

Notes from the May 29, 2018 NTEC Advisory Group Meeting

The group began by recapping and revisiting the previous discussion, facilitated by Kevin Lyons who recorded these notes.

Then the group members suggested some specific proposals for managing the facility. The discussion finished with some additional thoughts. The next, and hopefully, final meeting on June 19, 2018 will compare and discuss a broad range of specific hypotheticals to end up with a narrow range of tentative suggestions for operational models.

Recap and Revisit

- We have a lot of local corporate use but could have more because of the unique size of the event center (example: Liberty/Coldwell Banker)
- Minden-Gardnerville (Douglas County facility) rec center (83,000sf) gets about 200 older visitors per day, plus classes (computer, phone, rec, etc) plus adult daycare... stated that they are getting money from state (Nevada) and county (Douglas) and gym memberships "getting money from 20 different places"... happy to host visit and answer question about subsidies and class menu, etc.
- They run government social programs out of the Minden-Gardnerville center in exchange for grants also
- Have to generate more money to keep recreation on track, but haven't talked about taxes that all go to sewer possibly going to recreation instead, would potentially have to raise sewer rates if property taxes were officially allocated to Event Center... \$116,000 currently going to boys and girls club annually
- At \$96/parcel its approximately \$606,000 of revenue now, would maybe be additional \$35 extra to just cover the shortfall with no changes to operations, recent survey showed the community against raising it
- \$0 of the CFD cash has been applied to the event center until now officially but they utilize self-charged rental usage and allocate community use with discount... \$290k includes both of those transfers and then CFD is calculated to fill in the shortfall at the end of the fiscal year... not allocating it up front
- As a second homeowner the idea of events to attract visitors is exciting
- Don't have the money to attract and promote events (which didn't work out well in the past)
- Could hit homeowner meetings to help figure out more community activities (Dan volunteers ;)
- Concern about would you store equipment for classes etc but responsibility can go to user

- Primary season for usage is summertime for commercial (for both?), weddings are starting to spill over to shoulder season as well as some “corporate conference and trainings”
- Weddings every weekend in the summer, sporting events (recreation) during the week
- Programming of the facility is flexible
- Some weddings take the whole facility 1/month out of 9 or 10/month (\$14k to \$18k for multiday whole facility)
- Typical wedding is \$2k to \$3k for the lakeview room and kitchen is more
- Shoulder season and upselling are the obvious opportunity (utensils, lighting, linens, etc) in addition to pure space, would require capital investment to purchase
- Sept and October are good for corporate, Liberty etc are March and April
- Differences by Day of week, Seasons, sleeping/parking
- Classes are fully flexible and are already giving priority to other commercial uses over rec classes
- concessionaires (rec programs) get moved sometimes (to Kings Beach elementary or Girls and Boys clubs) if major event needs the space
- 8 or 9 rooms and typically 3 groups at same time (Fit camp, yoga, jazzercise for example), occasionally court or county or elections or NT business Association, etc
- Prime classes time are weekdays 6 to 9am and 5 to 7pm (Tues and Thursday)
- Mostly midweek community use and can move community uses first thing before or after
- Weekend is least classes, for full-price events, for-profit
- Think recreation (community), govt/community use, full-price
- Most commercial is Friday, Saturday, Sunday other is Tues
- Hardly any rec now
- A certain number of uses in Lualaba proposal was guaranteed per week for community and recreation use
- Community, neutral and commercial
- Little bit of flexibility with a range to start
- Hourly usage should be tied to money
- County is willing to entertain possibilities for partnership

Specific Proposal Ideas

- Maybe do a floor of 30% community (square footage) and break even plus \$25k (make sure it's not costing money including maintenance) and then can't do any more commercial, neutral (public use), community
- Maybe first market the building to sell out every weekend for weddings and upsells, (hours), try to push commercial higher to generate funds to reinvest in the building, then fill in gaps with community/rec during the week
- Maybe don't allocate percentage of square footage, don't need to be greedy
- Maybe 40% floor for govt plus recreation, should be able to push more space with retiree activities
- Maybe seasonally bump the govt/rec to maximize the highest gross events
- Maybe think of percentage as a percentage of not booked time, not square footage all the time, but solve the money problem first
- Booking time is just one metric, maybe sage(?) can be square footage/hours/dollars/?
- If you take 100% of the total time, then maybe you get somebody who has to make X commercial \$ and then Y community hours
- Bang for the buck is weekend (F/Sa/Su), so maybe bulk of time (M/T/W/THR) is community
- Maybe bump community from midweek to weekend if commercial takes the weekday

Closing Thoughts

- Has to be a dollar goal for the revenue and then hours of usage, partnerships model for vendors(?)
- Happy zone needs to be dictated by financial zone
- Community mindset is that we're not getting value now, second homeowners were willing to pay more and locals not so much
- Maintain community usage at current level and increase commercial usage until it pays for itself with reserves (see what happens)
- Existing community usage should be existing community use with room for increase, there hasn't been a pull from the community but could be, there's 70% that's going to be available, there is so much unutilized time
- County could provide senior services there

- Ideal world is one operations (have staff operations person in the budget right now) and one sales/lead generator person who is full time
 - Good lead generator anywhere from \$50 to \$60k base with commission or drop to \$45 with higher commission and would join wedding/group associations etc, % on booked and % on payment, so \$500k target minimum
 - Maybe also \$60k marketing budget for a firm, or less with guerilla marketing
 - Would invest in upgraded linens and lighting for fast ROI payback in 1 year (\$20k)
 - Cash layout for first year and go from there
 - So maybe \$150k fully burdened for sales director plus marketing (\$200k)
- Lots of good sales directors in this town
- Sewer income is approximately \$4M and 10% of that would be enough to kick it off

Next Time: Finishing Up (scheduled June 19, 2018 at 6pm)

- Broad range of hypotheticals for concrete comparison
 - From sell building to do nothing
- Narrow range of tentative suggestions
 - Community time with flexibility in exchange for discounts
 - Commercial time for maximum revenue
 - Specific range of operating percentages
- Questions for the community?
 - What do all the people not here care about?