carpentry area could be closed off for safety reasons while the other half is used for Music Together, Kindermusic, and a variety of other classes.

The Casita also needs the interior painted, new shelving and closet renovation for better storage, as well as a large carpet that can be easily rolled up and stored when not in use.

The Casita is located at the end of the parking lot and classes conducted in the Casita would not impact events in any of the other facilities. Parking would need to be considered when scheduling concurrent events.

3.24 Pavilion Improvements

The most pressing improvement needed for the Pavilion is the kitchen. The kitchen needs to be enlarged and modernized to accommodate additional rentals of all kinds. The Pavilion is an ideal place for birthday parties, puppet shows, small theatre events, and concerts. The concrete patio is also in need of renovation. Other than the kitchen and the patio, the Pavilion is in good shape with sufficient storage for tables, chairs, and recreation supplies.

3.25 Replacing Chairs and Tables

The purchase of new chairs is a important first step in improving the facility as the chairs are plastic folding chairs and very uncomfortable. As many as 220 new chairs need to be purchased. The maximum capacity for weddings/special events is 200. If funds are not available to purchase 220 chairs at the one time, a minimum of 120 need to be purchased. The room capacity for meetings given the space available (the largest being the La Sala) is 60. Thus, 120 new chairs would allow a group of 60 to meet collectively leaving 60 additional chairs for breakout sessions in other rooms.

New round tables are also needed. Most of the tables the Town currently owns are 15 years old and rectangular. Many of the tables are in very poor condition. Twenty new round tables would fill the needs for both wedding rentals and Business rentals.

3.26 Audio-Visual Equipment

Audio-visual equipment is necessary for meeting presentations. Two LCD projectors with mounting brackets, two laptops, and two screens would allow two separate meetings to take place at one time. Four presentation easels, two large dry eraser boards with markers would be necessary and could provide several rooms for classes and breakout sessions. Two speaking podiums with a built in speaker system are also necessary. Podiums could be used for the larger meeting areas such as the La Sala, the Pavilion, and the Hacienda patio and grounds.

3.27 Wireless Internet Access

In order to be able to offer an up-to-date facility convenient for those agencies using the facility for meetings, wireless internet access throughout all four buildings is recommended.

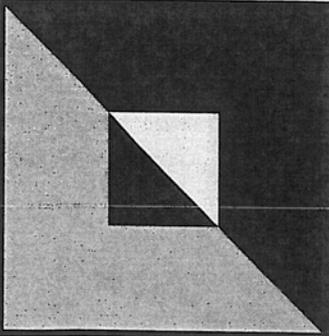
3.28 Lighting in the Hacienda

There are several areas in the Hacienda where the lighting is very poor both inside and outside. Additionally, the lighting is out of date and could be redone in a much more energy efficient manner.

3.29 Geo Thermal Energy (This section will be updated after I meet with an Engineer May 22 that specialized in Geo Thermal units)

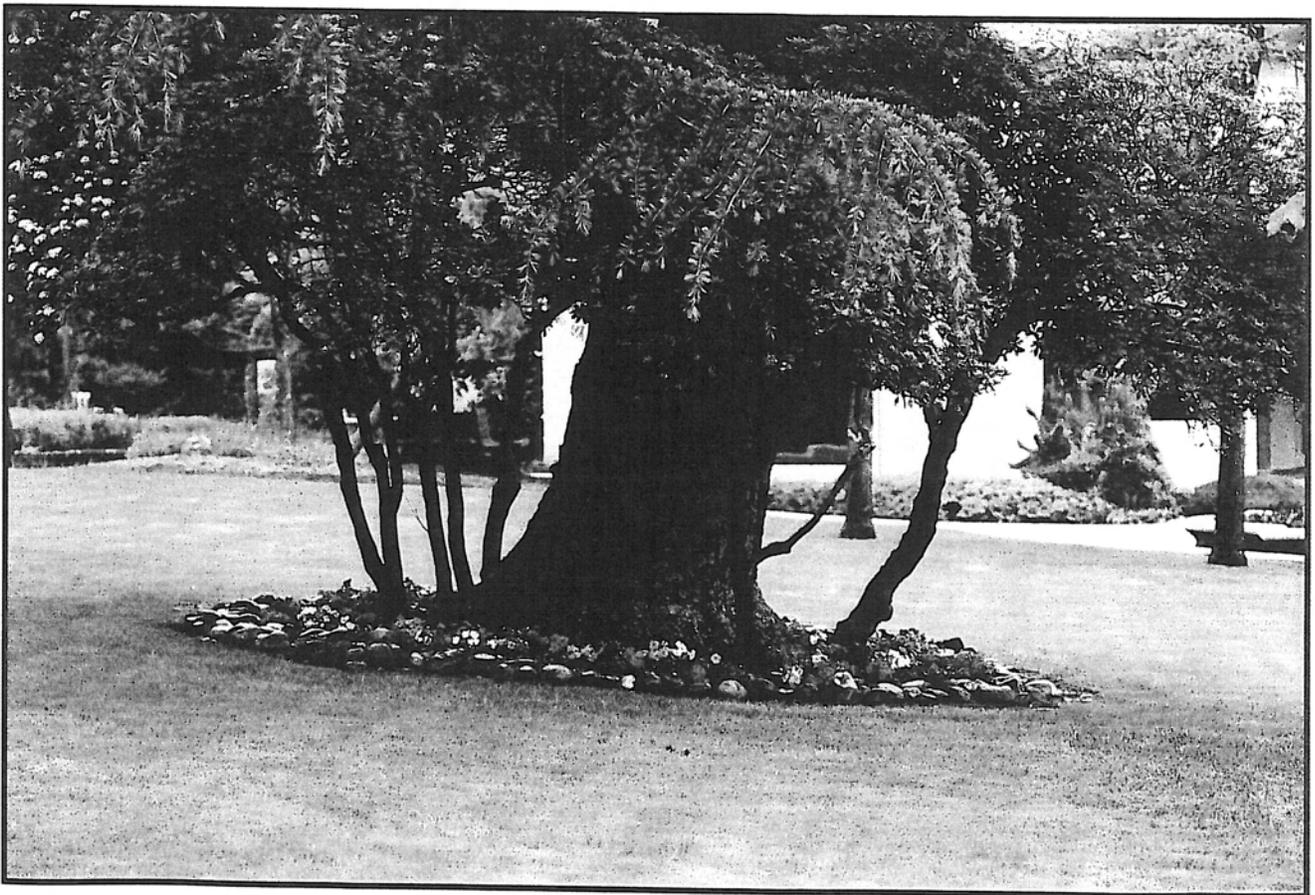
Staff met with Green Inq to discuss the possibility of using geo-thermal energy to heat and cool the Hacienda. The GeoExhcange system is a device that uses the earth's renewable energy to provide high efficiency heating and cooling. In winter, the system draws heat from the ground and transfers it onto the building space. In summer, it extracts heat from the buildings interior and transfers it to the ground. Hardware consists of heat pipes connected to a series of small-diameter pipes buried underground. A water solution circulating through the pipes carries heat between the ground and the heat pump. Since GeoExchange systems transfer heat to and from ground that remains at a nearly constant temperature year-round, they operate at high efficiencies as they provide nearly four time the energy they consume.

The cost of installing the GeoExchange system is high. Given that the combined utilities at the Hacienda are \$17,000 per year it is important to asses whether or not the cost of installing the GeoExchange would give the Town a sufficient enough return on such an investment. The full evaluation of where the underground unit would be located is also an issue that needs to be addressed. If the Town would like to consider using geothermal energy, more research is needed.



Outreach and Future Funding

Chapter 4



CHAPTER 4: OUTREACH AND FUTURE FUNDING

4.1 Marketing

The Hacienda Committee recommends hiring a marketing expert to create an aggressive marketing plan. A marketing plan would greatly increase the success of increasing utilization and generating additional revenue. A marketing plan would include a professionally designed brochure mailed to Bay Area businesses, caterers, florists, event planners, advertising in the *East Bay Business Times* as well as local and Bay Area newspapers. The new radio station KKDV which serves the Diablo Valley would be an excellent way to advertise and the station offers advertising packages at a reasonable rate.

Contracting with a web-designer to create an attractive website for the Hacienda as well as improve search engine optimization would also greatly increase exposure and revenue.

4.2 Funding

4.21 Comcast Funds

Prior to the expiration of the franchise agreement with Comcast, seven local cities negotiated a deal with Comcast for one-time funds. The funds are to be used to improve cable infrastructure for audio improvements and possibly televising meetings as well as improve public access and education. Funds may be used for audio visual equipment needed to televise meetings as well as facility renovations to improve the meeting space. The La Sala was an ideal location for Commission and Council meetings; therefore, all the renovations at the La Sala will be funded by the Comcast monies. The Town has received \$275,000 in two separate grants from Comcast.

4.22 Hacienda Foundation

The Hacienda Foundation is a newly formed 501(c)3 dedicated to raising funds specifically for improvements, renovations, maintenance, and operations of the Hacienda de las Flores. The Foundation will raise funds through special events, memberships, and a variety of fund raising efforts. Ongoing maintenance funds are critical to the longevity of the facility. ~~Maintaining~~ funds for ongoing maintenance and repairs has ~~historically~~ been neglected by the Town. Once any possible one time monies have been expended, funds raised by the Foundation could be an ongoing source of income that will be critical to keeping the Hacienda well-maintained.

4.23 Palos Colorados Funds

Over the next several years the Town will receive payments from the developer for the Isot recreation amenity from removing the golf course from the project. As early as September 2007 the golf course fund will release the first payment. A total of \$16.5 million will be available over the next five years. Given that the Hacienda functions as the Town's Recreation Center, Civic Center, and Community Center, the Hacienda Committee requests that the Town Council at least allot 5% of the settlement funds be used for the Hacienda improvements and renovations.

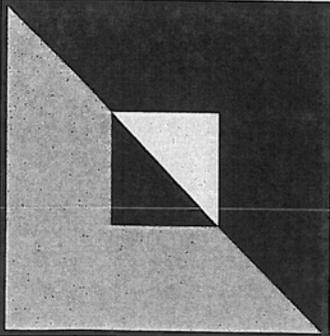
4.24 Grants

Staff has continued to look for grants. Currently, there are no grants available for the kind of improvements and renovations needed at the Hacienda. Staff will continue to search.

4.25 Alternative Financing

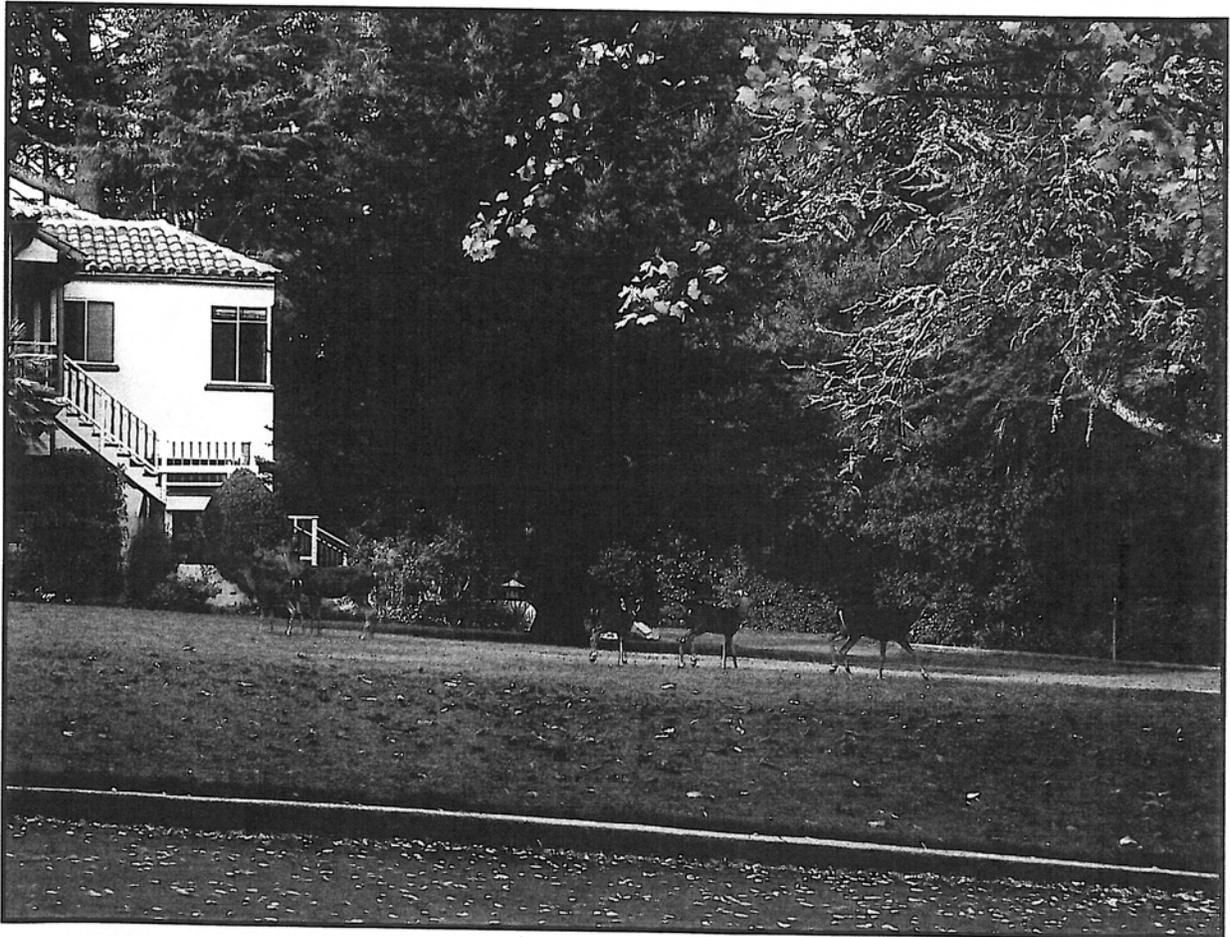
As an alternative to be considered the Hacienda Committee discussed the possibility of financing the renovations and improvements to the facility. The best financing that is available property such as a Hacienda is:

(Mac's information needs to go here once a consensus is reached that the Committee approves listing the alternative financing in the report).



Revenue and Expenses

Chapter 5



CHAPTER 5: REVENUE AND EXPENSES

5.1 Current Revenue and Expenses

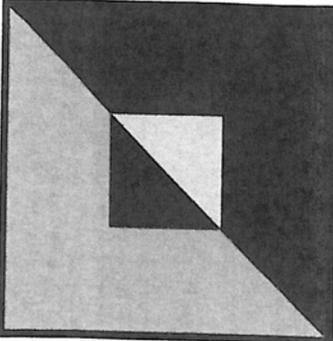
For FY06/07 the Hacienda expenditures are estimated to be \$379,340 while revenues are expected to be \$131,800. This leaves a deficit of \$247,540.

The revenue includes approximately 50 special event rentals, ongoing rentals such as Kumon and Weight Watchers, room rentals, retained deposits, and application fees. The Town does not currently receive revenue from recreation classes under the agreement with Lafayette.

5.2 Projected Revenue and Expenditures

Staff has conservatively estimated projected revenue after renovations from the Hacienda Improvements Program list in **Table 3** are completed. Revenue is projected to increase by 84% by the end of the second year after renovations are completed. It is estimated that the net increase in revenue generated from recreation classes would be approximately \$45,000, the increase in Business rentals is estimated to be \$36,000. The increase in special events is estimated to be \$26,400. Estimates with formulas are in **Table 4**. With a more energy efficient heating and cooling system gas and electric costs would decrease by as much as 20% or \$3,400 per year.

Expenditures are expected to increase by 9% by the end of the second year after renovations are completed. Expenditures would increase by approximately \$30,000 (plus, administration overhead) with the addition of a part-time facilities attendant and the addition of office expenses needed to cover the increase in business. Please see **Table 4** for details.



Appendix

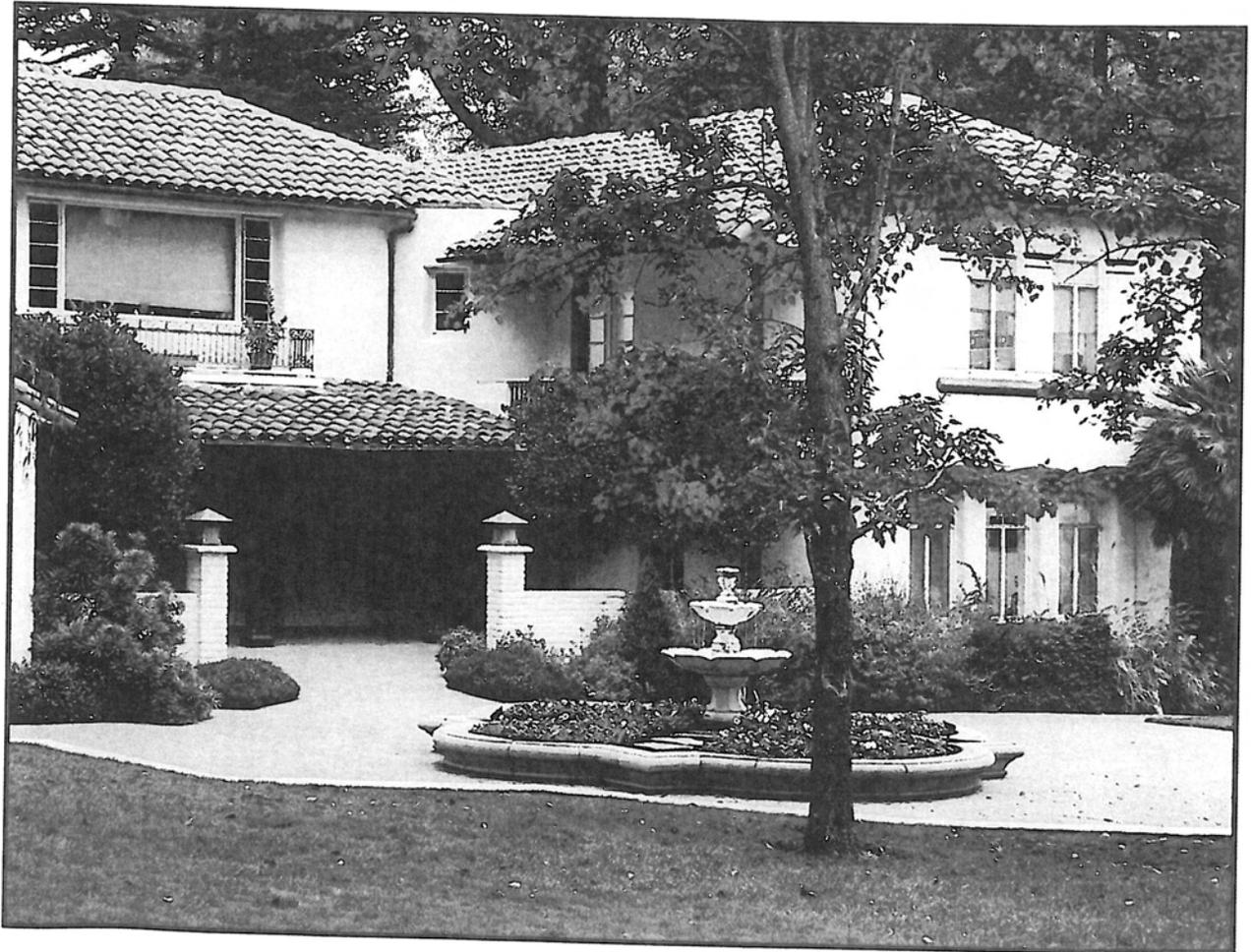


Table 2: Cost of Weddings/Events at Hacienda:

Definitions and Formulas

Caretaker

Skill Clean provides a facility attendant during events to handle clean-up during the event and reports back to Town staff should the participants not adhere to the policies in their contract. (ie alcohol, sound, etc)

Skill Clean charges	\$180	per event	Total
			\$180

Publics Works Crew Set-up and Breakdown

The data used for the Publics Works calculations is based on the average # of people needed and the time it takes to set up tables and chairs, and rearrange furniture depending on the desired arrangement of the client.

Public Works	# of staff	hours	rate	Total
set-up and breakdown	1	4	28.44	\$ 113.76
set-up and breakdown	4	4	10.5	\$ 168.00
Mowing/grooming	1	3	27.56	\$ 82.68
			Total	\$ 364.44

Recreation Coordinator

The Recreation Coordinator schedules the building and works with families so ensure their needs are being met. The hours below are described and are an average of time spent per booking. Hrly rates include benefits.

Recreation Coordinator	hours	rate	Total
first response/paper wk/questions	1	32.21	32.21
follow-up payments/contract/questions	1	32.21	32.21
room layout/tour/questions/visits	2	32.21	64.42
		Total	128.84

Utilities based on approximate hours of operation per year

Utilities includes water, recycling, gas/electric, and custodial supplies

weeks	days/week	hrs/day	+	wknd dys used/yr	hrs/wkend day	Total hrs used/yr
52	5	12		50	10	3620

Total Utilities paid per year averaging the last 3 years is approximately \$26,000

Cost	Hours	cost per hour	cost/hr for Hacienda
\$26,000	3620	\$7.18	50% for Hacienda \$3.59

Insurance

Average Insurance per event is \$150

Total
\$150

Annual Advertising Costs

Advertising costs were divided by the approximate number of bookings per year.

Yellow pages	Modern Bride	Here Comes the Guide	Cost/year	50 events/yr
\$756	\$3,500	\$2,000	\$6,256	\$125

Overhead

21% represents the portion of the Town's budget expended on administrative costs.

Total Expenses	10%	Cost
\$857	0.21	\$180

Wedding Cost Analysis May through Oct Weekends

REVENUE

Participants	fee	sessions	Time of yr	Non-Res	Resident
Non-Resident	\$2,050	Sat/Sun	May-Oct	\$ 2,050.00	
Resident	\$1,400				\$1,400
Other Fees					
non-refundable application fee				\$ 100.00	\$ 100.00
refundable deposit		\$500		\$ -	\$ -
TOTAL Revenue				\$ 2,150.00	\$ 1,500.00

EXPENSES

Caretaker	number of staff	\$ per day			
supervise/clean-up at event	1	\$ 180.00		\$180	\$180
Public Works	number of staff	hours	rate*	TOTAL	
set-up and breakdown	1	4	28.44	\$ 364.44	\$ 364.44
set-up and breakdown	4	4	10.5		
Mowing/grooming	1	3	27.56		
Recreation Coordinator		hours	rate*	TOTAL	
first response/paper wk/questions		1	32.21	\$ 128.84	\$ 128.84
follow-up payments/contract/questions		1	32.21		
room layout/tour/questions/visits		2	32.21		
Other Costs					
Utilities**		\$ 3.59	10	\$ 35.91	\$ 35.91
Insurance: \$150/event				\$ 150.00	\$ 150.00
Total Direct Expenses				\$ 859.19	\$ 859.19
Net Profit (revenue minus expenses)				\$ 1,290.81	\$ 640.81
Percent of recovery (divide revenue by expenses)				250%	175%
Indirect Cost					
Advertising				\$125	\$125
Overhead (21% of expenses)				\$180	\$180
Total Indirect Expenses				\$ 305.09	\$ 305.09
Total Direct Expenses plus Indirect Expenses				\$ 1,164.28	\$ 1,164.28
Net Profit (revenue minus all expenses)				\$ 985.72	\$ 335.72
Percent of recovery (divide revenue by expenses)				185%	129%

*All hourly rates include benefits, taxes, and workman's comp

**Utilities: Includes water, recycling, gas/electric, and custodial supplies

Table 4: Projected Revenue and Expenditures

Figures are averages as the costs vary between resident and non-resident fees as well as weekend versus weekday rentals. Room rentals also range between \$30 per hour to \$100 per hour depending on use of the kitchen.

Revenue	Current	Total	Projected	Total
Weddings/Special Events	50 events year at \$2,200 per rental	\$ 110,000.00	62/year at \$2,200 per rental	\$ 136,400.00
Recreation Classes	no revenue at this time	\$ -	30% of total revenue of \$150,000	\$ 45,000.00
Ongoing Rentals	Kurmon and Weight Watchers	\$ 12,000.00	Kurmon and Weight Watchers	\$ 12,000.00
Non-ongoing Rentals (business, etc)	10 days per year at \$300 per day (or \$50 per hour)	\$ 3,000.00	100 days per year at \$360 per day (\$60 per hour)	\$ 36,000.00
		\$ 125,000.00 ¹		\$ 229,400.00 ¹
Increase in Revenue			83.52%	\$ 104,400.00

Expenditures	Current	Total	Projected	Total
Salaries, Benefits, Maintenance, asset replacement	includes 1.45 FTE	\$ 276,340.00	includes 1.95 FTE, additional office expenses, and increased custodial services	\$ 301,340.00
Administration Overhead	21%	\$ 58,031.40	21%	\$ 63,281.40 ²
		\$ 334,371.40		\$ 364,621.40
Increase in Expenditures			9.05%	\$ 30,250.00

¹ application fees and retained deposits are not included

² 21% of expenses. 21% is the Administration portion of the Town's total operating budget.

Business rental projections are based on the low average of rentals from the agencies surveyed. Agencies that have been booking business rentals for many years, book at least one business rental per day. Of the estimated 240 days available for rental each year, booking one rental per day for a total of 100 days out of the year should prove to be a conservative estimate.

Weddings/Special Events should increase by at 6 rentals per year with a solid marketing plan. Currently, the extent of the Town's advertising is 2 bridal publications, the Lafayette/Moraga Recreation Activity Guide, and an occasional ad in the Town Crier.