



Regular Meeting Agenda

Parks and Recreation Commission

Maureen Grzan-Pieracci - Commissioner

Neil Berman - Commissioner

Craig van Keulen - Chair

Mary Seehafer - Commissioner

Matt Wendt - Commissioner

Richard Scott - Vice Chair

Ronald Locicero - Commissioner

Tuesday, May 19, 2020 7:00 pm

Virtual Meeting

Link to join the meeting can be found below, Morgan Hill, CA 95037

MEETING GUIDELINES

In accordance with Executive Order N-25-20 and guidance from the California Department of Public Health on gatherings, remote public participation is allowed. We will address the Order in the following ways:

Members of the public may NOT physically attend meetings at the Morgan Hill City Council Chamber.

The Parks and Recreation Commission meeting will be live-streamed on Channel 17 and on the City's website. Those members of the public wishing to participate remotely may do so via the electronic meeting at: <https://bit.ly/ParksandRecreationCommission> or by calling in to: (669) 900-9128, then enter the meeting id: 876 8547 2893

Public comment for Parks and Recreation Commission meetings will be accepted via email to <mailto:chris.ghione@morganhill.ca.gov>. Members of the public participating in the electronic meeting wishing to speak may do so during public comment.

CALL TO ORDER

ROLL CALL ATTENDANCE

DECLARATION OF POSTING OF AGENDA

Per Government Code 54954.2

PLEDGE OF ALLEGIANCE

PUBLIC COMMENT

Members of the public are entitled to address the Commission concerning any item within the Commission's subject matter jurisdiction. Public comments are limited to no more than three minutes. Except for certain specific exceptions, the Commission is prohibited from discussing or taking action on any item not appearing on the posted agenda. (See additional noticing at the end of this agenda)

COMMUNITY SERVICES DIRECTOR REPORT

ADOPTION OF THE AGENDA

BUSINESS:

1. APPROVE THE FEBRUARY 18, 2020 MEETING MINUTES

Recommendation:

Approve Minutes.

2. SAND VOLLEYBALL FEASIBILITY STUDY UPDATE

Recommendation:

Provide recommendations and feedback based on the updated sand volleyball feasibility study progress.

3. VILLA MIRA MONTE EVENT VENUE REPORT

Recommendation:

1. Receive draft report on Villa Mira Monte Historic Site and potential use as an event venue;
and
2. Provide comments on feedback on future use for the Villa Mira Monte site.

4. FY20/21-25/26 CAPITAL IMPROVEMENT PROGRAM

Recommendation:

Provide comments and feedback on the proposed FY 2020/21 through FY 2025/26 Capital Improvement Program (CIP).

ANNOUNCEMENTS

FUTURE COMMISSION AGENDA ITEMS:

ADJOURNMENT

NOTICE

All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act that are distributed to a majority of the legislative body less than 72 hours prior to an open session, will be made available for public inspection at the Office of the City Clerk at Morgan Hill City Hall located at 17575 Peak Avenue, Morgan Hill, CA, 95037 at the same time that the public records are distributed or made available to the legislative body. (Pursuant to Government Code 54957.5)

PUBLIC COMMENT

Members of the Public are entitled to directly address the Commission concerning any item that is described in the notice of this meeting, before or during consideration of that item. If you wish to address the Commission on any issue that is on this agenda, please complete a speaker request card located in the foyer of the Commission Chambers, and deliver it to the Minutes Clerk prior to discussion of the item. You are not required to give your name on the speaker card in order to speak to the Commission, but it is very helpful. When you are called, proceed to the podium and the Mayor will recognize you. If you wish to address the Commission on any other item of interest to the public, you may do so during the public comment portion of the meeting following the same procedure described above. Please limit your comments to three (3) minutes or less.

Please submit written correspondence to the Minutes Clerk, who will distribute correspondence to the Commission.

Persons interested in proposing an item for the Commission agenda should contact a member of the Commission who may plan an item on the agenda for a future Commission meeting. Should your comments require Commission action, your request may be placed on the next appropriate agenda. Commission discussion or action may not be taken until your item appears on an agenda. This procedure is in compliance with the California Public Meeting Law (Brown Act) Government Code §54950.

City Council Policies and Procedures (CP 03-01) outlines the procedure for the conduct of public hearings. Notice is given, pursuant to Government Code Section 65009, that any challenge of Public Hearing Agenda items in court, may be limited to raising only those issues raised by you or on your behalf at the Public Hearing described in this notice, or in written correspondence delivered to the Commission at, or prior to the Public Hearing on these matters.

The time within which judicial review must be sought of the action by the Commission, which acted upon any matter appearing on this agenda is governed by the provisions of Section 1094.6 of the California Code of Civil Procedure.

For a copy of Commission Policies and Procedures CP 97-01, please contact the City Clerk's office (408) 779-7259, (408) 779-3117 (fax) or by email cityclerk@morganhill.ca.gov.

AMERICANS WITH DISABILITIES ACT (ADA)

In compliance with the Americans with Disabilities Act, if you are a disabled person and you need a disability-related modification or accommodation to participate in this meeting, please contact the City Clerk's Office at (408)779-7259, (408)779-3117 (fax) or by email cityclerk@morganhill.ca.gov. Requests must be made as early as possible and at least two-full business days before the start of the meeting.

DRAFT



Meeting Minutes Parks and Recreation Commission

Maureen Grzan-Pieracci - *Commissioner*
Neil Berman - *Commissioner*
Craig van Keulen - *Chair*
Mary Seehafer - *Commissioner*
Matt Wendt - *Commissioner*
Richard Scott - *Vice Chair*
Ronald Locicero - *Commissioner*

Tuesday, February 18, 2020 7:00 pm

Council Chamber
17555 Peak Avenue, Morgan Hill, CA 95037

CALL TO ORDER

ROLL CALL ATTENDANCE

Attendee Name	Title	Status	Arrived
Maureen Grzan-Pieracci	Commissioner	Present	
Neil Berman	Commissioner	Present	
Craig van Keulen	Chair	Present	
Mary Seehafer	Commissioner	Present	
Matt Wendt	Commissioner	Absent	
Richard Scott	Vice Chair	Present	
Ronald Locicero	Commissioner	Absent	

DECLARATION OF POSTING OF AGENDA

Per Government Code 54954.2

PLEDGE OF ALLEGIANCE

Minutes Acceptance: Minutes of Feb 18, 2020 7:00 PM (BUSINESS:)

PUBLIC COMMENT

None

RECOGNITION

None

COMMUNITY SERVICES DIRECTOR REPORT

Mariah Dabel, Community Services Supervisor provided the report.

ADOPTION OF THE AGENDA

Motion Seehafer, Second Berman, Adopted 5-0

BUSINESS:

1. APPROVE THE JANUARY 21, 2020 MEETING MINUTES

Recommendation:

Approve Minutes.

RESULT:	ACCEPTED [UNANIMOUS]
MOVER:	Richard Scott, Vice Chair
SECONDER:	Neil Berman, Commissioner
AYES:	Grzan-Pieracci, Berman, van Keulen, Seehafer, Scott
ABSENT:	Wendt, Locicero

2. FISCAL SUSTAINABILITY AND MEASURE A PRESENTATION - HARJOT SANGHA

Received report.

3. PARK MAINTENANCE UPDATE

Recommendation:

Receive Annual Park Maintenance Update.

RESULT:	ACCEPTED
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4. STATUS REPORT ON BOYS AND GIRLS CLUBS OF SILICON VALLEY YOUTH PROGRAMMING AT PARK PLACE APARTMENTS

Recommendation:

Accept status report on Boys and Girls Clubs of Silicon Valley youth programming at Park Place Apartments.

RESULT:	ACCEPT REPORT
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5. COMMISSION WORK PLAN UPDATES

Recommendation:

Minutes Acceptance: Minutes of Feb 18, 2020 7:00 PM (BUSINESS:)

Review Fiscal Year 2019-20 Work Plan and provide updates on items.

RESULT: ACCEPTED

ANNOUNCEMENTS

FUTURE COMMISSION AGENDA ITEMS:

ADJOURNMENT

8:16pm

Minutes Acceptance: Minutes of Feb 18, 2020 7:00 PM (BUSINESS:)



CITY OF MORGAN HILL

PARKS AND RECREATION COMMISSION STAFF REPORT

MEETING DATE: May 19, 2020

PREPARED BY: Chris Ghione, Public Services Director

APPROVED BY: Chris Ghione, Public Services Director

SAND VOLLEYBALL FEASIBILITY STUDY UPDATE

RECOMMENDATION(S)

Provide recommendations and feedback based on the updated sand volleyball feasibility study progress.

REPORT NARRATIVE:

The City of Morgan Hill has engaged Management Partners to conduct a demand and facility analysis relating to the viability of a sand volleyball complex in Morgan Hill. The City has seen community and regional interest in a facility, but the City is conducting the study to assess the viability of a facility that can operate in a fiscally sustainable manner.

In January, an interim report was presented to the Commission. That report identified that a facility may be a good opportunity for the City, but noted that additional work was necessary. That work included:

1. Conduct a survey of prospective users to gauge the commitment (high, medium or low) and type of play that might follow construction of a sand volleyball facility. This will be especially important in view of Morgan Hill's geographic location and the challenging traffic environment in the Peninsula, the East and South Bay areas.
2. Hire a design consultant to assist City staff in estimating costs for varying levels of play in relation to the audience to be attracted to a facility. Such a consultant should also advise on how a facility might be phased in terms of the number of courts and amenities required for various sized tournaments.

This work has now been conducted and the report (Attachment 1) has been updated with results from the survey. The analysis concludes that volleyball is a growing sport and that Morgan Hill's best bet for initial facility use is at the youth level. The report does not definitively state that a major facility is guaranteed to be successful and further recommends a staged approach to development. The report recommendations include:

1. Complete the concept design and cost estimates for a sand volleyball complex of up to 20 courts.

2. Following completion of the design, organize focus groups from the sport of sand volleyball (coaches, clubs, and tournament sponsors) to determine the level of potential recreational and tournament play that might be expected at a facility and to provide feedback on the master plan design.
3. Invite potential operational and construction partners to come to Morgan Hill for further consultation regarding design, construction, and operations.
4. If there is interest from an operational partner, move forward with construction of a Phase 1 facility (up to six courts).

City staff concur with these recommendations. Through the review process staff have gained a much greater understanding for the sport. Cost estimates have been developed by a reputable landscape architect (Attachment 2) show that development of the courts will be more expensive than initially anticipated. A six-court facility is estimated at least \$2 million for construction and the full build out of the site could total \$14 million. To create the cost estimates a concept layout was developed (Attachment 3). It should be noted that this layout was for space development only and should not be viewed as any sort of planning document. While likely less expensive than other sports venues, the cost of developing any new construction in the area is still high. The total cost for the complete 20 court build-out may be lower than the estimates indicate, as there may be savings associated with not phasing the project and the parking in the concept is more than needed for the volleyball courts alone (It would be intended to also support soccer at the Outdoor Sports Center).

On the operational cost front, it is not believed the facility will attain direct cost recovery if operated by the City. The study estimates that the facility will generate approximately \$50,000 annually for the phase 1 facility. City costs to operate would be at least double that. For this reason, a partner operator must be identified even to move forward with the initial phase of operations.

Additionally, while the new facility would support sports tourism it would do so only in a limited manner based on the number of players and spectators per sport associated with those attending.

Next Steps:

The City has included developing the master plan for City recreation facilities and undeveloped land on Condit Road within the next year of the City's Capital Improvement Program. For the master plan the City will look to develop alternatives that can be used to move forward the environmental design of the overall area. Staff recommends including alternatives for the various sizes of sand volleyball facilities within the plan.

LINKS/ATTACHMENTS:

1. 3237001_MorganHillSandVolleyball_Final Report (002)
2. Sand Volleyball - Cost Estimate - 5-5-20
3. Sand Volleyball Property Concept sm

4. All Support Letters

City of Morgan Hill

Sand Volleyball Demand and Facility Analysis

May 2020

Management
Partners





May 13, 2020

Mr. Chris Ghione
Public Services Director
City of Morgan Hill
17575 Peak Avenue
Morgan Hill, CA 95037

Dear Mr. Ghione:

Management Partners is pleased to transmit this report regarding the potential for a sand volleyball facility in the City of Morgan Hill. We initially evaluated the demand for the sport as best we could from the available data, concluding that the sport is expanding significantly at the youth level. Further, there is no public sand volleyball destination facility in the Bay Area, although there are several sand volleyball courts in various locations.

We then conducted a potential user survey to obtain more specific information from the sports organizations and club and high school teams to more precisely determine how much of the youth recreational and tournament play might travel to southern Santa Clara County. While the survey results were limited, they did indicate while the sport is relatively new and may be growing, interest in league play and camps is not there yet to any large degree. Rather, tournament play will likely be the users of any first phase destination facility as the competitive field below the college and university level finds it place.

A key indicator that will drive growth in the sport will be certification of competitive play at the high school level. The State of Florida recognized competitive sand volleyball at the high school level, which is leading to a growth spurt in the sport. This will likely occur in California when the sport is recognized by the California Interscholastic Federation.

We appreciate the opportunity to help inform the City as you consider the development of a sand volleyball facility in Morgan Hill.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jerry Newfarmer', is placed over a light gray rectangular background.

Jerry Newfarmer
President and CEO

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Executive Summary

Leaders in the City of Morgan Hill are interested in assessing the demand for sand volleyball that might support a destination complex being constructed in the City. The City has land for potential further sports facilities as well as a capital improvement program that may support construction of a facility. The question is whether sand volleyball fits with the overall vision for the site and whether it is sustainable. A previous sports marketing study clearly established that sand volleyball is a rapidly growing sport and therefore a critical area of assessment is whether volleyball sports enthusiasts might be attracted to southern Santa Clara County for tournament, training or recreational play.

Our interviews, research and initial analysis resulted in the following major conclusions:

1. There is no public *destination* sand volleyball facility in the Bay Area, although there are courts at many different locations including colleges, universities, high schools and a few cities. Demand for these courts appears to be high.
2. The California Interscholastic Federation (CIF) has not yet recognized sand volleyball at the high school level for competition but is expected to in the future. Given the growth of scholarships at the college and university level, high schools will need to either build sand volleyball courts or use local courts.
3. Private and public high school club sand volleyball teams are significantly expanding in Northern California to meet interest and fill the void of a feeder system for the growth at the college and university level. This increase appears to be outpacing the building of necessary facilities for practice, leagues, and tournaments and is leaving teams scrambling to find places to play.
4. Adult play has a long history of venues at beaches on the coast of California. As there is currently no major “inland” complex for sand volleyball, it would be expected that should Morgan Hill develop a complex, the adult play will probably lag until adults see what Morgan Hill has to offer.

5. Though adult play will continue to grow as the sport grows at the youth level, Morgan Hill's focus should likely be on youth play at any complex to be built in the City. College and university facilities tend to stay within their own or comparable institutional sites for play, practice and tournaments.
6. Youth clubs and teams are looking for places to practice, play challenge matches against other clubs and teams, and create leagues and tournaments that can be used to develop the next level of athletes for the sport. However, Morgan Hill's geographic location may limit the amount of practice play during the week due to traffic and long travel times to get there.
7. While there is good information regarding youth tournament play in Northern California, data were insufficient to assess the number of players involved, the number of teams, whether they would travel to southern Santa Clara County to play, and how often. Additional information from the various sponsoring organizations and schools would be required to perform an in-depth marketing analysis. As is traditional with sport sanctioning organizations, they will not commit to bring tournaments to a location until the complex is completed and ready for play.
8. For tournament play in California, the average tournament for youth would be 9 to 16 teams (18 to 32 youth players), with adult tournaments as large as 80+ teams (160+ players) based on information from current tournament directors in California.
9. In speaking with governing organizations trying to determine the impact a weekend tournament has on a complex, the rule of thumb is to count 1.5 spectators per player. This means a large youth tournament of 16 teams will attract about 80 in attendance, and a large adult tournament will attract about 400 attendees.

Our initial analysis concluded that anecdotally, a destination facility could be of interest to the youth enthusiasts in the sport. Sand volleyball facilities are clearly not keeping pace with the rising interest in the sport or the play itself.

To further consider the viability of this sport coming to Morgan Hill, in early March 2020 Management Partners conducted a survey of recognized teams and organizations. The goal was to assess interest in a potential destination facility under consideration by the City from sand volleyball teams and/or organizations. Thirteen respondents indicated that:

- There is not yet enough interest in league play, practices, and camps to support building a complex.

- Tournament play has moderate interest, limited to weekend play and concentrated in the months of March through June.
- Since a team consists of two players, even tournaments that host a large number of teams do not attract the numbers of participants and spectators similar to sports such as soccer and baseball.
- The proposed complex with the amenities described in the survey would be popular and respondents did not indicate there was anything missing to keep them from participating.

A design consultant was hired by the City to work with their staff to develop some budget level cost estimates to build out the property. The cost estimates reflects a phased construction approach with development of five courts and specified amenities initially. Each successor phase would be informed by the play and activity of the previous phase. The cost estimate shows a build-out of 20 courts.

Sand volleyball tournaments can include pool play, a ladder or elimination type play, or a combination of all three. Therefore, a minimum of five to six courts would be needed for youth tournaments to be successful. Construction of a Phase I facility (up to six courts, not a complete destination facility) in Morgan Hill may be the ultimate gage as to whether it can or will be a sufficient draw for the youth market, particularly for tournament play.

Based on the survey, a phase one facility of five to six courts likely would not attract much more than youth tournaments (9 to 16 teams) at this point because the sport's breadth isn't quite there. But the numbers are growing each year and the demands for youth tournaments (in terms of the number of teams and players) in the future will grow. Assessing traffic challenges around the South and East Bay, even on weekends when tournament play would occur, will also be important.

While we have provided some *preliminary* revenue estimates for a facility of 6 to 20 courts in this report, City staff have separately developed operational cost estimates that will influence decisions about the feasibility of moving forward. If an operating analysis results in a supportable Phase I facility, then City staff could proceed to develop a plan for the site and potentially phased construction (an operating partner may be necessary even in Phase I).

While the first phase may not attract an operational partner, City staff should nonetheless explore possible operational partners to reduce the City's risk and mitigate operational costs.

Attachment A provides a list of our recommendations. This report is organized in the following major sections:

- Project Approach,
- The Demand,
- Estimated Costs and Revenues,
- A Strategy for Moving Forward, and
- Conclusion.

Project Approach

Management Partners approached this project primarily through extensive interviews, a review of data regarding current court locations and tournament activity, as well as a high-level review of several complexes. Our initial focus was to try to inform a framework for the City to move forward, and to assess the demand in this clearly growing sport. Subsequent to an interim report issued in January 2020, we conducted a survey to assess interest in a potential destination facility under consideration by the City of Morgan Hill from sand volleyball teams and/or organizations. The survey is discussed in the section titled The Demand below.

Interviews

Management Partners' project team members conducted interviews across a wide spectrum of the sport. Our objective was to gather information about the operation, use, and interest in sand volleyball should the City of Morgan Hill build sand volleyball courts. The individuals we interviewed represented City staff who would be responsible for a sand volleyball complex, advisory body members who had expressed interest in bringing sand volleyball to Morgan Hill, and representatives from various sand volleyball organizations.

The City provided a comprehensive list of coaches, private clubs, and organizations that support sand volleyball, including letters of support for what Morgan Hill is considering. Management Partners was not able to interview everyone on the list; however, the documentation of these contacts does build on the interest that has been expressed for a sand volleyball complex in Morgan Hill.

Interviews were conducted with the following individuals or organization representatives:

- Director of Community Services
- Community Services Manager
- Community Services Supervisor (2)
- Parks and Recreation Commissioner (2)
- City of Santa Cruz Park and Recreation Supervisor (2)

- Economic Development Director
- West Valley College Administrative Services
- USA Volleyball
- Northern California Volleyball Association
- City of Walnut Creek
- Town of Moraga
- Northern California High School Beach Volleyball League
- California Beach Volleyball Association
- City of Huntsville Parks and Recreation
- Sand Court Experts
- Vance Brown Builders
- Local sand volleyball coaches

The major takeaways from the interviews were:

1. Sand volleyball is a growing sport if for no other reason than the adoption of women's beach volleyball at the NCAA scholarship level in 2016.
2. There is no single governing body that oversees sand/beach volleyball. As a result, there is no single database, listing of tournaments, and/or organizing body. This can make the potential viability and financial assessment of the merits of constructing a sand volleyball complex more difficult, as there are many competing interests.
3. Although the California Interscholastic Federation (CIF) has not yet recognized sand volleyball at the high school level for competition, with the growth of scholarships available at the college and university level, recognition is expected in the future. This will grow the sport at the high school level and require schools to either build sand volleyball courts or use local public courts.
4. Despite the lack of CIF recognition, there has been a growth in private sand volleyball clubs/programs including the Northern California High School Beach Volleyball League (which has grown from 4 teams in 2017 to 71 teams in 2019).
5. It does not appear that a complex in Morgan Hill would compete with the beach volleyball courts in Santa Cruz. The events that occur in Santa Cruz have long roots in the beach volleyball culture that is Santa Cruz and are primarily geared toward adult play. Santa Cruz is currently at capacity with adult play and turns youth teams away. Some tournaments (typically sanctioned by various organizations) therefore, may choose to go to a complex in Morgan Hill should one be built. The potential capacity spillover

- from Santa Cruz would likely be in the youth divisions, with interest from youth teams, clubs, and their respective coaches.
6. Competitive sand volleyball courts are being built at high schools, community colleges, colleges and universities (Notre Dame-Belmont High School, Stanford University, West Valley College, and Cal Poly San Luis Obispo). However, these courts have only limited available space that can be used by the community outside of college use. Aside from Santa Cruz, there is no other major public complex (minimum five courts) in Northern California.

Data Collection

To collect relevant information, we utilized publicly available information on the web. To identify facility locations and tournament activity, we utilized junior volleyball association websites including Northern California Volleyball Association (NCVA), USA Volleyball, California Beach Volleyball Association (CBVA), and the City's Bikeways, Trails, Parks and Recreation Master Plan. Specific information for each facility was obtained from their websites and/or phone conversations with a staff representative. This research informed the case study information collected, which is summarized in the following section.

Case Studies

Initially, Management Partners planned to identify two comparable sand volleyball facilities in California to assess the factors that led to their construction, size and amenities, and lessons learned. Since sand volleyball as a competitive sport remains in a state of infancy, we were unable to find comparable facilities to prepare case studies containing lessons learned.

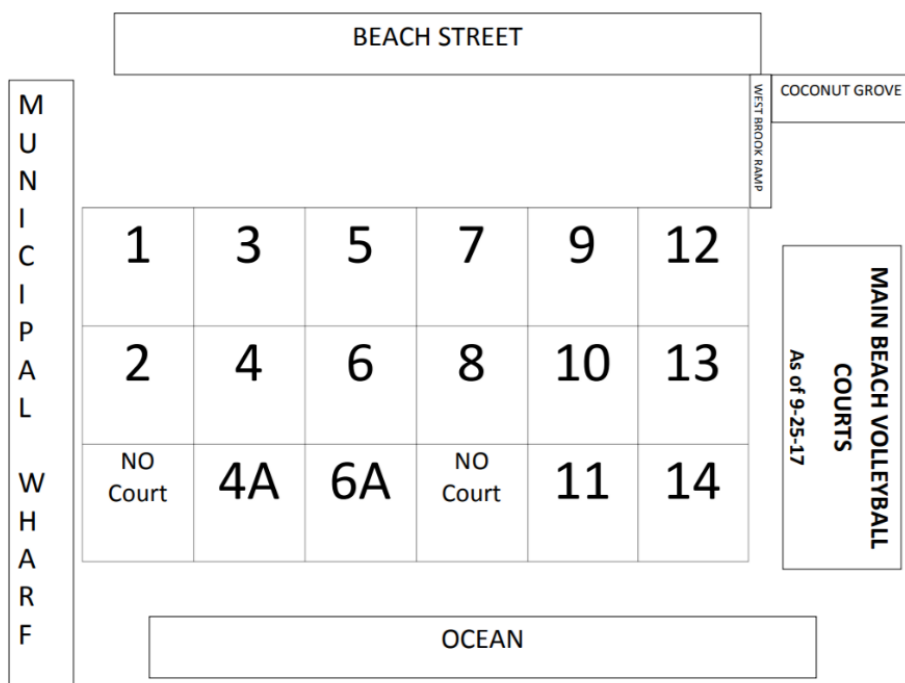
The sand volleyball courts in California are diverse in their size, quality, number, and institutional affiliation. Some facilities are located along a public beach, some are within parks, and some are on the campuses of high schools, community colleges, colleges or universities. Despite these challenges, Management Partners contacted staff representatives from two facilities in Santa Cruz, California, and Huntsville, Alabama, which operate multi-court sand volleyball facilities. The discussions did not yield operating or revenue information (Santa Cruz does not track usage or separate sand volleyball costs from general beach maintenance; Huntsville has been in operation for less than a year) but did provide some general insight about operations. A summary of the information gathered is provided below.

Santa Cruz Beach Sand Volleyball

The City of Santa Cruz has a long tradition of providing sand volleyball courts on the main beach in Santa Cruz. Historically, the courts were placed at the beach, weather permitting, with use available on a first come, first served basis. As beach volleyball became more popular, the California Beach Volleyball Association was founded in 1962. With this formation, beach volleyball leagues formed and tournaments started being held in Santa Cruz and up and down the coast of California, mostly at the adult level. The rest, as they say, is history.

The City of Santa Cruz has 16 beach volleyball courts available for rent on the main beach in Santa Cruz. All courts have professional grade nets and different heights for men and women. Parking and restrooms are located nearby on Beach Street. Court fees are \$10 per hour per court at the standard rate and \$8 per hour for nonprofit organizations. Fees must be paid when booking the reservation, which must be made a minimum of five days in advance. The City of Santa Cruz maintains the beach volleyball courts as part of its regular beach maintenance. A diagram of the courts is shown in Figure 1.

Figure 1. Santa Cruz Main Beach Volleyball Courts Layout



Note: The court layout reflects the scheduled layout. Beach and weather conditions may result in a different configuration.

In recent years the City has tried to balance having courts available for first come, first served use and scheduled use. The City can set up a

maximum of 16 courts; however, number and placement ultimately are determined by weather and beach conditions. The City is currently seeking approval from the California Coastal Commission (CCC) to add two additional courts (which is currently under consideration). The CCC oversight at the public beach limits what the City can do and limits their ability to meet the demand that is requested.

From a City standpoint, the courts are at maximum use and they turn away requests on a regular basis. The increased demand for use has recently been at the youth level, where more and more club teams are looking for space, including teams that are willing to drive over the hill from the San Jose area.

Unfortunately, the City does not track maintenance costs as the sand courts are one of many responsibilities of the Parks Division. The City also does not track total usage or by age group or revenue specifically related to sand volleyball.

In talking with City staff, they do not believe a complex in Morgan Hill would compete with their complex as Santa Cruz continues to be a beach destination tourist community. People play at the courts in Santa Cruz because it is tradition and a cultural experience. Even if the City is able to construct additional courts, they believe requests for use from youth clubs will continue to outpace their ability to provide space.

Huntsville Sand Volleyball Complex, John Hunt Park

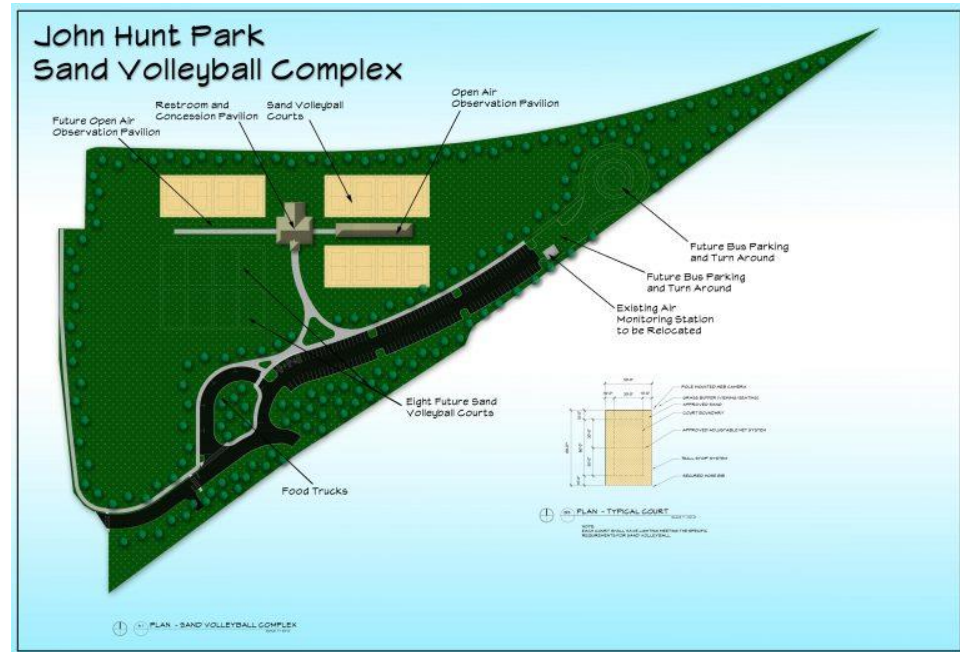
As part of the City of Huntsville's renovation of John Hunt Park, a 428-acre site in the center of Huntsville, a new 17-acre professional sand volleyball complex was completed earlier this year. This facility was created to accommodate tournament-level play and was built with additional amenities to support this mission. Amenities include the following:

- Professional level net systems
- Musco LED lighted courts
- Covered viewing area
- Wi-Fi
- Sound systems for music and play-by-play announcements
- Web cams
- Cooling rooms to keep players from overheating
- Ice machine for injury ice
- 24 inches (4,500 cubic yards) of top-grade beach sand
- Automated sand watering system
- Locker room with restrooms, showers and dressing rooms
- Concession/meet management area

- Utility hook-ups in a designated area for food trucks

Management Partners spoke with the recreation superintendent responsible for the Sand Volleyball Complex to gather more information. A figure of the original court layout is provided below in Figure 2.

Figure 2. John Hunt Sand Volleyball Complex Layout (Original)



The recreation superintendent explained that the site was finished in July of 2019 and had hosted one tournament at the time of our interview. This was an Amateur Athletic Union (AAU)-sanctioned junior's tournament for those under 18 years of age.

Upon completion of the site, the City announced an agreement with a third party to support its operation. The Huntsville Sports Commission partnered with Rally through a three-year agreement that requires Rally to host a certain number of events at the site each year, with the number of events increasing each year of the agreement. Rally is company based in Cartersville, Georgia, that appears to host volleyball events, tournaments, and camps in the south. They also host events at another facility in Cartersville, Georgia.

Following completion of the Huntsville Sand Volleyball Complex, the City learned that to host collegiate tournaments, a five-court configuration would be required. To capture this market, the City closed the courts after their first junior tournament to add a fifth court to one of the court clusters to accommodate collegiate tournament play. The City hosted its first collegiate tournament in the beginning of November 2019.

Since this complex is continuously evolving and is in its first year of operation, revenue and expenditure data were not available. The agreement with Rally was also not publicly available.

Hickory Point Complex

The Hickory Point Beach Sand Volleyball Complex is a 21-court complex located on Lake Harris at the Hickory Point Recreation Complex in Tavares, Florida. Opened in August 2014, this complex is a partnership between Lake County, Lake County Water Authority, and a non-profit arm of the Florida Region of USA Volleyball who manages the complex. The property is owned by the Lake County Water Authority who also operates the rest of the property. In addition to sand volleyball and five soccer fields, the recreation complex includes boat docks/boat ramps, outdoor showers, barbecue grills, permanent picnic tables, a swimming area, a children's play area, a two-story pavilion, nature walk, parking (which is free) and a lake.

The Sand Volleyball complex is the third-largest dedicated sand volleyball complex in the United States and the largest in Florida. It was originally approved by the Lake County Board of County Commissioners, which contributed \$398,000 to start the project from a tax charged on hotel-room stays and other tourist accommodations. The complex has professional net systems, lights, permanent restrooms, an intercom system, web cams and 24 inches of top-grade sand.

Lake County approved an additional \$1.8 million in May 2017 for construction of a 4,000 square foot field house at the sand volleyball complex. It was completed in February 2019. Additional funding came from Lake County's Tourist Development Tax. (A County Commissioner stated that since the complex opened in 2014, approximately \$1.6 million had been added to the local economy as a result.) The new field house has locker rooms, meeting space, training room, official's room, concessions and public restrooms.

At the time of the field house opening, Hickory Point had hosted 54 events, attracting players from 90 Florida cities, 25 states, and 15 countries. Some of the events that have been hosted during the life of the facility include Florida Region High School Beach Volleyball Championships (2015), East Coast All Star Championships (2016), American Beach Tour National Championships (2017), USA National Beach Tour – Regional and National Qualifiers (2018), and Inaugural High School Pairs National Championships (2019).

Individual courts are available for rental at two rates: non-profit and for-profit rates. Non-profit rates are \$65 per court per day (up to a 12-hour

period) and for-profit organizations pay \$80 per court. Discounts per court are not offered unless eight or more courts are rented.

Court rental includes:

- Net systems,
- Court boundary lines,
- Antennas,
- Pole pads,
- Use of restrooms,
- Lights (if included in the rental fee at \$25 per hour/per zone),
- Free parking (no parking may be charged),
- Trash cans,
- Water fountain, and
- One staff member (for net adjustments).

Court rental does not include:

- Volleyballs,
- Sound system,
- Cameras/live streaming,
- Officials,
- Tents,
- Ball straps,
- Stage,
- Locker rooms,
- Concession stand,
- Meeting spaces, or
- 1Pavilion rental (must be reserved separately).

The field house is available for rent as follows:

- Full Building: \$800 a day non-profit/\$1,000 a day for profit
- Locker/training rooms only: \$400 a day/\$500 a day
- Meeting rooms only: \$400 a day/\$500 a day
- Individual meeting room: \$100 a day/\$125 a day

To use and rent the facility, all users must abide by the following:

- Organizations interested in renting the complex are required to complete an application and execute a written agreement. Once signed, the complex schedule is updated to reflect the approved event.
- Proof of insurance must be provided by renting organizations with the application. If no insurance is available, each participant is required to purchase a USA Volleyball (USAV) membership prior to participating at \$20 per person.

- All attendees and participants must adhere to the Hickory Point park rules and no alcohol is allowed in the park without prior arrangement.
- A refundable security deposit is required for all rentals.
- Three courts are open to the public based on first-come, first-serve basis. Only courts that are reserved through the Florida Region of USA Volleyball are considered reserved and not available for public use. All rentals take priority ahead of open courts.

Management Partners reached out to Hickory Point Beach complex staff to try to obtain additional information. The executive director indicated that non-disclosure agreements prevented them from providing any information that was not readily available on the website.

The Demand

According to the 2017 Johnson Report commissioned by the City of Morgan Hill, “sand volleyball is a fast-growing sport due to the recent sanctioning by the International Olympic Committee and the NCAA.” The NCAA approved women’s beach volleyball as a recognized inter-collegiate sport in 2015, starting with the 2016 season. This approval included the establishment of athletic scholarships and, as a result, the fastest growing documented volleyball markets are high school level volleyball clubs.

Beach or Sand Volleyball?

Sand volleyball participation has grown across all age categories since 2009, based on information provided by the 2017 Johnson Report. A summary of the participation growth from 2009 to 2015 is provided in Table 1.

Table 1. Volleyball Participation Growth from 2009 to 2015 (All Ages)

Sport	2009 Participants (in millions)	2015 Participants (in millions)	Total Growth (2009 to 2015)	Average Annual Growth (2009 to 2015)
Volleyball (Sand/Beach)	4.3	4.8	10.70%	1.70%

Source: Morgan Hill Sports Market Study, Johnson Consulting, May 2017.

Historically in California (and other parts of the country with ocean beach access), beach volleyball is a sport that has been played in the sand on the beach near an ocean. It has culturally been an adult activity, usually played as a pick-up game. Communities and agencies would set up poles and sometimes leave nets up, and people would come and just play.

In 1962 with the formation of the California Beach Volleyball Association, the sport became more organized with leagues and tournaments. Because of the interest in the sport, “sand” volleyball has grown in locations away from a beach. This expansion in areas to play, along with the sanctioning by the NCAA as a competitive sport, has caused sand volleyball to grow, especially at the youth level, and allows the sport to be played anywhere there is interest.

Culturally, though beach and sand volleyball have the same roots. It is the ability for sand volleyball to be played anywhere (including some indoor venues) that is the reason more communities are looking to build facilities.

In most sports at the college or university level where scholarships are offered, the high school level is the training ground, either through high school competitive sports or private clubs. For sand volleyball, there was not any recognized association of clubs in California until the Northern California High School Beach Volleyball (NCHSBV) league was founded in 2017.

As sand volleyball is still not a high school program in California, the NCHSBV league has grown in the past three years from four teams in 2017, to 32 teams in 2018, and 71 teams in 2019. The season ends with a tournament that sends the Northern California winner to play against a winner from Southern California. In speaking with league officials, continued and significant growth is expected over time and has already outpaced the ability to find practice and game facilities.

Additionally, as with most sports, private “club” teams are formed that practice and compete against other clubs. The Bay Area has several clubs that are looking for space to practice and compete. Like the NCHSBV league, the clubs are finding it difficult to secure space. However, we are unable to determine what the potential for this market really is.

Sand Volleyball Associations and Tournament Information

While sand volleyball remains an emerging sport, there are formal associations that operate or sponsor the sport within California. They are:

- **USA Volleyball** is a non-profit organization that is formally recognized as the national governing body of volleyball in the United States by the Federation Internationale de Volleyball and the United States Olympic Committee (USOC). USA Volleyball represents both sand and indoor volleyball.
- **Amateur Athletic Union (AAU)/Club programs** exist in the form of individual club teams. AAU also hosts various tournaments, including junior Olympic games to provide opportunities for teams to pursue collegiate level play.
- **NCAA sand volleyball programs** are present in more than 90 colleges throughout the country at the Division 1, 2 and 3 levels, with 62 located in California.
- **Junior colleges** also offer sand volleyball programs, with 38 junior colleges in California.

- **Northern California Volleyball Association (NCVA)** incorporated as a non-profit corporation in 1982, under USA Volleyball. The NCVA operates separately than USA Volleyball, but abides by their set rules. The NCVA hosts and approves competition, fellowship play, clinics, and league tournaments. The NCVA hosts three National Qualifying Tournaments for USA Volleyball and aids in the development of players, coaches, referees, and scorekeepers.
- **California Beach Volleyball Association (CBVA)** is a non-profit corporation created in 1962 to conduct outdoor volleyball events. It hosts over 1,000 tournaments each year across more than ten skill or age divisions, in more than 21 locations. It has nearly 8,000 active members.
- **Northern California High School Beach Volleyball League** was created to form “club” teams at local high schools. Starting with four teams in 2017, the league has grown to 71 teams in 2019 and ends the season with a tournament that has Northern California teams compete against teams from Southern California.

Of the Juniors Sand Volleyball Tournaments, most events are for girls only, representing 81% of all tournaments in Northern California from 2018 to 2020. Table 2 shows a breakdown of the Juniors Beach Volleyball tournaments by gender.

Table 2. Juniors Beach Volleyball Tournament Participation by Gender from 2018 to 2020

Genders Included	Number of Events	Percent of Events
Girls Only	174	81%
Both	38	18%
Boys Only	3	1%
TOTAL EVENTS	215	100%

Source: Juniors Beach Volleyball Tournament website.

Note: Inclusion is based on participant classes. Participant groups are classed by gender and age.

Table 3 shows the Juniors Beach Volleyball tournaments by age. The majority of tournaments falls in the 18 and under category, representing 65% of all tournaments from 2018 to 2020.

Table 3. Juniors¹ Beach Volleyball Tournament Participation by Maximum Age from 2018 to 2020

Maximum Age	Number of Events	Percent of Events
10U	0	0%
12U	8	4%
14U	32	15%
15U	2	1%
16U	34	16%
18U	139	65%
ALL	215	100%

Note: Event age brackets include all ages up to the indicated (e.g., 15U includes all players up to age 15).

¹Juniors classifications are designated by a number representing age, and a "U" for "Under" (e.g., 12U is for players aged 12 and under). Any player may participate in any bracket where they fall beneath the maximum age. (For example, a 16-year-old could participate in an 18U bracket if the event does not include a 16U bracket.) Not all girls' events include all brackets. Events that include boys are fewer and all but three include all ages.

While Table 3 shows tournaments by the maximum age, Table 4 shows the breakdown in tournaments by the actual ages. Here, most age ranges are much younger, with 69% of events hosted for youth between 13 and 14 years of age. The total adds to more than 215 events for the period as most events host multiple age brackets.

Table 4. Juniors Beach Volleyball Tournament Participant Age Ranges from 2018 to 2020

Specific Age Brackets	Number of Events	Percent of Events
10 and Under	25	12%
11 to 12	102	47%
13 to 14	148	69%
15	30	14%
16	153	71%
17 and 18	139	65%

In addition to the tournament facility data, we collected information on which high schools in Northern California have club-level volleyball players. Again, these data do not include the number of teams or players but offer insight into where the players attend high school. A total of 60 high schools have club sand volleyball teams. Their distribution by region is provided in Table 5.

Table 5. Northern Californian High School Beach Volleyball Teams by Region

Region	Number of High Schools
Central Valley	2
Chico	1
East Bay	17
Monterey	1
Napa Valley	2
North Bay	5
Peninsula	17
San Francisco	4
Santa Cruz	8
South Bay	3

Source: NorCal Beach Volleyball High School League Website.

Most of the demand for sand volleyball is in the East Bay and the Peninsula; the South Bay only has three high schools with teams. Due to the lack of undeveloped land, Morgan Hill may be able to capture some of the demand for practice play from the Peninsula though it may be more difficult to attract the schools located in the northern portion of the region. Tournament play typically occurs on weekends and may draw from a larger geographic area, including the East Bay.

A list of all high schools with beach volleyball teams from both the Peninsula and South Bay regions is provided in Table 6. The last column indicates whether the schools are located within 40 minutes of Morgan Hill to better assess the feasibility of using the courts on a weekday. The check marks (✓) show those schools that are located with less than a 40 minute commute on a weekday. By factoring in the weekday commute times, we expect only 3 of the 19 schools with beach volleyball teams would be able to utilize the courts during the week.

Table 6. Peninsula and South Bay High Schools with Beach Volleyball Teams

High School Name	City	Region	Within 40 minutes
Aragon High School	San Mateo	Peninsula	
Carlmont High School	Belmont	Peninsula	
Gunn High School	Palo Alto	Peninsula	
Harker School	San Jose	South Bay	✓
Hillsdale High School	San Mateo	Peninsula	
Homestead High School	Cupertino	Peninsula	
Los Altos High School	Los Altos	Peninsula	
Los Gatos High School	Los Gatos	South Bay	✓
Menlo Atherton	Atherton	Peninsula	
Menlo School	Atherton	Peninsula	
Mountain View High School	Mountain View	Peninsula	
Notre Dame Belmont	Belmont	Peninsula	
Nueva	San Mateo	Peninsula	

High School Name	City	Region	Within 40 minutes
Palo Alto High School	Palo Alto	Peninsula	
Sacred Heart Prep	Atherton	Peninsula	
Saint Francis	Mountain View	Peninsula	
San Mateo High School	San Mateo	Peninsula	
Valley Christian	San Jose	South Bay	✓
Woodside High School	Woodside	Peninsula	

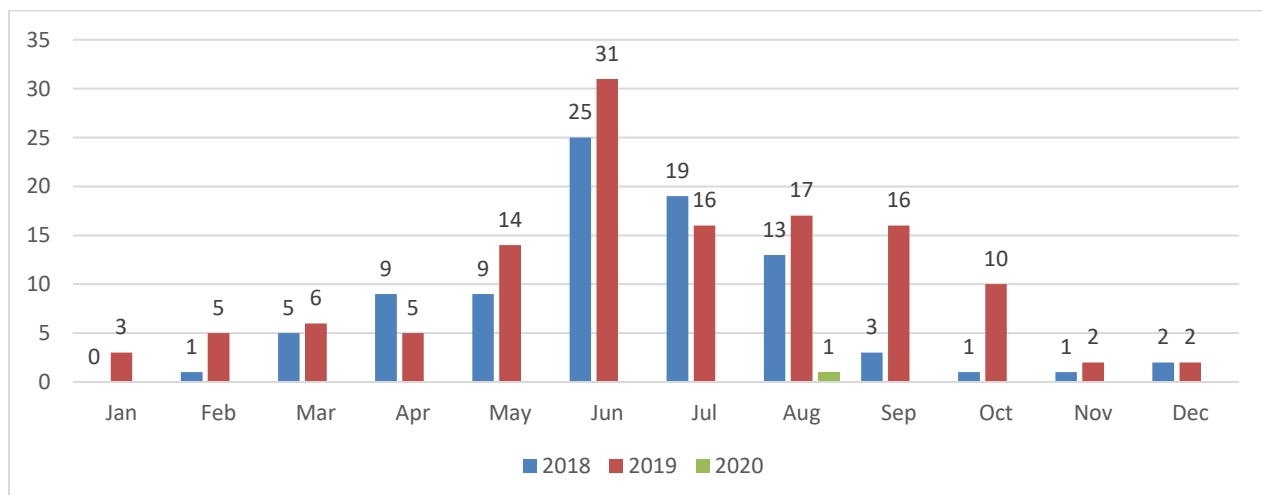
In looking at the high schools closest to Morgan Hill, six are within or adjacent to Morgan Hill City limits. The high schools, along with their estimated enrollment are listed in Table 7. To our knowledge, these schools do not have sand volleyball programs.

Table 7. Morgan Hill High Schools

High School Name	Public/Private	Grades	Estimated Enrollment
Oakwood	Private	PK, K-12	495
Ann Sobrato High School	Public	9-12	1,484
Live Oak High School	Public	9-12	1,163
Central High School	Public	10-12	147
Shadow Mountain Baptist School	Private	PK, K-12	117
Spring Academy	Private	2-12	31

To inform our assessment of the demand for junior volleyball play (for players under 18 years of age), we collected tournament information from relevant websites. Figure 3 shows a summary of the existing NorCal Juniors Beach Volleyball tournament activity from 2018 to 2020 (to date). Juniors Beach Volleyball clubs are those with players under 18 years of age. The data show a high season from May to October, with an average of 17 events per month in the high season of 2019, up from an average of 11 events per month in 2018.

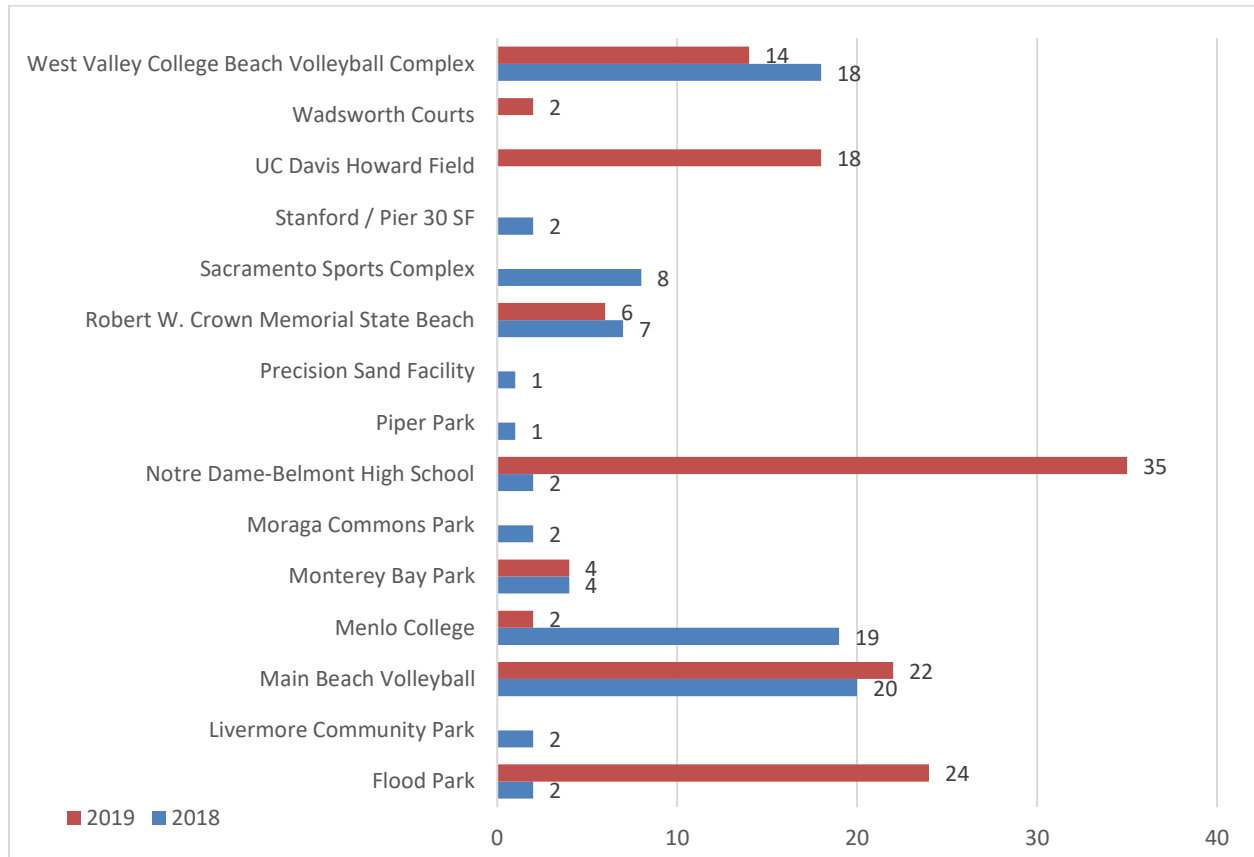
Figure 3. Juniors Beach Volleyball Tournament Events by Month and Year from 2018 to 2020



Source: Juniors Beach Volleyball Tournament website.

Figure 4 shows the Northern California Juniors Beach Volleyball tournaments by facility location. As the figure illustrates, there is a consistent increase in demand from 2018 to 2019, both in the number of tournaments and the number of facilities available to host tournaments. Data on the number of teams participating in each tournament are not available so we are unable to assess the true size of the market demand from these data.

Figure 4. Juniors Beach Volleyball Tournaments by Organizer from 2018 to 2020



Management Partners further researched each facility in Figure 4 to inform our analysis by identifying the number of courts at each location. Table 8 provides a summary of the data. The greatest number of courts is 16, located at the Santa Cruz Main Beach. Most facilities have between two and four courts.

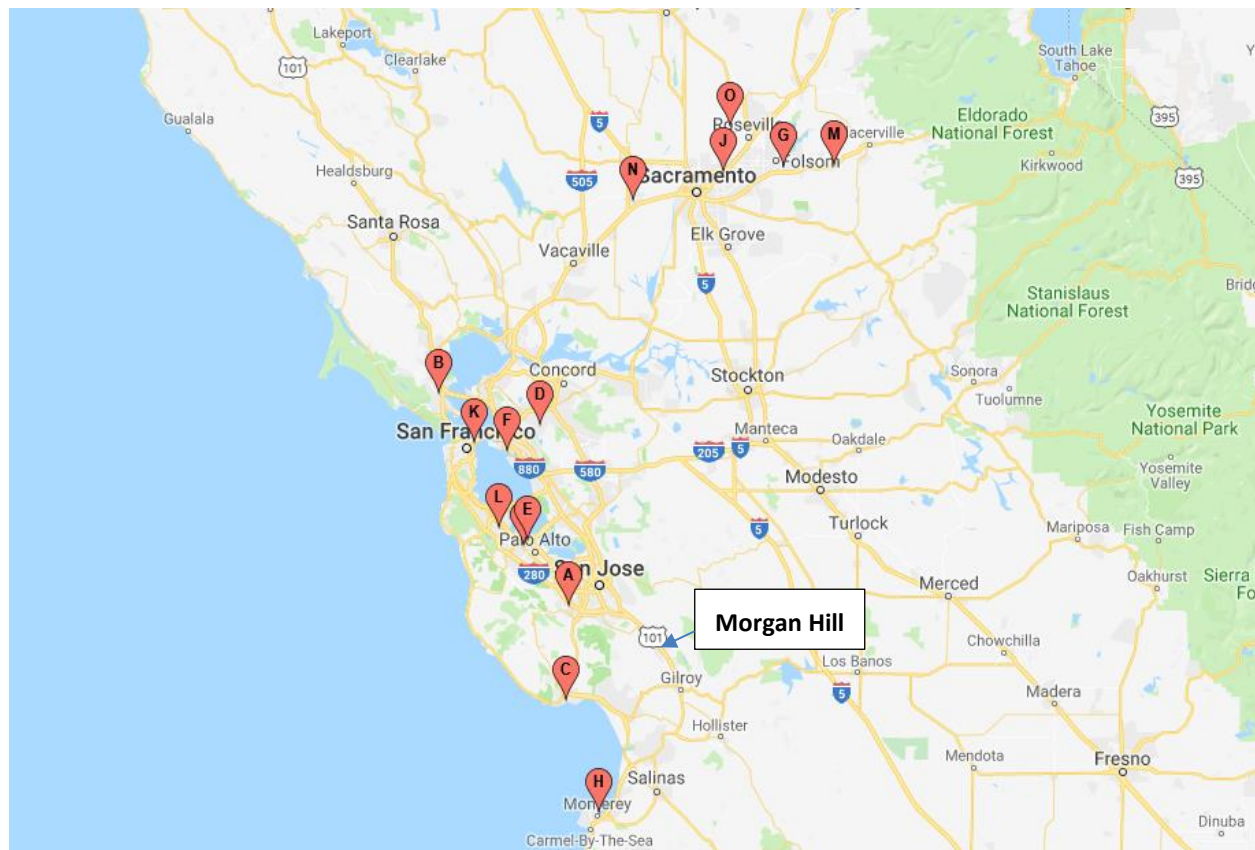
Table 8. Juniors Beach Volleyball Tournament Facility Locations and Number of Courts

Name of Facility	City	Number of Courts
A. West Valley College Beach Volleyball Complex	Saratoga	6
B. Piper Park	Larkspur	2
C. Main Beach Volleyball	Santa Cruz	16
D. Moraga Commons Park	Moraga	2

Name of Facility	City	Number of Courts
E. Flood Park	Menlo Park	2 (a third is planned)
F. Robert W. Crown Memorial State Beach	Alameda	6+ (BYO Net)
G. Livermore Community Park	Folsom	4
H. Monterey Bay Park	Monterey	5
I. Menlo College (concealed by E)	Atherton	4 (3 grouped, 1 across campus)
J. Sacramento Sports Complex	Sacramento	4
K. AVP San Francisco Open	San Francisco	Unknown, Temporary
L. Notre Dame-Belmont High School	Belmont	2
M. Precision Sand Facility	Shingle Springs	2
N. UC Davis Howard Field	Davis	3
O. Wadsworth Courts	Pismo Beach	8
P. Festerson Park (concealed by O)	Roseville	2
Average Number of Courts		4.6
Median Number of Courts		4
Most Frequent Number of Courts (Mode)		2

Management Partners mapped these locations to analyze their proximity to Morgan Hill to inform our analysis of the demand. Figure 5 shows the location of each facility as it relates to Morgan Hill, with most of the facilities located near Sacramento or closer to the Bay Area.

Figure 5. Juniors Beach Volleyball Tournament Locations Map



In addition to collecting data on the facilities hosting tournaments, Management Partners collected tournament activity by organizer. These groups are the clubs or training programs responsible for coordinating tournament events and may be potential partners for Morgan Hill if City leaders choose to pursue a sand volleyball complex. A list of organizers from the Northern California Volleyball website is provided below; and there may be other organizers not identified here.

- Sand Legs
- RedRock Beach
- Precision VB
- P1440
- NorCal High School League
- NCVA
- Moxie Beach
- Monterey Beach Open
- HS League
- Golden Gate VB
- CBVA
- Carioca VB
- Beach VB
- Bay to Bay
- Bay Area Beach League
- AVP First
- Academy Beach/P1440
- Academy

The Johnson report said, "There is a need for Sand Volleyball facilities throughout the country, as demand for large sand volleyball complexes far exceeds existing supply." Specifically, "There is demand for a sand volleyball complex from the following groups in California: USA Volleyball, AAU/Club programs, NCAA programs, Jr. College teams, Northern California Volleyball Association (NCVA), and California Beach Volleyball Association (CBVA)."

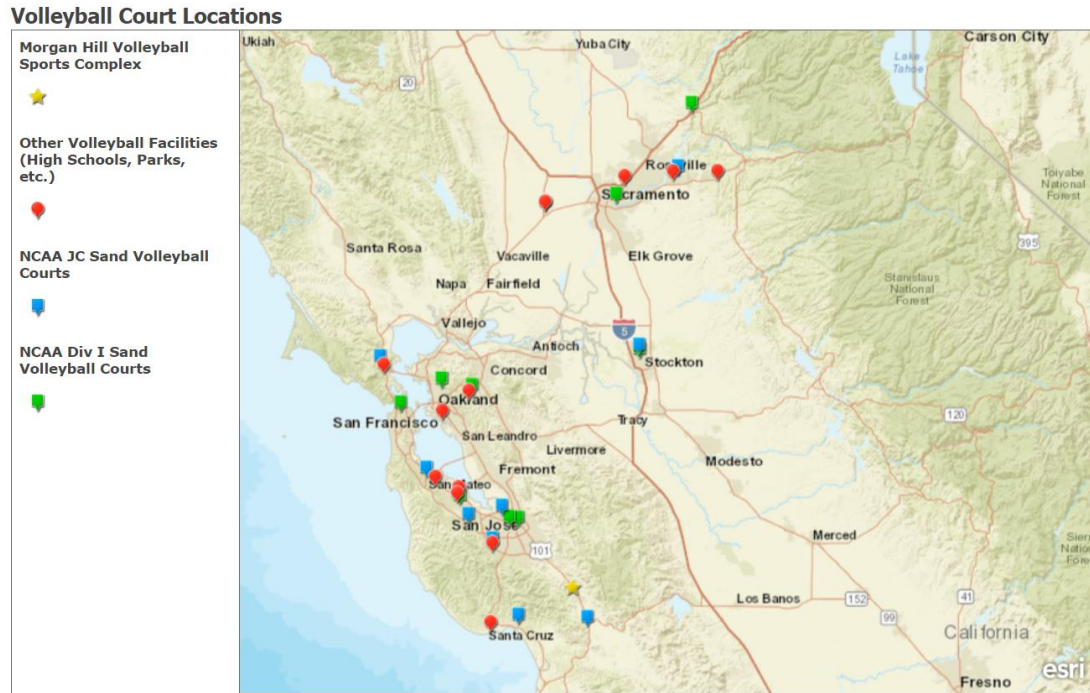
While some cities and counties have sand volleyball courts within parks, the inventory of tournament-level facilities (five or more courts) remains low. Most sand volleyball courts within parks are not built to tournament-level standards and typically there are fewer than four courts in a single facility. Additionally, there is no consistency in the ability to rent the facilities. Some jurisdictions monitor the rental of these recreational volleyball courts while others do not, making it difficult for regular practice times to occur.

Table 9 includes the colleges with beach volleyball programs by type and county, showing that there is a high concentration of both junior college and Division 1 colleges with sand volleyball programs in Santa Clara County.

Table 9. Colleges with NCAA Beach Volleyball Programs in the Bay Area and Adjacent by County

Colleges by County	Junior College	NCAA I	Total
Alameda	0	1	1
Contra Costa	0	1	1
Marin	1	0	1
Sacramento	1	1	2
San Francisco	0	1	1
San Joaquin	1	1	2
San Mateo	1	0	1
Santa Clara	4	3	7
Santa Cruz	1	0	1
Yolo	0	1	1
GRAND TOTAL	9	9	18

Figure 6 shows a map of beach volleyball tournament locations in the Bay Area by tournament type. The red pins show the junior tournament locations and the blue and green markers show where the NCAA junior college and Division 1 tournaments are held.

Figure 6. Map of Beach Volleyball in Bay Area (Tournament Locations and NCAA/JC Colleges)

Youth and Adult Play

The growth of sand volleyball, especially at the youth level, can be directly related to recognition of sand volleyball by the NCAA in 2016 as a competitive sport. Yet there has been little growth in expanding facilities in beach communities. As a result of the action by the NCAA, colleges and universities are rapidly growing the sport and looking to construct facilities on their campuses. In California, this growth has been slower at the junior college level; however, growth of programs and facilities there is also increasing.

With scholarships available at the college and university level and the lack of recognition as a competitive sport by CIF at the high school level, private and public high school club sand volleyball teams are expanding rapidly in Northern California to fill the void of a feeder system for the growth at the university and college level. This increase appears to be outpacing the building of necessary facilities for practice, leagues, and tournaments and is leaving teams scrambling to find places to play.

Adult Recreational Play

Youth clubs and teams have established informal networks that can be used to further assess demand for tournaments and recreational play. However, estimating adult play is more difficult. There are numerous mediums utilized to organized free form adult games (meet up websites,

groups in social media, etc.). While some information is available through these websites to understand where and when groups play, it is not comprehensive and does not paint an accurate picture of the adult sand volleyball play demand.

In communities where the sand court is publicly owned, the local parks and recreation department can, space permitting, start adult sand volleyball leagues just as they might offer adult basketball or adult softball. However, as there is not a governing body to oversee local sand volleyball adult leagues, the only way to get participation numbers would be to contact each park and recreation department to see if they track participation. Therefore, estimating adult club play will need to be determined through subsequent information gathering by survey or other means from adult sports enthusiasts and related clubs.

Local Recreational Play

Currently there are no organized local sand volley leagues or tournaments in Morgan Hill, primarily as a result of the lack of existing facilities. As sand volleyball is not an activity that naturally occurs or is offered in most inland communities in California, should Morgan Hill construct a sand volleyball complex, leagues and tournaments should be expected to be developed over time.

With the growth at the youth level in California, Morgan Hill leaders should expect that youth teams will look to practice and possibly play tournaments early on in a limited fashion. It will take time to expand the use to include local residents/teams who are currently not organized in Morgan Hill.

Associated Attendance at a Destination Facility

Tournaments and leagues/practices that occur in California under the various sanctioning organizations range from 9 to 16 teams for youth, and as many as 80+ teams for adult tournaments. The typical competitive team is comprised of two players (although sand volleyball can be played with more than two players). Because the number of players (two) during competitive tournaments is so small, the overall impact of the number of players/spectators is relatively small.

When asked about how many spectators typically attend tournaments and practices, the most common factor used by the various sanctioning organizations is to factor 1.5 spectators per player. This means an 80-team tournament would conceivably bring a total of 400 players/ spectators.

As would be expected, more courts built, would result in larger tournaments, which would bring larger crowds to a destination location.

At the same time, the larger the facility, the more there will be an increased need for auxiliary facilities (restrooms, concession stand, storage, etc.) with additional construction costs. Trying to determine actual attendance at future tournaments is difficult. However, some information was obtained through a survey of prospective users.

Initial Demand and Focus

Management Partners and Morgan Hill staff have now created an in-depth list of individuals, coaches, players, supporters, organizations, and teams in northern California who are active in sand volleyball. The organizations on the list initially indicated some support, but there was no formal or even informal commitment to use a facility in Morgan Hill. Clearly, there was interest, but more research and networking needed to be done. Our general conclusions from the initial data gathering were:

1. We were unable to assess the potential for adult play at this point. Adult play peaks during the summer months, although there is play throughout the year and a facility in Morgan Hill may very well draw from the South Bay and beach communities. However, adult play cannot be projected based on current information.
2. Currently there is no local recreational play at the youth level and likely local adult play is minimal in Morgan Hill. Therefore, there is currently little draw for weekday play or practice and it is not something that can be adequately measured for a proposed project.
3. High school play is seasonal (February through May for leagues/tournaments and the rest of the year for year-round club teams), but initially Morgan Hill won't draw from local high schools as there are currently no high school club teams in the area.
4. Currently there are fewer youth level tournaments than adult level tournaments. An evaluation of youth tournament size, therefore, would be critical in sizing the facility (number of courts to result in the highest return on investment).
5. Morgan Hill is considering an "inland" sand volleyball complex which weather-wise, will be different than the sand volleyball that is played at beaches. In speaking with industry experts regarding the weather in Morgan Hill we found the following:
 - *Wind:* Afternoon/evening winds in Morgan Hill should not be an issue as most "beach" locations where sand volleyball is played are very windy.
 - *Heat:* With warm to hot summer daytime temperatures, the preference would be to provide lighted courts to take advantage of the nice evening temperatures in Morgan Hill.

Additionally, when tournaments are scheduled during hot weather, players can wear socks and use water to cool the sand between matches.

- *Rain:* Morgan Hill gets rain during the winter months which coincides with the time of year sand volleyball has the least use. With the proper sand installation and underground drainage, only excessive rain events would be a concern.

Sand Volleyball Survey

In March, Management Partners conducted a survey to assess interest in a potential destination facility under consideration by the City from sand volleyball teams and/or organizations. The survey was sent to 65 sand volleyball enthusiasts including 33 individual contacts and various representatives from seven different volleyball organizations. A total of 13 individuals responded and the results of the survey may be found in Attachment B.

While the survey was launched prior to the full onset of the COVID-19 pandemic, the escalation of the pandemic may have impacted survey response. Of those that responded:

- Nine respondents (69%) expressed interest in renting the facility for tournament use.
- Three (23%) indicated interest in practice and league use.
- One respondent (8%) was interested in renting the facility for camp use.
- Four respondents (31%) indicated they would anticipate overnight stays in Morgan Hill depending on whether tournament and league play lasts for two days or more.

Our major observations from the survey results indicate:

1. Competitive level volleyball is primarily found in two arenas: collegiate (growing since it became a sanctioned NCAA sport in 2016) and traditional beach volleyball (around from the 1960s); neither of which will be attracted to a regional destination facility for league or tournament play.
2. As the sport is relatively new but growing there will be increased interest in league play and camps, but it is not there yet to any large degree. League play and camps may have to be initially organized and lead by the City until interest increases.
3. As sand volleyball is likely to grow, the first public complex built in California will likely become a destination and well-positioned to take advantage of the growth.

4. There is interest in tournament play as several organizations (e.g., California Beach Volleyball Association and the Northern California Volleyball Association) are already offering tournaments in California. However, with few new facilities, there is currently little room to add tournaments to accommodate the growth in the sport. Opening a complex in Morgan Hill would not replace existing tournaments but would instead allow for expansion for the sport. Since the growth in sand volleyball is mostly at the youth level, it is expected that growth in tournament play in both the number of tournaments, and the number of teams in each tournament would be at the youth level.
5. Based on the initial research and the limited responses to Management Partners' survey, approximately 1.5 spectators per player will travel with a volleyball team *for tournament play*. This figure is not as high as other sports like soccer or baseball and the sand volleyball has fewer players per team.

As a result, the City should not expect that large numbers of spectators will attend tournaments in Morgan Hill until the sport has grown to include lower age groups where families attend; and large, regional tournaments can be scheduled that are multi-day events.

While large tournaments would bring recognition to Morgan Hill, sand volleyball tournaments will not necessarily make Morgan Hill a large destination site. Based on interest expressed in the survey, during the first year, the complex may have between 11,380 and 25,400 participants/spectators during tournament play. This would of course be based on the number of courts built.

The Initial Focus

Youth clubs and teams are looking for places to practice, play challenge matches against other clubs/teams, and create leagues and tournaments that can help develop the next level of athletes for the sport. This need will continue to grow as the program expands at the high school level. Eventually, the growth will move to the junior high level, but that is not expected until the high school level is sanctioned to play competitively.

Based on the initial survey, it does not appear that at this point high school level teams are interested in traveling distances to find space. Therefore, Morgan Hill's initial market for practices and leagues will be teams from the immediate surrounding area. Tournament play is more

promising based on the survey even though it will initially be limited to weekends and the months of March through June.

Although youth tournaments currently are not the size of adult tournaments, growth in the sport will lead to more youth tournaments being offered and more teams participating in each tournament. The capacity for youth tournaments now is not at the same level as adults, but it will build over time.

If determined to be operationally feasible, the initial focus should be on bringing tournaments to Morgan Hill as a destination. The interest expressed by respondents to the initial survey and the fact that the youth level is growing would indicate City leaders should consider phasing the complex over time. Currently youth tournaments attract between 9 and 16 teams. As these type of tournaments can include pool play (where all of the teams in a certain group play each other), ladder-type play (where teams play against each other working up a level of competition), elimination-type play (where winners and losers advance in respective divisions), or a combination of all three, a minimum of five to six courts is needed for youth tournaments to be successful at this time. When the youth division has grown and the adults start playing tournaments with the potential for 80+ team tournaments, the City will be in need of a much larger complex (as many as 21 courts to match national complexes at the highest level of play).

Although adult play will continue to grow as the sport grows at the youth level, based on the growth in the youth level in California, a complex in Morgan Hill would look to youth play capture. However, the City could make a concerted effort to jumpstart adult (and youth) growth locally by starting leagues, and holding exhibitions and tournaments as a parks and recreation-sponsored activity or through partnership with an experienced volleyball organization. This planned programming could be done either by City staff or through contracting for organizers to operate the league. Several interested organizations and teams have been identified in the survey that can help jumpstart activity at the complex should the project move forward.

Estimated Costs and Revenues

As part of this project, Management Partners examined cost impacts for the City to construct a facility along with a plan of service to operate such a facility. Based on the information gathered from facility operators and professionals working in the sand volleyball industry, we believe that operation of the sand volleyball facility could be provided by an outside, third-party operator.

Costs

The following section provides pricing information for both 4- to 6-court alternatives gathered by Management Partners and a 20-court alternative, provided by a consultant hired by the City of Morgan Hill.

Four to Six Court Alternatives

As part of our examination of the cost impact to construct a sand volleyball facility, we examined both four-court and six-court alternatives. The facilities below were all built for tournament or collegiate play. The costs per court are estimated to be between \$274,282 and \$552,000, based on information provided by the three facilities below.

- **Stanford University Sand Volleyball Facility.** This facility is a four-court, NCAA tournament-level facility. Management Partners worked directly with the general contractor who constructed this facility to obtain updated estimates on the cost to construct a similar facility on the Morgan Hill site. The two quotes represent a basic level facility (with minimal aesthetic upgrades) and an enhanced facility, comparable to the Stanford complex.
- **Cal Poly San Luis Obispo.** As part of our outreach, we obtained the total cost of the five courts currently under construction at Cal Poly San Luis Obispo. These courts represent a more “basic” facility (with minimal aesthetic upgrades).
- **Huntsville, Alabama.** In our efforts to find a complex with a larger number of courts that could accommodate larger tournaments, we identified a site with 12 courts in Huntsville, Alabama, and obtained construction costs for that complex. These costs, however, may not be representative of the costs in Morgan

Hill (or California) due to the lower construction costs in the Huntsville area and the economies of scale that can be achieved when constructing a greater number of courts.

Table 10 shows the estimated costs per court. These estimates do not reflect soft costs, such as permit fees, architectural fees, etc. which could be estimated at 15% to 20% of construction costs.

Table 10. Cost Projections

	Stanford University (Basic)	Stanford University (Enhanced)	Cal Poly/ San Luis Obispo	Huntsville, Alabama
Construction Cost per Court	\$228,568	\$430,893	~\$460,000	~\$308,333
Soft Costs (20%)	\$274,282	\$517,072	\$552,000	\$370,000
Total Cost (four courts)	\$1,097,128	\$2,068,288	\$2,208,000	\$1,480,000
Total Cost (six courts)	\$1,645,692	\$3,102,432	\$3,312,000	\$2,200,000

The Johnson Report stated, "Sand volleyball facilities do not require a large investment, typically \$10,000 to \$15,000 per court and also have very low maintenance costs." The Johnson Report does not, however, specify where or how they arrived at this estimate (it may be a nationally based figure), nor does it specify the quality or level of construction. Based on information we have obtained their estimate may be more in line with sand volleyball courts constructed at parks for local recreational use rather than for a destination facility. Neither the cities of Walnut Creek nor Moraga were able to provide substantive construction costs estimates. Additionally, their court play is for recreational use, rather than destination or tournament-level facilities.

Costs will absolutely vary depending on the objective of the facility and the level of play intended. The City of Morgan Hill may build an initial set of courts that could indeed cost less, as a first phase. Courts built only for recreational play in a city park will certainly cost less.

Twenty Court Alternative

In addition to the initial research done by Management Partners, the City of Morgan Hill worked with Verde Design, Inc. to obtain pricing estimates (including design and construction costs) for 20 courts to be constructed in five phases. The estimated pricing for all 20 courts is around \$14 million, to be completed in phases. The initial phase would cost approximately \$2 million. These estimates include design, bidding, and construction contingency.

The cost for court construction includes site preparation and demolition, grading, court and curb construction, paving, site furnishings (e.g., drinking fountains, water lines, nets and posts, shade stands), fence and gates, planting and irrigation, and electrical. Unlike the previous cost estimates, these include the cost for sport court lights.

Maintenance Costs

In our information gathering interviews we were unable to obtain any real estimate for maintenance costs for sand volleyball courts. The Santa Cruz court maintenance costs are part of the overall Wharf and Beach Maintenance Division and they do not separate out costs for the sand volleyball courts.

In discussions with other cities that have one or two sand volleyball courts in a public park, staff informed us that the maintenance costs are fairly minimal and are not tracked separately from routine park maintenance. Huntsville, Alabama, was unable to provide maintenance costs for their tournament-level complex since it was under renovation and it only recently opened.

Experience suggests that when recreational courts are a part of a larger use facility (a recreational court in a public park or on a beach) agencies do not track maintenance costs. However, a multi-court facility in a regional sports complex would be expected to have regular scheduled maintenance and paid for as a part of the master fee schedule established for the complex.

Revenues

The following provides some basic revenue information for local recreational play based on Management Partners' initial research about local facilities as well as some additional revenue estimates based on the survey.

Local Recreational Play

Since a tournament-level sand volleyball facility focused on youth has not yet been constructed in the Bay Area, it is difficult to estimate the projected revenues that can be expected. (We were unable to obtain any revenue information from either Santa Cruz or the City of Huntsville). To obtain rough estimates on projected revenue, Management Partners reached out to several municipalities that rent their sand volleyball courts at municipal parks to determine rough revenue projections. The information therefore is based on local recreational play.

The cities of Walnut Creek and Moraga provided historical revenue estimates. While Walnut Creek does not host tournament-level play, they do let club teams from UC Berkeley practice on their court at a corporate rate. Moraga hosts some junior tournaments on their courts. A summary of the historical revenue for each is provided in Table 11.

Table 11. Historical Revenue (per court) for Sand Volleyball Courts in Walnut Creek and Moraga

City	Number of Courts	FY 2016-17	FY 2017-18	FY 2018-19
Walnut Creek	4	Not available	\$2,861	\$5,836
Moraga	2	\$6,500	\$4,000	\$5,500

Walnut Creek experienced a 204% increase in revenues from FY 2017-18 to FY 2018-19 due to a change in how fees are administered. They shifted from online booking to requiring reservations be made on the phone. They also always keep one court open, not available to reserve, to allow for drop-in play.

The City of Walnut Creek estimates that 80% of its rental revenue comes from weekday play, local school teams during the year, and summer camps. The 20% of weekend revenue is generated from picnics or pick-up play. Walnut Creek staff noted that to generate strong weekday use requires a local community with sufficient activity and interest (multiple schools with teams and/or camps). Clearly, Walnut Creek can draw from a more dense, urban population than Morgan Hill which is located in a more rural, less densely populated area of Santa Clara County.

Walnut Creek charges \$30 per hour with a one-hour minimum and four-hours maximum. Currently most of the reservations are from youth groups, high school groups, and the UC Berkeley teams. There has been community interest in adding lighted courts and there are plans to do so at a new park facility in the next five to ten years.

Moraga experienced its greatest revenue on a per court basis in FY 2016-17, the first year after they renovated their sand courts. Moraga charges \$25 per hour for nonprofit organizations, \$35 per hour for residents, and \$45 per hour for commercial use (which includes tournaments). All rental rates include use of both courts. Approximately 80% of reservations are from junior play. The City has an MOU with St. Mary's College to use the courts at no charge. There has not been sufficient community interest to justify construction of additional courts or lighted courts.

Based on this information only, Morgan Hill could expect to generate between \$21,333 to \$32,000 at an average annual rental revenue of \$5,333 per court. This estimate represents mostly recreational or practice play

and may be somewhat conservative due to the quality of courts in Walnut Creek and Moraga and the lack of tournament play. Although Moraga hosts some tournaments, the small number of courts limits the amount of tournament play. Therefore, our revenue estimates are representative of recreational play only. Further analysis would need to be done to estimate projected tournament revenue. A summary of the range of projected revenue (based on existing revenue data), is provided below in Table 12.

Table 12. Projected Revenue for Local Recreational Play

Court Configuration	Low (\$2,861 per court)	Average (\$5,333 per court)	High (\$6,500 per court)
4 courts	\$11,444	\$21,332	\$26,000
5 courts	\$14,305	\$26,665	\$32,500
6 courts	\$17,166	\$31,998	\$39,000

Potential League, Practice, and Camp Play and Tournaments

The following revenue estimates were generated from the results of our initial research and the survey of potential users. We found generally that court rates vary depending on the facility. A summary of the court rates from various facilities and the survey response is provided in Table 13.

Table 13. Court Rates Gathered from Sand Volleyball Facilities and Survey Respondents

Sources	Court Rates
Santa Cruz	\$38 per court, half-day
	\$72 per court, full day
West Valley College	\$20 per hour, three hours minimum
Survey Responses	\$25 per hour, per court
	\$20 per hour, per court

In trying to determine a court rate that would be “within the local market” we used a rate of \$20 per hour per court. If the City moves forward with the complex, it would be advisable to meet with prospective user groups to finetune the fees to include full- and half-day rentals, weekend rentals, and separate categories for non-profit and for-profit organizations that would match most large complexes.

Including the court rates, we developed five assumptions to help project expected revenue the City of Morgan Hill would potentially generate if they build 6, 12, or 20 courts from input on the survey. The five assumptions are shown in Table 14.

Table 14. List of Assumptions

Assumptions	Description
Assumption 1	\$20 per hour, per court
Assumption 2¹	Projected use of the facility based on survey responses.
Assumption 3	For requested uses that ask for more courts than available, the assumption is that they would only be able to use the courts available and that the hours of use and/or days of use were not increased.
Assumption 4	For any request that indicated the hours of use per day was eight hours or more, the assumption for the calculation was eight hours of use.
Assumption 5	For league play, if courts were requested but did not indicate the number of hours per month, eight hours per month were used.

¹Specific dates of use as indicated in the survey were disregarded. It is likely the City would be able to accommodate all use by adjusting within the month indicated.

Using these assumptions, we applied them to the survey results based on respondents who had provided their interest in renting the facility for tournament use, practice play, league play, and camp play. Respondents who had expressed interest were asked to provide the number of courts, number of hours per day, and number of days per week or month they would like to rent the courts.

From the data the respondents provided, we projected the expected revenue that could potentially be generated from 6, 12, or 20 courts. Based on these projections, we found that tournament play would generate the most revenue for the City. A summary of the projections is shown in Table 15.

Table 15. Potential Expected Revenue Based on Survey Results

Type of Use	6 Courts	12 Courts	20 Courts
Tournament	1,138 court hours \$20/hour = \$22,760	1,876 court hours \$20/hour = \$37,520	2,540 court hours \$20/hour = \$50,800
Practice Play	486 court hours \$20/hour = \$9,720	486 court hours \$20/hour = \$9,720	486 court hours \$20/hour = \$9,720
League Play¹	480 court hours \$20/hour = \$9,600	720 court hours \$20/hour = \$14,400	720 court hours \$20/hour = \$14,400
Camp Play²	360 court hours \$20/hour = \$7,200	360 court hours \$20/hour = \$7,200	360 court hours \$20/hour = \$7,200
TOTAL EXPECTED REVENUE	\$49,280	\$68,840	\$82,120

¹No requests were for more than 12 courts.

²No request were for more than 6 courts.

Table 15 only provides an estimate of the revenue that the City could expect based on the use indicated in the survey. It is also only for sand volleyball use and does not consider other uses that might take in the space. This “snapshot in time” could be higher or lower based on when the complex is built, the number of courts, and the time the City (or contracted operator) spends marketing the complex. The number would also be expected to increase if the City decided to directly get involved in offering leagues, camps, practices, and tournaments which, in many cities, is a common park and recreation department function.

Potential Players/Spectators

Based on the hours of use in Table 15 and using a compounding figure of 1.5 spectators per player, the expected players and spectators combined would be shown in Table 16.

Table 16. Potential Players/Spectators Per Year

Type of Use	6 Court	12 Courts	20 Courts
Tournament	11,380	18,760	24,400
Practice	4,860	4,860	4,860
League	4,800	7,200	7,200
Camp	3,600	3,600	3,600
TOTAL	24,640	34,420	41,060

As with the expected revenue numbers in Table 16, the number of players and spectators could be higher or lower based on actual usage and to the extent the City is involved in marketing/offering programs at the complex.

A Strategy for Moving Forward

The information that Management Partners has been able to gather clearly indicates that the sport of sand volleyball is growing. The collegiate sport will take care of itself, meaning that colleges and universities will construct courts, provide scholarships and competitive play as their students or prospective students move into the sport. In addition to sand volleyball, there is growing interest across the country for use of sand areas for sand soccer, sand tennis, and for cross-fit training. Though these additional uses by themselves likely do not add enough additional use for Morgan Hill to move forward with construction of sand courts, they do show the diversity that an athletic sand area can accommodate.

The question then before Morgan Hill remains to what extent will youth sand volleyball tournaments, practice, or recreational play (youth and adult) generally be willing to travel to Morgan Hill. While adult tournament play is fairly static, it is mostly because there are so few sand volleyball complexes or sites available. The minimum number of courts necessary to hold a traditional sand volleyball tournament is five, and other than Santa Cruz, there is no public (non-school related) sand volleyball complex in Northern California.

Based on the organizations contacted and the extensive list of coaches, clubs, and individuals the City has collected, there appears to be interest from volleyball enthusiasts; however, at the current time interest seems to be around tournament play. There also seems to be a lack of interest for teams to travel very far other than for tournament play. This leaves Morgan Hill having to rely on locally based teams and players for league, camp, and practice use.

An Efficient and Sustainable Master Site Plan and Complex

In speaking with sand volleyball complex planners, construction companies, and operators, several points were consistently stressed related to the efficient and appropriate design of a sand volleyball complex. These are discussed below.

- Design the complex from the beginning with the end goal in mind. It is important to understand ultimately what is intended at build out. This is especially important if a complex needs to be phased, to avoid redoing facilities or courts that were lacking when the finish line wasn't fully understood in the beginning.
- To the extent financially possible, invest in related equipment and support facilities as part of any early phase. Tournaments can have an economic impact on the community; however, tournaments that create a fun and positive experience are scheduled at complexes with some support and amenities more often than those that have portable restrooms or lack adequate support facilities.
- Invest in lighting infrastructure to support lighting in the future. Though it is considered a high-end component, very few complexes utilize lights for night play. Considering Morgan Hill has favorable weather for most of the year and is relatively hot during the summer months, the ability to play into the evenings under the lights would be a big plus.
- Develop a master plan for the site. There should be a consensus regarding what the complex will be and the steps necessary to get there.
- Identify prospective users of the complex and invite them to serve as a focus group for the master plan design. Their insight generally as well as comments that might be specific to the local area will be important to surface early so the master plan truly meets the needs of the local sand volleyball community.
- Identify prospective operators prior to a master plan process. If the City is considering contracting for operation and maintenance of the complex, they should be contacted to incorporate feedback about what is necessary to operate a sand volleyball complex.

An Initial Strategy

A complex with a minimum of six courts (five for play and one for warm up) in Morgan Hill may indeed put Morgan Hill on the map as a place to accommodate continuous sand volleyball, particularly at the youth level and perhaps for training and recreational play. However, as indicated by the survey, at the current time, the interest is in weekend tournament play.

Clearly, there are data that indicate growth at the youth level looking for courts to practice and play on during the week, with tournament play on weekends. At this time, however, it is difficult to assess how much practice or recreational play might ensue (due to Morgan Hill's geographic location). The survey provides some insight into how many

tournaments might be willing to travel to Morgan Hill. However, the information is limited to those who responded at the start of the significant uncertainty resulting from the COVID-19 pandemic.

City leaders have indicated that while they have land and may have capital funds to construct sand volleyball courts in the future, an initial analysis by City staff indicates it may not be financially feasible from an operational perspective. Management Partners well understands that the City is not able to commit to build something that would cost funds to either supervise or operate; at least certainly not in the long-term and without comprehensive and sound revenue projections that would support the City's ongoing commitment to cost recovery in its recreational programs. Gaining this assurance will require gathering additional, detailed information through a series of action steps. These are likely to be led by staff, potentially with assistance from a sand volleyball complex third-party operator. Management Partners recommends the following:

Recommendation 1. Complete the concept design and cost estimates for a sand volleyball complex of up to 20 courts. Verde Design is currently under contract to provide a concept design with cost estimates for a 20-court facility. The City should include the amenities indicated in the survey.

Recommendation 2. Following completion of the design, organize focus groups *from the sport of sand volleyball* (coaches, clubs, and tournament sponsors) to determine the level of potential recreational and tournament play that might be expected at a facility and to provide feedback on the master plan design.

Recommendation 3. Invite potential operational and construction partners to come to Morgan Hill for further consultation regarding design, construction and operations.

Recommendation 4. If there is interest from an operational partner, move forward with construction of a Phase 1 facility (up to six courts). This should occur following implementation of Recommendations 1 through 3.

If the City moves forward with Phase I design and construction, other uses that could take place at a sand volleyball facility (e.g., cross-fit

exercise, sand soccer, etc.) as sand volleyball ramps up should be considered during the design phase.

At this point, it is going to take further cost/benefit analysis and policy determinations from the City to move the complex forward in Phase 1. We believe the growth in the sport will develop over time and the first, full-use complex built inland in California will benefit from the first wave of use and be positioned to be the destination spot for the growing sport.

Conclusion

Our analysis indicates that sand volleyball is a growing sport and there are strong supporters of and interest in the sport. Sand volleyball enthusiasts are eager for the sport to expand, which at the current time is primarily at the collegiate and NCAA level, although high school play has expanded in recent years. Nonetheless, for these levels to be successful, sand volleyball must inevitably draw from and attract youth play. Although youth play is not yet to the level of adults, it is growing at a rapid pace and is expected to follow other sports where there are more youth playing the sport than adults.

If California follows other states by certifying sand volleyball as a competitive sport through the California Interscholastic Federation (CIF), interest will expand even further. There appears to be serious interest in tournament play and there is a lack of facilities in the Bay Area for this to occur, except at college locations. Morgan Hill has been a proven leader in the region, capable of attracting sports teams to a regional destination for play. An initial six-court facility may be the best gauge of the potential to assess whether sand volleyball can also become a destination facility in Morgan Hill.

Attachment A – List of Recommendations

Recommendation 1. Complete the concept design and cost estimates for a sand volleyball complex of up to 20 courts.

Recommendation 2. Following completion of the design, organize focus groups *from the sport* of sand volleyball (coaches, clubs, and tournament sponsors) to determine the level of potential recreational and tournament play that might be expected at a facility and to provide feedback on the master plan design.

Recommendation 3. Invite potential operational and construction partners to come to Morgan Hill for further consultation regarding design, construction and operations.

Recommendation 4. If there is interest from an operational partner, move forward with construction of a Phase 1 facility (up to six courts).

Attachment B – Sand Volleyball Survey Results

As part of the City of Morgan Hill's process to consider the development of a sand volleyball destination facility, Management Partners designed and administered a survey to assess interest from teams and/or organizations who would pay to reserve courts at the facility. The survey was sent to 65 sand volleyball enthusiasts including 33 individual contacts and various representatives from seven different volleyball organizations. It was open from March 2 through April 1, 2020. A total of 13 representatives from the sand volleyball community responded, although not all 13 answered all the questions. Also, while the survey was launched prior to the full onset of the COVID-19 pandemic, the escalation of the pandemic may have impacted survey response.

The survey provided a list of assumptions for respondents to consider. The assumptions are described below.

A first phase facility would:

- *Be available for play January 1, 2021*
- *Feature the following amenities:*
 - *Twenty high-quality courts*
 - *Center court with bleachers*
 - *Parking*
 - *Permanent restrooms*
- *Have no lights*
- *Be located in Morgan Hill, approximately 30 miles south of the San Jose International Airport, which is about a 30-minute to 1-hour drive from the airport.*

Some of the major highlights from the survey results indicate that nine of the respondents (69%) expressed interest in renting the facility for tournament use, but only three (23%) indicated interest in practice and league use. Only one respondent (8%) was interested in renting the facility for camp use. Moreover, four respondents (31%) indicated they would anticipate overnight stays in Morgan Hill depending on whether tournament and league play lasts for two days or more. Survey responses are summarized in the tables and figures below.

Section 1. Respondents' Information

Management Partners asked a series of questions to understand some details who participated in the survey. Table 17 provides a summary of the survey respondents.

Table 17. Respondent Information

Organization/ Team	Sanctioning Body	Number of Teams Represented	Number of Potential Players Represented	Age Range of Players Represented	Gender of Teams/ Players Represented	Where Team/ Players Practice	Destinations for Tournament Plays
Northern California Volleyball Association (NCVA)	USA Volleyball (USAV)	1,400	16,800	Adults (18) and Juniors (10)	All genders	N/A	Any place in Northern California
California Beach Volleyball Association (CBVA)	California Beach Volleyball Association (CBVA)	100s	100s	Junior to adult	All genders	We host events at the courts at Main Street Beach in Santa Cruz	N/A
NorCal High School Beach Volleyball	Amateur Athletic Union (AAU)	Roughly 30 schools in the NorCal area	180	14 to 18	Female	Notre Dame Belmont, Westford Valley College, Marin College, Santa Cruz Main Beach	Notre Dame Belmont, Westford Valley College, Marin College, Santa Cruz Main Beach
Beach Volleyball	AVP, AAU, P1440	100	250	10 to 18 (all juniors)	90% girls	I don't have practice. I am only a tournament promoter/director.	Leases the 16-court facility at Santa Cruz, 6 courts at West Valley and 4 courts at Notre Dame Belmont
University of San Francisco	NCAA Division I Beach and Indoor Volleyball	1 collegiate beach team	15	18 to 23	Women	Ocean Beach, San Francisco, College of Marin	Main Beach at Santa Cruz and a variety of college campuses with sand court facilities
American Volleyball Coaches Association	N/A	166 college varsity programs	N/A	18 to 22	Women	College campuses	AVCA hosts the Small College Beach Championships in Tavares, FL https://www.avca.org/events/small-college-beach-champ.html

Organization/ Team	Sanctioning Body	Number of Teams Represented	Number of Potential Players Represented	Age Range of Players Represented	Gender of Teams/ Players Represented	Where Team/ Players Practice	Destinations for Tournament Plays
Rush Volleyball Club	N/A	20	40	11 to 18	All genders	Gavilan College	Santa Cruz
Bay to Bay Volleyball	N/A	4	200	12 to 18	All genders	West Valley College	Hermosa Beach, Santa Cruz, Phoenix, Austin, Huntington Beach, Manhattan Beach
Morgan Hill Volleyball Club	N/A	16	200	8 to 18	All genders	Crossroads Christian Center	Santa Cruz
Platform 1440	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Association of Volleyball Professionals (AVP)	AVP	N/A	N/A	N/A	N/A	N/A	N/A
Redrock Beach East Bay	N/A	30	60	12 to 18	Female	Crown Beach, Alameda	Monterey, Santa Cruz, West Valley College
USA Volleyball (USAV)	National Governing Body	N/A	N/A	10 to 18	All genders	N/A	N/A

¹Respondent only responded to questions one through five of the survey.

²Respondent only responded to question one of the survey

Section 2. Survey Questions

Figure 7 shows responses to the question pertaining to the respondents' **interest in renting volleyball courts in Morgan Hill**. All 13 survey participants responded to the question. Of the 13, 10 (77%) indicated they would be interested in renting volleyball courts in Morgan Hill.

Figure 7. *Would you or your organization be interested in renting volleyball court(s) in Morgan Hill based on the assumptions specified above?*

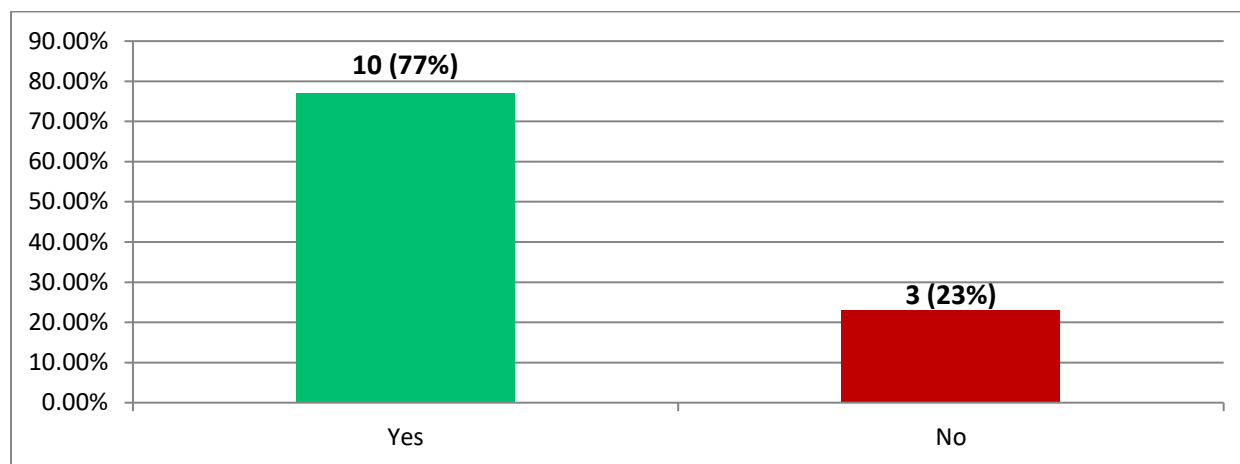


Figure 8 is a **follow-up question** to the three respondents who indicated they are not interested in renting volleyball courts in Morgan Hill. The respondents were asked if there are any other amenities needed for them to rent the facility. All three respondents indicated no, with no additional comments.

Figure 8. *Are there any amenities missing from phase one (based on the assumptions specified) that would need to be added for you to use the facility?*



Figure 9 shows responses to the question pertaining to **volleyball tournaments**. Twelve individuals responded to the question. Of those, nine (75%) indicated they are interested in renting the facility for tournaments.

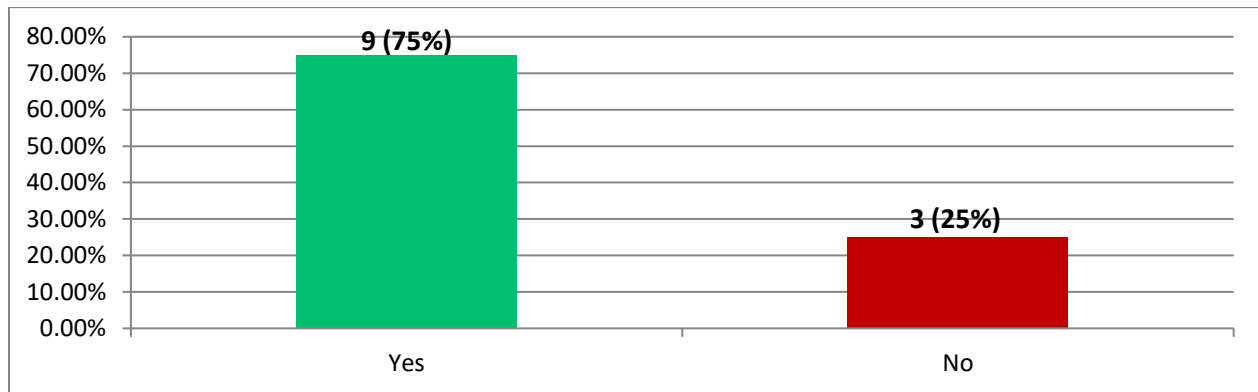
Figure 9. *Would your organization be interested in renting space for tournaments?*

Table 18 is a **follow-up** to the nine respondents who **expressed interest in renting the facility for tournaments**. Respondents were asked to list the tournaments they would potentially host if the facility was to open in 2021. Based on the responses, the greatest interest was expressed in hosting tournaments in March, followed by April, May, and June.

Table 18. *Follow-up responses from respondents interested in hosting tournaments.*

Name	Tournament	Start Date	Number of Tournament Days	Number of Courts	Number of Hours Per Day	Gender	Age Division	Comments
Alex Jones	Tournament #1	June 5	1	6	6	Male	Youth	N/A
Barry Peters	Tournament #1	March 13	1	4	5	Female	Youth	This would be a great facility for our league to use; many high schools in the area could utilize these for practices, beyond the tournaments listed.
	Tournament #2	April 11	1	4	5	Female	Youth	
	Tournament #3	May 3	1	20+	8+	Female	Youth	
Brian Calimpong	Tournament #1	March 15	1	6	8+	Both	Youth	N/A
	Tournament #2	April 15	1	6	8+	Both	Youth	
	Tournament #3	June 16	1	6	8+	Both	Youth	
	Tournament #4	July 17	1	6	8+	Both	Youth	
	Tournament #5	August 20	1	6	8+	Both	Youth	
Donna Donaghy	Tournament #1	March 14	2	16	8+	Both	Both	N/A
	Tournament #2	April 11	2	16	8+	Both	Both	
	Tournament #3	May 23	2	16	8+	Both	Both	
	Tournament #4	June 20	2	16	8+	Both	Both	
	Tournament #5	July 25	2	16	8+	Both	Both	
Frank Lavrishia	Tournament #1	March 7	2	6	7	Female	Adult	Your facility could be an alternative to Main Beach in Santa Cruz. The number of courts would allow for a unique event that would bring many collegiate teams to one location.

Name	Tournament	Start Date	Number of Tournament Days	Number of Courts	Number of Hours Per Day	Gender	Age Division	Comments
Fernando Sabla	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Dates are to be determined and not confirmed for potential junior tournaments
Mark Hull	N/A	N/A	N/A	N/A	N/A	N/A	N/A	At this time, I would need to know the cost of renting courts and all the required insurance, deposits, and fees that would be required before I can make any commitment.
Martin Suan	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Todd Sears	Tournament #1	March 10	1	20+	7	Both	Youth	I don't have a club. I only run large tournaments. I would lease the facility for my events.
	Tournament #2	April 10	2	20+	7	Both	Youth	
	Tournament #3	May 10	1	20+	7	Both	Youth	
	Tournament #4	June 10	N/A	20+	7	Both	Youth	

Figure 10 shows responses to the question pertaining to **practice plays**. Eleven people responded to the question. Of the 11, a total of 4 respondents (37%) indicated they would be interested in renting the facility for practice play.

Figure 10. *Would you or your organization be interested in renting space for practice play?*

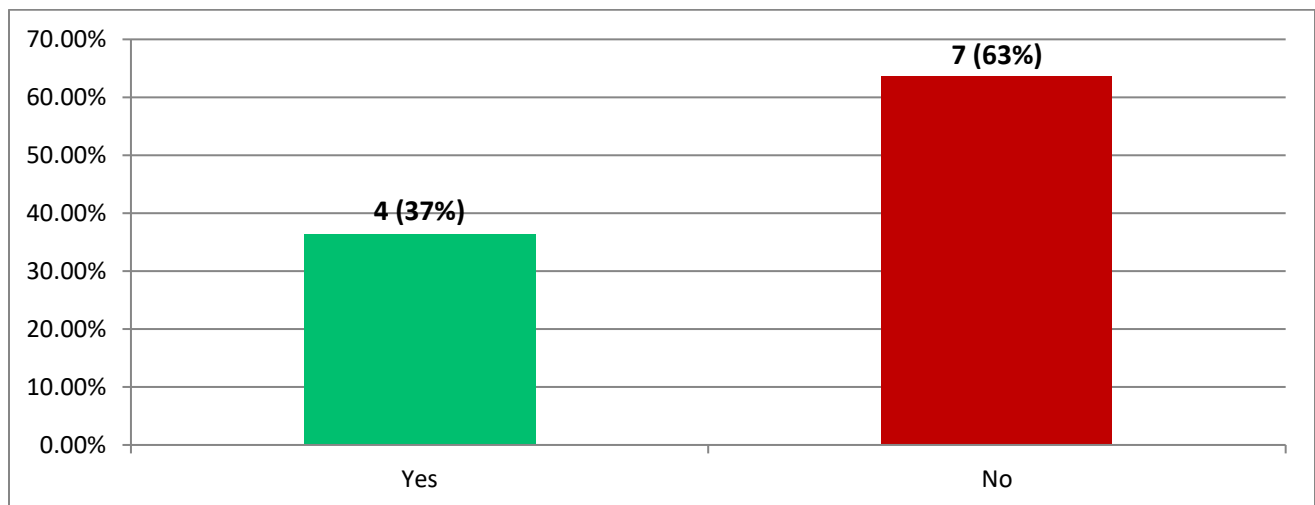


Table 19 is a follow-up to the four respondents who **expressed interest in renting the facility for practice play**. Respondents were asked to list the practice play they would potentially host if the facility was to open in 2021. Of the four respondents, only one was able to identify when they would use the facility, indicating the use for female youth practice during the weekdays and weekends from March through August.

Table 19. Follow-up response from respondents interested in hosting practice plays.

Name	Type of Practice	Month	Weekday Daytime Hours	Weekday Even Hours	Weekend Hours	Number of Courts	Primary User	Comments
Barry Peters	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Brian Calimpong	Youth Practice 1	March	12	15	N/A	3	Female	N/A
	Youth Practice 2	April	12	15	N/A	3	Female	
	Youth Practice 3	May	12	15	N/A	3	Female	
	Youth Practice 4	June	12	15	N/A	3	Female	
	Youth Practice 5	July	12	15	N/A	3	Female	
	Youth Practice 6	August	12	15	N/A	3	Female	
Fernando Sabla	NA	N/A	N/A	N/A	N/A	N/A	N/A	To be determined
Shannon Oberg	Youth Practice 1	June	N/A	N/A	N/A	N/A	N/A	N/A

Figure 11 shows the responses to the question pertaining to **league play**. Eleven individuals responded to the question. Of the 11, 3 respondents (28%) indicated they would be interested in renting the facility for league play.

Figure 11. Would you or your organization be interested in renting space for league play?

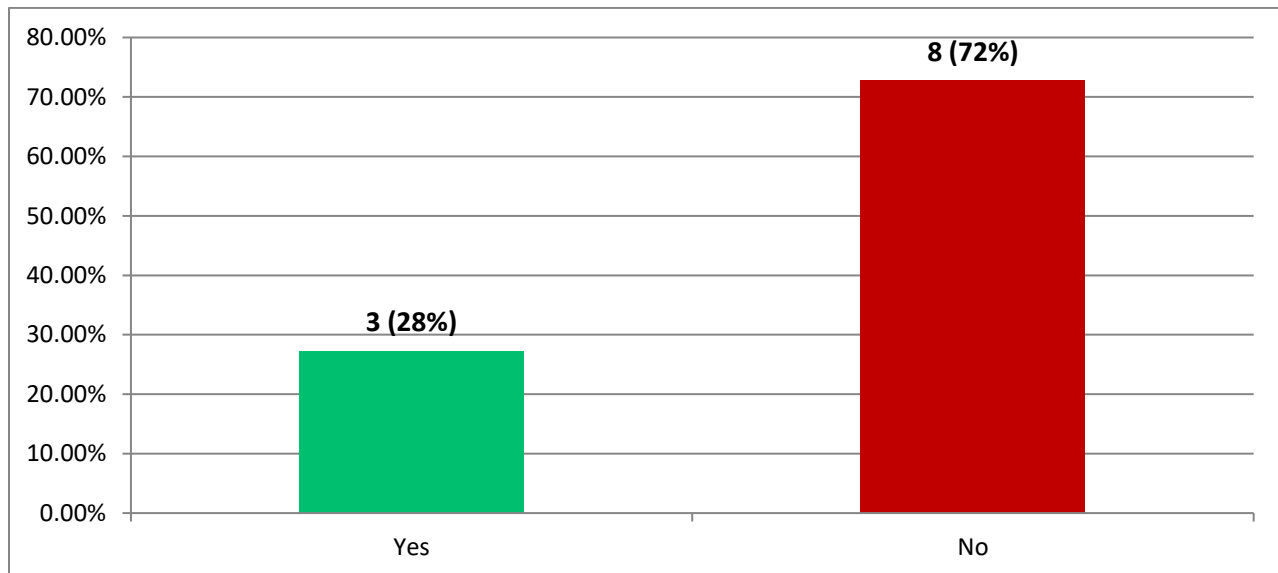


Table 20 is a follow-up to the three respondents who **expressed interest in renting the facility for league play**. Respondents were asked to list the league play they would potentially host if the facility was to open in 2021. Of the three respondents, two indicated they would be interested in hosting league play for both males and females in the youth and adult divisions from April through August.

Table 20. Follow-up responses from respondents who are interested in hosting league play.

Name	Tournament	Month	Weekend/ Weekday	Day/Evening	Number of Court(s)	Number of Hours Per Month	Gender	Age Division
Donna Donaghy	League Play #1	April	Both	Both	12	N/A	Both	Both
	League Play #2	May	Both	Both	12	N/A	Both	Both
	League Play #3	June	Both	Both	12	N/A	Both	Both
	League Play #4	July	Both	Both	12	N/A	Both	Both
	League Play #5	August	Both	Both	12	N/A	Both	Both
Brian Calimpong	League Play #1	April	Weekend	Daytime	6	8	Both	Both
	League Play #2	May	Weekend	Daytime	6	8	Both	Both
	League Play #3	June	Weekend	Daytime	6	8	Both	Both
	League Play #4	July	Weekend	Daytime	6	8	Both	Both
	League Play #5	August	Weekend	Daytime	6	8	Both	Both
Gary Hodge	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Figure 12 shows responses to the question pertaining to **camp play**. Three of 12 individuals responded to the question. Of the three, one respondent (33%) indicated they would be interested in renting the facility for camp play.

Figure 12. Would you or your organization be interested in renting space for camp play?

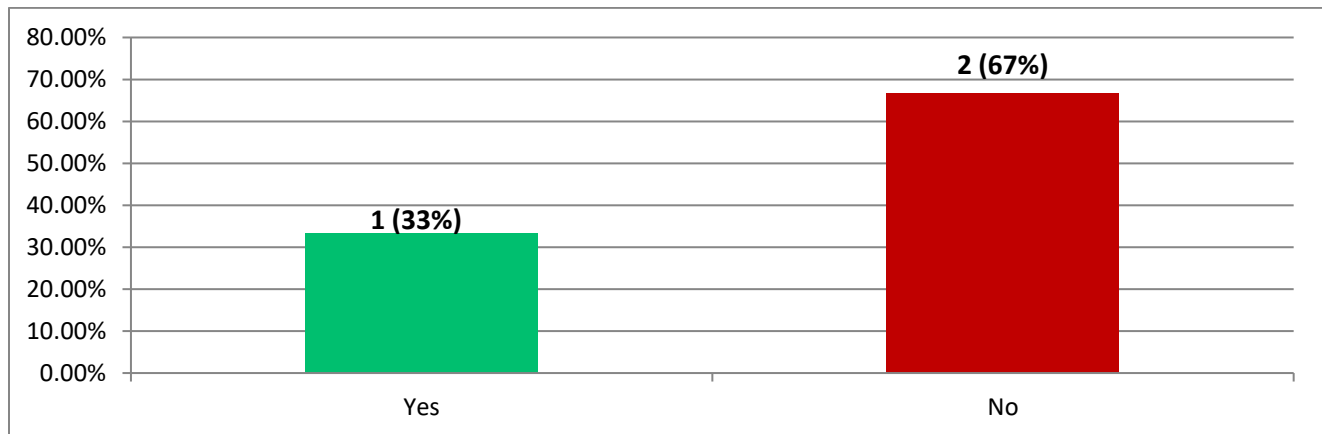


Table 21 is a follow-up to the respondent who expressed interest in **renting the facility for camp play**. The respondent was asked to list the camp play they might potentially host if the facility was open in 2021. The respondent indicated they would potentially rent 6 courts, 12 hours per month, for daytime play from May through September.

Table 21. *Responses to camp play*

Name	Camp Play	Month	Weekend/ Weekday	Day/Evening	Number of Court(s)	Number of Hours Per Month	Gender	Age Division
Brian Calimpong	Camp Play #1	May	Weekend	Daytime	6	12	Both	Youth
	Camp Play #2	June	Both	Day time	6	12	Both	Youth
	Camp Play #3	July	Both	Daytime	6	12	Both	Youth
	Camp Play #4	August	Both	Daytime	6	12	Both	Youth
	Camp Play #5	September	Weekend	Daytime	6	12	Both	Youth

Table 22 shows responses to the question pertaining to **facility rates for the use of tournaments, practice, league, and all other plays**. Ten individuals responded to the question. The responses show that the facility rates respondents are willing to pay vary from \$0 to \$250 depending on whether they are charged hourly, daily, or through partnerships with other organizations.

Table 22. *In general, what is the hourly rate you pay per court for similar facilities that you rent for tournaments, practice, league, etc.?*

Name	Tournament	Practice	League	Other
Donna Donaghy	Usually between \$150 to \$250 per court	N/A	N/A	N/A
Mark Hall	The cost depends on non-profit vs. other status. \$50 to \$85 per court.	N/A	N/A	N/A
Barry Peters	\$25	\$25	N/A	N/A
Todd Sears	\$15 to \$20	N/A	N/A	N/A
Kathleen DeBoer	Partnership with local CVB-Sports Authority - trade out courts for traffic in hotels and restaurants.	N/A	N/A	N/A
Frank Lavrisha	Big West/WCC Showdown (6 collegiate teams), \$55 per court per day, City of Santa Cruz.	N/A	N/A	N/A
Brian Calimpong	\$25 per court, per hour	\$25 per court per hour	\$25 per court per hour	N/A
Alex Jones	\$20	\$20	N/A	N/A
Fernando Sabla	N/A	N/A	N/A	\$50 to \$100 day
Shannon Oberg	N/A	\$0	N/A	N/A

Table 23 shows the responses to the question pertaining to **spectators**. Nine individuals responded to the question. Responses indicate that the number of spectators varies for tournaments, with the occasional attendance by parents. Four respondents reported at least ten spectators during practice.

Table 23. *In general, how many spectators might be anticipated per hour of use when you use courts for the following.*

Name	Tournament	Practice	League	Other
Donna Donaghy	Not many, some parents	N/A	N/A	N/A
Mark Hall	It depends on whether it is an adult or junior event.	N/A	N/A	N/A
Barry Peters	50+	10+	N/A	N/A
Todd Sears	100	N/A	N/A	N/A
Kathleen DeBoer	2020 AVCA SCBC has 25 college teams. Each brings 20 to 25 parents.	N/A	N/A	N/A
Frank Lavrisha	100+ spectators for the day	N/A	N/A	N/A
Brian Calimpong	30	10	30	N/A
Alex Jones	50	10	N/A	N/A
Shannon Oberg	N/A	12	N/A	N/A

Table 24 shows the responses to potential **overnight stays** during tournaments, league play, practice play, etc. Four people responded to the question. Of the four respondents, two indicated there will be overnight stays if tournaments are two or more days. In that case, they will rent more than ten rooms with two guests per room.

Table 24. *Responses to overnight stays*

Name	Start Date	Number of overnight stays	Number of hotel rooms	Number of guests per room	Comments
Mark Hall	N/A	N/A	N/A	N/A	Again, I can't really respond to this question. My events are one day and most teams will commute for the day.
Kathleen DeBoer	April 4	3	10+	2	For the current AVCA Small College Beach Championships, we contract 650 room nights in the local area from April 15 to 19. We partner with the Florida Region of USA Volleyball and the Lake County CVB to cover costs of courts and labor; AVCA schedules teams and officials.
Frank Lavrisha	March 7	2	10+	2	We would arrive the night before a two-day tournament and leave after the final day's competition was complete.
Fernando Sabla	N/A	N/A	N/A	N/A	To be determined

Respondents were asked if there are any **"like facilities" to whom the city should reach out** to gain additional insight on facility operations and costs. Responses are shown in Table 25.

Table 25. *Are there any “like facilities” in California that the City of Morgan Hill should contact to better understand use and cost patterns at their facilities?*

Name	Response
Donna Donaghy	City of Santa Cruz and West Valley College
Mark Hall	I would think the courts at Main Street Beach would be the closest thing to this. There are 16 courts there that are used by both recreational and tournament organizations. They have an established pay matrix for varied use.
Barry Peters	West Valley College: Donna Breckenridge; (408) 741-2650 donna.breckenridge@westvalley.edu Santa Cruz Main: Daniel Lawson (831) 420-5267 DLawson-Thomas@cityofsantacruz.com
Kathleen DeBoer	I don't know of any inland facilities of this type in California. Hickory Point Beach in Tavares, Florida, is a 21-court facility. They are managed by the Florida Region of USA Volleyball. The Executive Director is Steve Bishop.
Brian Calimpong	West Valley College
Alex Jones	West Valley College
Fernando Sabla	Wave Volleyball Club
Shannon Oberg	Northern California Volleyball Association

Respondents were asked if they know someone or an organization that may be interested in **contracting with the City to manage the facility as an operator**. Table 26 shows the responses.

Table 26. *Do you know someone or an organization that may be interested in contracting with the City of Morgan Hill to manage the facility as an operator?*

Name	Response
Donna Donaghy	The Northern California Volleyball Association
Kathleen DeBoer	Donna Donaghy, Commissioner, Northern California Volleyball Association, donna@ncva.com
Brian Calimpong	Myself
Alex Jones	Myself

Respondents were asked if they know someone or an organization that may be interested in **sponsorships or naming rights** of the facility. Responses are shown in Table 27.

Table 27. *Do you know someone or an organization that may be interested in sponsorships and/or naming rights for the facility?*

Name	Response
Barry Peters	Many opportunities, best to look at sponsors of AVP and AAU events, e.g., Wilson, Jolyn, Oakley, etc.

Respondents were asked if they know someone or an organization that may be interested in **contracting to build the facility for the City**. Responses are shown in Table 28.

Table 28. *Do you know someone or an organization that may be interested in contracting to build the facility for the City of Morgan Hill?*

Name	Response
Donna Donaghy	We have heard of someone in Southern California I can look into it.
Mark Hall	I do not know of any person with this kind of experience. I do have 40 years of experience of playing, organizing large scale events, and maintaining the courts at Main Beach. I would definitely have more than a few suggestions to add to the process to make sure these courts will be built at the highest standard. Have you thought about reaching out to the local soccer club to see if they would be interested in hosting sand soccer events there?
Barry Peters	Sand Court Experts: Butch Hendrick/(352) 267-1670/SandCourts@comcast.net
Todd Sears	https://www.sandcourtexperts.com
Kathleen DeBoer	Sports Imports is the leading provider of net systems and volleyball equipment in the United States. Their California contact is Tucker Day. email: tday@sportsimports.com

Respondents were asked if they knew a(n) individual, team, or organization that might be interested in **privately funding the facility**. Responses are shown in Table 29.

Table 29. *Do you know any individual(s), team(s), and/or organization(s) that may be interested in privately funding the proposed facility? If so, please identify and provide their contact information if available.*

Name	Response
Mark Hall	Not at this time
Barry Peters	No
Brian Calimpong	No
Alex Jones	No

Respondents were asked if there are **any other individual, team, or organization** the City should contact for the **possible use of the facility**. Responses are shown in Table 30.

Table 30. *Do you know any other individual(s), team(s), and/or organization(s) that the City should contact related to the possible use of their proposed facility? If so, please identify and provide their contact information if available.*

Name	Response
Donna Donaghy	Table 31. NCAA / P1440 / USAV
Mark Hall	Table 32. I am pretty certain that you know of the NCVA, and they are the major organization with the Bay Area Volleyball Community. The sand soccer craze is growing too, and I know there is a lot of competition to secure weekends on the beaches in front of the boardwalk.

**Morgan Hill
Lomanto Property**

Preliminary Statement of Probable Construction Costs
May 5, 2020

Verde Design

Job# 1511800

Prepared By: MK

Reviewed By: DM

SUMMARY OF COST

Phases	Estimate
Phase 1	\$1,945,556.99
Phase 2	\$3,904,368.72
Phase 3	\$3,847,496.44
Phase 4	\$2,551,054.48
Phase 5	\$1,762,100.00
TOTAL	\$14,010,576.63

- Notes:
- 1) Design contingency is for further development of design and compensates for unknown elements. We will eliminate as we move to Bid Documents.
 - 2) Bidding contingency is provided due to an unstable bidding environment and accelerated material price increases. This may be removed as proceed into the project bidding phase.
 - 3) Construction Contingency is provided to cover for site conditions and additional work not anticipated for upgrades.
 - 4) In Providing opinions of probable construction cost, the Client understands that the Landscape Architect has no control over costs or the price of labor equipment or materials, or over the Contractor's method of pricing, and that the opinions of probable construction costs provided herein are to be made on the basis of the Landscape Architect's qualifications and experience. The Landscape Architect makes no warranty, expressed or implied, as to the accuracy of such opinions as compared to bid or actual costs.

Attachment: Sand Volleyball - Cost Estimate - 5-5-20 (2750 : Sand Volleyball Feasibility Study Update)

VERDE DESIGN

2455 The Alameda, Suite 200 Santa Clara, California 95050
T: 408 985 7200 • F: 408 985 7260 verdedesigninc.com

1 of 10

Lomanto Property
Beach Concept - Phase 1
Preliminary Statement of Probable Construction Costs
May 5, 2020

Verde Design
Job 1511800
Prepared By: MK
Reviewed By: DM

	Quantity	Unit	Unit Cost	Extension
Site Preparation & Demolition				
Clear and Grub	51,206	sf	\$0.60	\$30,723.60
Misc. Demolition	1	ls	\$5,000.00	\$5,000.00
				\$35,723.60
Grading				
Rough Grading	51,206	sf	\$1.10	\$56,326.60
Soil Import / Export Allowance - On- Site Relocation	1	ls	\$30,000.00	\$30,000.00
Storm Drainage System	51,206	sf	\$1.00	\$51,206.00
				\$137,532.60
Sand Volleyball				
Sand Volleyball Courts (5 Courts)	27,876	sf	\$8.00	\$223,008.00
12" Concrete Curb	552	lf	\$60.00	\$33,120.00
				\$256,128.00
Paving				
Asphalt Paving - Vehicular Driveway	18753	sf	\$8.00	\$150,024.00
Concrete Paving - Walkways at Volleyball Area	5,000	sf	\$12.00	\$60,000.00
				\$210,024.00
Site Furnishings				
Drinking Fountains	1	ea	\$4,500.00	\$4,500.00
Dinking Fountain Sump	1	ls	\$2,000.00	\$2,000.00
Domestic Water Line & Service	1	ls	\$20,000.00	\$20,000.00
Volleyball Nets & Posts	5	set	\$2,500.00	\$12,500.00
Shade Stands	2	ea	\$20,000.00	\$40,000.00
				\$79,000.00
Fence and Gates				
6' Galvanized Chain Link Perimeter Fence	780	lf	\$75.00	\$58,500.00
				\$58,500.00
Planting and Irrigation				
Landscape and Irrigation Allowance	4,400	sf	\$5.00	\$22,000.00
Trees - Specimen	5	ea	\$1,000.00	\$5,000.00
Tree Bubbler Assembly - 4 per tree	20	ea	\$400.00	\$8,000.00
				\$35,000.00
Electrical				
PG&E Service	1	ls	\$180,000.00	\$180,000.00
Sports Court Lights	1	ls	\$180,000.00	\$180,000.00
Infrastructure for Electrical and Night Court Lights (Lights not Included)	1	ls	\$280,000.00	\$280,000.00
				\$640,000.00
Subtotal				\$1,451,908.20
Survey, Permits, Traffic, SWPPP, etc. - 2%				\$29,038.16
Bonding 2%				\$29,038.16
Mobilization & Project Management 10%				\$145,190.82
Design Contingency 12%				\$174,228.98
Construction Contingency 8%				\$116,152.66
Total - Phase 1				\$1,945,556.99

Notes: 1) Design contingency is for further development of design and compensates for unknown elements. We will eliminate as we move to Bid Documents.
2) Bidding contingency is provided due to an unstable bidding environment and accelerated material price increases. This may be removed as proceed into the project bidding phase.

- 3) Construction Contingency is provided to cover for site conditions and additional work not anticipated for upgrades.
- 4) In Providing opinions of probable construction cost, the Client understands that the Landscape Architect has no control over costs or the price of labor equipment or materials, or over the Contractor's method of pricing, and that the opinions of probable construction costs provided herein are to be made on the basis of the Landscape Architect's qualifications and experience. The Landscape Architect makes no warranty, expressed or implied, as to the accuracy of such opinions as compared to bid or actual costs.

Lomanto Property
Beach Concept - Phase 2
Preliminary Statement of Probable Construction Costs
May 5, 2020

Verde Design
Job 1511800
Prepared By: MK
Reviewed By: DM

	Quantity	Unit	Unit Cost	Extension
Site Preparation & Demolition				
Clear and Grub	120,000	sf	\$0.60	\$72,000.00
Misc. Demolition	1	ls	\$5,000.00	\$5,000.00
				\$77,000.00
Grading				
Rough Grading	120,000	sf	\$1.10	\$132,000.00
Soil Import / Export Allowance	1	ls	\$18,000.00	\$18,000.00
Storm Drainage System	120,000	sf	\$1.00	\$120,000.00
				\$270,000.00
Tournament Court Area				
5 Row Bleachers	5	ea	\$14,000.00	\$70,000.00
Concrete Paving	1,600	sf	\$12.00	\$19,200.00
				\$89,200.00
Sand Volleyball				
Sand Volleyball Courts (5 Courts)	27,876	sf	\$8.00	\$223,008.00
12" Concrete Curb	552	lf	\$60.00	\$33,120.00
				\$256,128.00
Parking Lot				
Asphalt Paving - Vehicular	85,000	sf	\$8.00	\$680,000.00
Concrete Pedestrian Paving	20,000	sf	\$12.00	\$240,000.00
Enlongated Asphalt Speed Bump - Vehicular	890	sf	\$50.00	\$44,500.00
Vehicular Ramp	2	ea	\$2,000.00	\$4,000.00
Concrete Curb and Gutter	6,500	lf	\$45.00	\$292,500.00
Signage	1	ls	\$2,500.00	\$2,500.00
Striping	1	ls	\$2,500.00	\$2,500.00
				\$1,266,000.00
Site Furnishings				
Drinking Fountains	1	ea	\$4,500.00	\$4,500.00
Dinking Fountain Sump	1	ls	\$2,000.00	\$2,000.00
Domestic Water Line	1	ls	\$11,000.00	\$11,000.00
5 Row Bleachers	4	ea	\$14,000.00	\$56,000.00
Concrete Bleacher Pads	1,740	sf	\$12.00	\$20,880.00
Referee Stands	5	ea	\$2,000.00	\$10,000.00
Volleyball Nets & Posts	5	set	\$2,500.00	\$12,500.00
Shade Stands	6	ea	\$20,000.00	\$120,000.00
				\$236,880.00
Fence and Gates				
6' Galvanized Chain Link Perimeter Fence	780	lf	\$75.00	\$58,500.00
				\$58,500.00
Landscape and Irrigation				
Landscape and Irrigation Allowance	8,800	sf	\$5.00	\$44,000.00
Trees - Specimen	10	ea	\$1,000.00	\$10,000.00
Tree Bubbler Assembly - 4 per tree	40	ea	\$400.00	\$16,000.00
				\$70,000.00
Electrical				
Infrastructure for Electrical and Night Court Lights (Lights not Included)	1	ls	\$250,000.00	\$250,000.00
Sports Court Lights	1	ls	\$180,000.00	\$180,000.00
Pedestrian Security Lighting	1	ls	\$75,000.00	\$75,000.00
Parking Lot Lights	1	ls	\$85,000.00	\$85,000.00
				\$590,000.00

Subtotal	\$2,913,708.00
Survey, Permits, Traffic, SWPPP, etc. - 2%	\$58,274.16
Bonding 2%	\$58,274.16
Mobilization & Project Management 10%	\$291,370.80
Design Contingency 12%	\$349,644.96
Construction Contingency 8%	\$233,096.64
Total - Phase 2	\$3,904,368.72

Notes: 1) Design contingency is for further development of design and compensates for unknown elements. We will eliminate as we move to Bid Documents.

2) Bidding contingency is provided due to an unstable bidding environment and accelerated material price increases. This may be removed as proceed into the project bidding phase.

3) Construction Contingency is provided to cover for site conditions and additional work not anticipated for upgrades.

4) In Providing opinions of probable construction cost, the Client understands that the Landscape Architect has no control over costs or the price of labor equipment or materials, or over the Contractor's method of pricing, and that the opinions of probable construction costs provided herein are to be made on the basis of the Landscape Architect's qualifications and experience. The Landscape Architect makes no warranty, expressed or implied, as to the accuracy of such opinions as compared to bid or actual costs.

Lomanto Property
Beach Concept - Phase 3
Preliminary Statement of Probable Construction Costs
May 5, 2020

Verde Design
Job 1511800
Prepared By: MK
Reviewed By: DM

	Quantity	Unit	Unit Cost	Extension
Site Preparation & Demolition				
Clear and Grub	135,000	sf	\$0.60	\$81,000.00
Misc. Demolition	1	ls	\$20,000.00	\$20,000.00
				\$101,000.00
Grading				
Rough Grading	135,000	sf	\$1.10	\$148,500.00
Soil Import / Export Allowance	1	ls	\$18,000.00	\$18,000.00
Storm Drainage System	135,000	sf	\$1.00	\$135,000.00
				\$301,500.00
Warm Up Area				
Turf - Fine Grading, Amendments, Sod and Maintenance	8,110	sf	\$1.30	\$10,543.00
Field Irrigation	8,110	sf	\$2.00	\$16,220.00
				\$26,763.00
Sand Volleyball				
Sand Volleyball Courts (5 Courts)	27,876	sf	\$8.00	\$223,008.00
12" Concrete Curb	552	lf	\$60.00	\$33,120.00
Theme Court Signage (All 20 Courts)	1	ls	\$12,000.00	\$12,000.00
				\$268,128.00
Paving				
Concrete Paving - Walkways Throughout	7,200	sf	\$12.00	\$86,400.00
				\$86,400.00
Special Use Plaza				
Plaza Paving, Planting & Furnishing	25,000	sf	\$16.00	\$400,000.00
				\$400,000.00
Parking Lot				
Asphalt Paving - Vehicular	56,000	sf	\$8.00	\$448,000.00
Concrete Pedestrian Paving	13,000	sf	\$12.00	\$156,000.00
Enlongated Asphalt Speed Bump - Vehicular	1,000	sf	\$50.00	\$50,000.00
Concrete Curb and Gutter	3,255	lf	\$45.00	\$146,475.00
Signage	1	ls	\$2,500.00	\$2,500.00
Striping	1	ls	\$2,500.00	\$2,500.00
				\$805,475.00
Site Furnishings				
Benches	15	ea	\$1,400.00	\$21,000.00
Drinking Fountains	4	ea	\$4,500.00	\$18,000.00
Dinking Fountain Sump	4	ls	\$2,000.00	\$8,000.00
Domestic Water Line	1	ls	\$11,000.00	\$11,000.00
Referee Stands	5	ea	\$2,000.00	\$10,000.00
Volleyball Nets & Posts	5	set	\$2,500.00	\$12,500.00
Shade Stands	5	ea	\$20,000.00	\$100,000.00
				\$180,500.00
Fence and Gates				
6' Galvanized Chain Link Perimeter Fence	780	lf	\$75.00	\$58,500.00
				\$58,500.00
Landscape and Irrigation				
Trees - Specimen	10	ea	\$1,000.00	\$10,000.00
Tree Bubbler Assembly - 4 per tree	40	ea	\$400.00	\$16,000.00
Landscape and Irrigation Allowance	15,400	sf	\$5.00	\$77,000.00
				\$103,000.00

Electrical

Infrastructure for Electrical and Night Court Lights (Lights not Included)	1	ls	\$250,000.00	\$250,000.00
Sports Court Lights	1	ls	\$180,000.00	\$180,000.00
Parking Lot Lights	1	ls	\$35,000.00	\$35,000.00
Pedestrian Security Lighting	1	ls	\$75,000.00	\$75,000.00
				\$540,000.00

Subtotal				\$2,871,266.00
Survey, Permits, Traffic, SWPPP, etc. - 2%				\$57,425.32
Bonding 2%				\$57,425.32
Mobilization & Project Management 10%				\$287,126.60
Design Contingency 12%				\$344,551.92
Construction Contingency 8%				\$229,701.28
Total - Phase 3				\$3,847,496.44

Notes: 1) Design contingency is for further development of design and compensates for unknown elements. We will eliminate as we move to Bid Documents.

2) Bidding contingency is provided due to an unstable bidding environment and accelerated material price increases. This may be removed as proceed into the project bidding phase.

3) Construction Contingency is provided to cover for site conditions and additional work not anticipated for upgrades.

4) In Providing opinions of probable construction cost, the Client understands that the Landscape Architect has no control over costs or the price of labor equipment or materials, or over the Contractor's method of pricing, and that the opinions of probable construction costs provided herein are to be made on the basis of the Landscape Architect's qualifications and experience. The Landscape Architect makes no warranty, expressed or implied, as to the accuracy of such opinions as compared to bid or actual costs.

Lomanto Property
Beach Concept - Phase 4
Preliminary Statement of Probable Construction Costs
May 5, 2020

Verde Design
Job 1511800
Prepared By: MK
Reviewed By: DM

	Quantity	Unit	Unit Cost	Extension
Site Preparation & Demolition				
Clear and Grub	117,000	sf	\$0.60	\$70,200.00
Misc. Demolition	1	ls	\$20,000.00	\$20,000.00
				\$90,200.00
Grading				
Rough Grading	117,000	sf	\$1.10	\$128,700.00
Soil Import / Export Allowance	1	ls	\$18,000.00	\$18,000.00
Storm Drainage System	117,000	sf	\$1.00	\$117,000.00
				\$263,700.00
Sand Volleyball				
Sand Volleyball Courts (5 Courts)	27,876	sf	\$8.00	\$223,008.00
12" Concrete Curb	552	lf	\$60.00	\$33,120.00
				\$256,128.00
Parking Lot				
Asphalt Paving - Vehicular	42,000	sf	\$8.00	\$336,000.00
Concrete Pedestrian Paving	4,000	sf	\$12.00	\$48,000.00
Enlongated Asphalt Speed Bump - Vehicular	1,000	sf	\$50.00	\$50,000.00
Concrete Curb and Gutter	3,000	lf	\$45.00	\$135,000.00
Signage	1	ls	\$2,500.00	\$2,500.00
Striping	1	ls	\$2,500.00	\$2,500.00
				\$574,000.00
Site Furnishings				
Referee Stands	5	ea	\$2,000.00	\$10,000.00
Volleyball Nets & Posts	5	set	\$2,500.00	\$12,500.00
				\$22,500.00
Park and Picnic Area				
Irrigation, Landscape and Park Furnishing	25,218	sf	\$8.00	\$201,744.00
				\$201,744.00
Electrical				
Sports Court Lights	1	ls	\$180,000.00	\$180,000.00
Feeder and Conduit per ACEE	1	ls	\$180,000.00	\$180,000.00
				\$360,000.00
Fence and Gates				
6' Galvanized Chain Link Perimeter Fence	780	lf	\$75.00	\$58,500.00
				\$58,500.00
Landscape and Irrigation				
Landscape and Irrigation Allowance	15,400	sf	\$5.00	\$77,000.00
				\$77,000.00
Subtotal				\$1,903,772.00
Survey, Permits, Traffic, SWPPP, etc. - 2%				\$38,075.44
Bonding 2%				\$38,075.44
Mobilization & Project Management 10%				\$190,377.20
Design Contingency 12%				\$228,452.64
Construction Contingency 8%				\$152,301.76
Total - Phase 4				\$2,551,054.48

Notes: 1) Design contingency is for further development of design and compensates for unknown elements. We will eliminate as we move to Bid Documents.

- 2) Bidding contingency is provided due to an unstable bidding environment and accelerated material price increases. This may be removed as proceed into the project bidding phase.
- 3) Construction Contingency is provided to cover for site conditions and additional work not anticipated for upgrades.
- 4) In Providing opinions of probable construction cost, the Client understands that the Landscape Architect has no control over costs or the price of labor equipment or materials, or over the Contractor's method of pricing, and that the opinions of probable construction costs provided herein are to be made on the basis of the Landscape Architect's qualifications and experience. The Landscape Architect makes no warranty, expressed or implied, as to the accuracy of such opinions as compared to bid or actual costs.

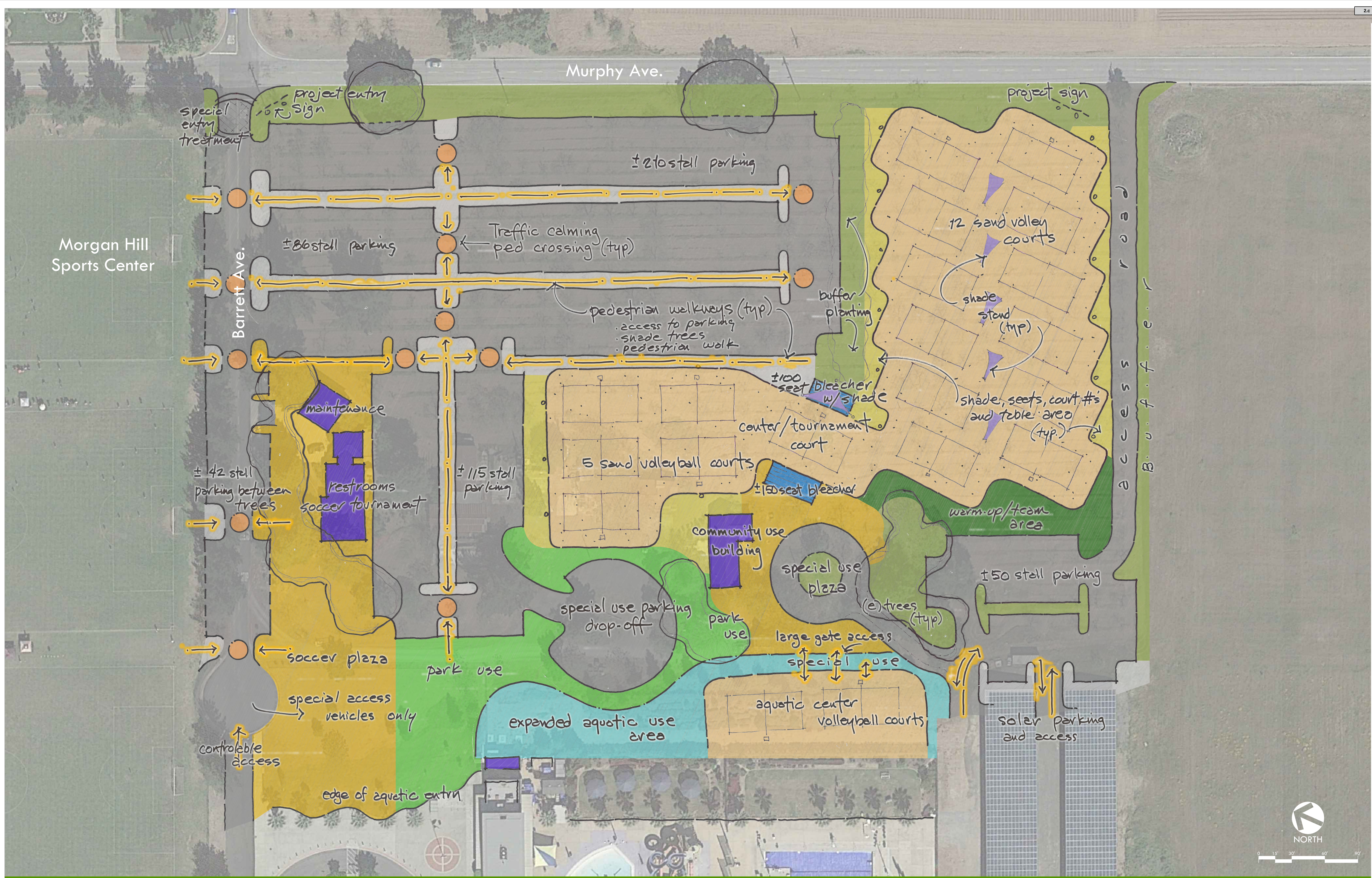
Lomanto Property
Beach Concept - Phase 5
Preliminary Statement of Probable Construction Costs
May 5, 2020

Verde Design
Job 1511800
Prepared By: MK
Reviewed By: DM

	Quantity	Unit	Unit Cost	Extension
Buildings				
Domestic Water Service & Building's Connection	1	ls	\$40,000.00	\$40,000.00
Sewer Service & Building's Connection	1	ls	\$40,000.00	\$40,000.00
Exeloo Restroom	1	ls	\$275,000.00	\$275,000.00
Public Restroom Company Community Room & Office Building	1	ls	\$600,000.00	\$600,000.00
Plaza Paving, Planting & Furnishing	15,000	sf	\$14.00	\$210,000.00
Electrical Service, Lighting and Data	1	ls	\$150,000.00	\$150,000.00
				\$1,315,000.00
Subtotal				\$1,315,000.00
Survey, Permits, Traffic, SWPPP, etc. - 2%				\$26,300.00
Bonding 2%				\$26,300.00
Mobilization & Project Management 10%				\$131,500.00
Design Contingency 12%				\$157,800.00
Construction Contingency 8%				\$105,200.00
Total - Phase 5				\$1,762,100.00

Notes: 1) Design contingency is for further development of design and compensates for unknown elements. We will eliminate as we move to Bid Documents.
2) Bidding contingency is provided due to an unstable bidding environment and accelerated material price increases. This may be removed as proceed into the project bidding phase.
3) Construction Contingency is provided to cover for site conditions and additional work not anticipated for upgrades.
4) In Providing opinions of probable construction cost, the Client understands that the Landscape Architect has no control over costs or the price of labor equipment or materials, or over the Contractor's method of pricing, and that the opinions of probable construction costs provided herein are to be made on the basis of the Landscape Architect's qualifications and experience. The Landscape Architect makes no warranty, expressed or implied, as to the accuracy of such opinions as compared to bid or actual costs.

Attachment: Sand Volleyball - Cost Estimate - 5-5-20 (2750 : Sand Volleyball Feasibility Study Update)



Attachment: Sand Volleyball Property Concept sm (2759 - Sand Volleyball Feasibility Study Update)

Conceptual Design - Beach Concept Lomanto Property Morgan Hill, CA



BAY AREA SPORTS
ORGANIZING COMMITTEE

Mr. Chris Ghione
City of Morgan Hill
Community Services, Engineering and Utilities
17575 Peak Avenue
Morgan Hill, CA 95037

December 5, 2019

Dear Mr. Ghione:

We are excited to learn that the City of Morgan Hill has planned and budgeted for sand volleyball courts at the Outdoor Sports Center on Condit Road. We are writing in support of this project. We know this venue will be of great benefit to the community of Morgan Hill.

We are delighted to know that many organizations have expressed interest in supporting this project. These organizations include the Northern California Volleyball Association, the California Beach Volleyball Association, the USA Volleyball Youth Program, the Association of Volleyball Professionals First Youth Program, Stanford University's Women's Beach Volleyball Team and many Northern California Beach Volleyball clubs and tournaments. The Bay Area Sports Organizing Committee (BASOC) is proud to add our name to this list of supporters.

As an Olympian, I believe it is so important for communities to support facilities that encourage our youth to have a place to play sports and to have dreams about becoming Olympians. The original premise of the Olympic Charter is, "to educate youth through sport to build a better and more peaceful world". With the Olympic Games coming to Los Angeles in 2028, there will be ample opportunities to showcase beach volleyball and offer the opportunity to hold training camps, clinics and demonstrations as countries around the world prepare for the Games.

Thank you to the City of Morgan Hill and the Beach Volleyball Community for having the vision to support this new venue for beach volleyball. If I, or the more than 400 Olympians from past Games who live and work in Northern California can do anything to support this important project, please call on us.

In the Olympic Spirit,

Anne Warner Cribbs, OLY
President and CEO
Bay Area Sports Organizing Committee



January 21, 2020

City Council
City of Morgan Hill
17575 Peak Avenue
Morgan Hill, CA 95037

Greetings Honorable Members:

On behalf of the Morgan Hill Downtown Association, the Board Of Directors unanimously voted in support of the City building sand volleyball courts at the Outdoor Sports Center. Sand Volleyball is gaining global attraction. Outside of Santa Cruz and West Valley College where courts are regularly overbooked, there are no other facilities in the area capable of hosting large tournaments, training camps and clinics serving this sport.

Morgan Hill is the gem of Santa Clara County. Offering first-in-class dining and winery experiences and with the abundance of recreation options, it has become a destination for all the Bay Area to enjoy. We feel sand volley ball courts will certainly attract new visitors from near and far to Morgan Hill, and particularly our downtown businesses. This coupled with construction and maintenance of sand courts being relatively inexpensive, everyone wins.

Therefore, as City investigates the feasibility of this endeavor, our hope is this amenity is added to the many already in place.

Best Regards,
MHDA

David Dindak –BOD President - 2020

From: [Matt Wendt](#)
To: [Chris Ghione](#)
Subject: Fwd: Letter of Support for Sand Volleyball Courts in Morgan Hill
Date: Tuesday, May 19, 2020 9:52:57 AM

Sent from my iPhone

Begin forwarded message:

From: Kerri Walsh Jennings <kerri@p1440.com>
Date: January 14, 2020 at 8:30:40 PM PST
To: Matthew Wendt <matthewwendt@msn.com>
Subject: Re: Letter of Support for Sand Volleyball Courts in Morgan Hill

Dear Matthew,

I am sincerely excited for you to bring (God speed!) some beach volleyball courts to your community. As you know, our sport, and the opportunities within it, continue to grow at a ridiculous rate and I have no doubt that the courts will be well used and extremely popular.

My team and I at p1440 will most definitely be eager to discuss with you building out a youth tour/programming model that will create a win win win for all - you, the athletes, your community, the sport and p1440, which aspires to elevate and grow the sport into the highest echelon of sports.

Please let me know what I can do to support and please know that I am in full support of this initiative. I look forward to finding ways to work together for many, many, many years to come.

All my best and wishing you a happy, fulfilling and successful 2020. This year promises to be golden.



Kerri

Sent with a smile

WARNING: This message is from an external user. Confidential information such as social security numbers, credit card numbers, bank routing numbers, gift card numbers, wire transfer information and other personally identifiable information should not be transmitted to this user. For question, please contact the Morgan Hill IT Department by opening a new helpdesk request online or call 408-909-0055.

Attachment: All Support Letters (2750 : Sand Volleyball Feasibility Study Update)



December 10, 2019

City Council of Morgan Hill,

Thank you for the opportunity to submit our proposal. This memo outlines our interest in partnering with the City of Morgan Hill to support the needs of the community and the region by operating a sand volleyball complex.

1. Organization Background. Provide an introduction to your organization, its' goals and rational for submitting a proposal.

Our association endeavors to promote participation in a quality program that provides a positive and safe athletic environment through a variety of developmental and competitive opportunities for junior players of all ages, skill levels, and diverse groups. We host and approve competition, fellowship play, clinics, leagues, and tournaments. We also host one of the National Qualifiers for USA Volleyball. In addition, the NCVA aids in the development of players, coaches, referees and scorekeepers.

As one of the five founding regions of the National Beach Tour, a collaboration between USA Volleyball and its 40 regions, we are seeking new facilities that are capable of supporting large national events. As one of the largest indoor National Qualifiers in the nation, we would like to apply our experience to beach volleyball as it grows into a full-fledged NCAA sport with funded scholarships and dedicated players.

2. Concept and Approach. Provide an executive summary of your intended proposal.

NCVA's goal is to make the City of Morgan Hill the west coast destination for nationally sanctioned beach volleyball tournaments. Currently, the only facilities on the west coast with more than 6 courts are all located on a beach. This limits the possible participation of our members as only those that are near the coast have reasonable access to the facilities. It also requires participants that require hotel stays for tournaments and other activities to pay a premium. Working with Morgan Hill would provide more accessibility for the surrounding communities, more affordable hotel options, great airport access for those traveling into the region and more continuous use of the courts due to better weather throughout the year.

The demand from clubs, schools, colleges, and community activities is very high due to a lack of facilities in the region. Surveys of the city occupants determined that sand courts were needed and heavily supported. Our endeavor would be to help the City of Morgan Hill become a sports destination for volleyball, something that other cities have not stepped up to secure.

Overall, use of the facility would be managed through a first-come application process. Community groups would be identified and provided additional support in securing space at the facility.



Ultimately, the NCVA would like to identify key dates/times that are ideal for community use, this would become possible once the facility opens, and the community becomes aware of its availability. Our request would include a 50-year, cost-free lease for the space to operate and promote volleyball.

We currently run our own facility in Santa Rosa and Sacramento while running events and overseeing the staff that operate out of hundreds of gyms throughout the region. Keeping facilities at their prime and ready for use at all times is something we understand is a requirement to provide a place to play for both our members and the community at large. As identified during the walk-through, there appears to be ample space around the fields and undeveloped land. We deal with difficult parking situations at many of our facilities and are well versed in the staffing requirements to ensure controlled traffic flow for all attendees.

As a non-profit organization, we are required to undergo yearly financial audits. We have passed these audits quite favorably since their inception in the early 2000's.

While sand courts main use is beach volleyball, there are openings for sand soccer and other organized sports that are beginning to emerge. The NCVA welcomes partnerships with the surrounding operators to offer the community more options on both sand courts and grass fields to provide the opportunity for more people to learn and participate in a variety of sports; promoting fitness, sportsmanship, and other developmental skills.

3. Relevant Experience. Provide experience of your organization as it relates to your intended proposal.

We have operated our own facility for many years. We have operated facilities in Sacramento, Alameda, and Santa Rosa. Additionally, we run events 18-20 weekends a year utilizing every convention center in Northern California and Northern Nevada including facilities located in San Francisco, San Jose, San Mateo, Sacramento, Fresno, Reno, and Santa Clara in addition to several fairground locations.

It's this experience throughout several cities and counties that allows us to be well versed in operating tournament s in areas and buildings with a wide variety of policies for events. This has also allowed us to work with Fire Marshalls and understand the requirements of running safe event sites.

4. Organizational Structure and Staffing. Describe the future planned structure of your organization to support your intended proposal.

Our organization anticipates staffing needs to be up to two dedicated staff positions for the Morgan Hill facility. These staff would oversee the daily operations, rentals, and maintenance of the facility. They would contract and coordinate any additional staffing needed to oversee the operations of the facility such as parking, sand maintenance, or other on-site staff.

5. Facility Use. Describe what components of the facilities are necessary for your intended proposal. Describe capital improvements and maintenance planning and method of funding.

We plan to use the portion of the City Owned Property built for beach volleyball and the surrounding areas for Parking. Once built, the on-going maintenance would be funded by the rental fees and guest registration.

NCVA would work with the local businesses to provide sponsorship opportunities and hotels to provide a portion of the proceeds from the occupants attending the event to fund upgrades and further renovations to the facilities.

6. Financial Considerations. Include information on intended revenue and expenses related to your intended proposal.

We anticipate the revenue for the sand court complex will be generated from rental fees, guest registration, and hotel rebates. The expenses to operate a sand facility are similar to other sports venues and include, but are not limited to, janitorial services, on-site staffing, security, sand/grounds maintenance, building maintenance, and utilities.

City of Morgan Hill
17575 Peak Avenue
Morgan Hill, CA 95037

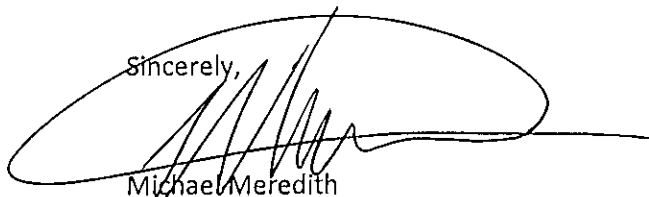
To Morgan Hill City Council & Parks and Recreation Commission,

The Board of Directors for Visit Morgan Hill is in support of the proposed sand volleyball courts at the Outdoor Sports Center on Condit Road. Our organization has spent time during our last two meetings learning about the numerous benefits this facility would bring to Morgan Hill. After lengthy discussion, all the members of the Board agreed that this was exactly the type of project that would draw visitors to the region and support the many businesses that benefit from tourism.

The members of the Board feel that there is tremendous potential to create a unique outdoor recreation resource that will not only draw visitors from around the region to Morgan Hill, but will also be a wonderful facility for local residents. Although this will be a new endeavor for the City, this project is being supported by numerous volleyball organizations such as the California Beach Volleyball Association, the USA Volleyball Youth Program and the Northern California Volleyball Association just to name a few. The broad support from these organizations will help Morgan Hill become a destination for tournaments and events, and will bring valuable tourism to the community.

Ultimately, the decision comes down to whether this project is a prudent way to spend time, money and energy, and whether the return on this investment will be worthwhile for Morgan Hill. Since these volleyball courts are relatively inexpensive to develop and maintain, the Board believes that there could be a tremendous return on the investment considering the potential to attract events and visitors to the region. We are excited about the potential for further developing the Outdoor Sports Center, and making Morgan Hill a world class sports recreation destination.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read 'Michael Meredith', is written over the word 'Sincerely,' and extends across the line of the name.

Michael Meredith
Board Chairperson
on behalf of the
Visit Morgan Hill Board of Directors

COMMITTEE ON THE JUDICIARY
• RANKING MEMBER-SUBCOMMITTEE ON
IMMIGRATION AND BORDER SECURITY
• SUBCOMMITTEE ON COURTS, INTELLECTUAL
PROPERTY AND THE INTERNET

COMMITTEE ON SCIENCE, SPACE AND TECHNOLOGY
• SUBCOMMITTEE ON SPACE
• SUBCOMMITTEE ON ENERGY

COMMITTEE ON HOUSE ADMINISTRATION
• JOINT COMMITTEE ON THE LIBRARY

Congress of the United States
House of Representatives
Washington, DC 20515

ZOE LOFGREN
19TH DISTRICT, CALIFORNIA

635 NORTH FIRST STREET
SAN JOSE, CA 95112
(408) 271-8700

1401 LONGWORTH HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225-307

[HTTPS://LOFGREN.HOUSE.GOV](https://lofgren.house.gov)
WWW.FACEBOOK.COM/ZOELOFGREN
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CHAIR, CALIFORNIA DEMOCRATIC CONGRESSIONAL DELEGATION
CO-CHAIR, CONGRESSIONAL CAUCUS ON VIETNAM

August 26, 2019

Mr. Chris Ghione
Public Services Director
City of Morgan Hill
Community Services, Engineering and Utilities
17575 Peak Avenue
Morgan Hill, CA 95037

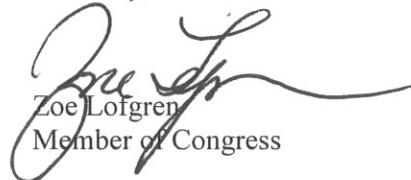
Dear Mr. Ghione:

It has come to my attention that the City of Morgan Hill has planned and budgeted for sand volleyball courts at the Outdoor Sports Center on Condit Road. I write in support of this project because I believe it will be of benefit to Morgan Hill residents and to the health of our community.

It is my understanding that sand volleyball courts have no environmental impact and are inexpensive to establish and maintain. Further, I was informed that multiple organizations have now expressed an interest in supporting this project. These organizations include the Northern California Volleyball Association, the California Beach Volleyball Association, the USA Volleyball Youth Program, the Association of Volleyball Professionals First Youth Program, Stanford University's Women's Beach Volleyball Team, and multiple Northern California beach volleyball clubs and tournaments, among many other groups and individuals.

I believe that this development of a sand volleyball space in Morgan Hill would provide another good sports option in the community, providing another much-needed active sports and recreational opportunity to our residents. The new sand volleyball courts would also be a welcome addition to the only other venue, located in Santa Cruz, that currently accommodates the many local and regional organizations that require these courts every season in our area.

Sincerely,


Zoe Lofgren
Member of Congress

Attachment: All Support Letters (2750 : Sand Volleyball Feasibility Study Update)



PARKS AND RECREATION COMMISSION STAFF REPORT

MEETING DATE: May 19, 2020

PREPARED BY: Chris Ghione, Public Services Director

APPROVED BY: Chris Ghione, Public Services Director

VILLA MIRA MONTE EVENT VENUE REPORT

RECOMMENDATION(S)

1. Receive draft report on Villa Mira Monte Historic Site and potential use as an event venue; and
2. Provide comments on feedback on future use for the Villa Mira Monte site.

REPORT NARRATIVE:

The Morgan Hill Historical Society operates and maintains the 2.5-acre site known as Villa Mira Monte, including the Hiram Morgan Hill House, Museum and Centennial History Trail. In 2017, the City entered into a partnership with the Historical Society to preserve the site and support the operation of the site as a park facility. The City's Capital Improvement Program and the City's Bikeways, Trails, Parks and Recreation (BTPR) Master Plan for the future development of Villa Mira Monte site. The Historical Society has long planned for the future improvements to include additional outdoor event space and buildings to fully build out the site to support increased utilization as an event center, while at the same time improving the site as a historical resource.

The City and Historical Society agreed that before moving forward with further design that a more detailed analysis of the sites potential as an event venue would be reviewed. The City engaged Management Partners, a consulting company to review and evaluate the current Villa Mira Monte facility master plan with consideration of best use of the site from a long-term sustainability perspective (cost recovery, revenue generation, and operations and maintenance). This report is included as Attachment 1. The Historical Society's response to the report is included as Attachment 2.

The City Council has designated the Library, Culture and Arts Commission as the designated advisory Commission for Villa Mira Monte and the City's Historical Resources. However, the expansion of Villa Mira Monte would be considered a park project and for that reason the report is being shared with the Parks and Recreation Commission. Commission comments and recommendations will be documented and provided when the report is shared with the City Council.

LINKS/ATTACHMENTS:

1. 3237001_MorganHillEventVenue_Report
2. Management Partners Wrap Response 4.28.20

City of Morgan Hill

Villa Mira Monte Historic Site – Event Venue

January 2020

Management
Partners





January 14, 2020

Mr. Chris Ghione
Community Services Director
City of Morgan Hill
17575 Peak Avenue
Morgan Hill, CA 95037

Dear Mr. Ghione:

Management Partners is pleased to transmit this project report regarding the Villa Mira Monte Historic Site. We evaluated the current site with respect to its operational challenges and the potential for success as an event venue. We have provided our observations and recommendations about what the City should consider before making any further capital improvements in the historic site, including the merits of investing in the site in support of making it a destination event venue. Overall, due to the constraints of the site as well as operational and management challenges, we believe the City should sustain the site as a historic community asset and not as an expanded event venue destination.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Andrew S. Belknap', is positioned above the printed name.

Andrew S. Belknap
Senior Vice President

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Executive Summary

The City of Morgan Hill engaged Management Partners to assess the feasibility of an expanded event venue at the site of the historic Villa Mira Monte. The goal of such an expansion would be to improve sustainability with a reliable revenue stream to support ongoing facility maintenance and operations costs of the site and the Historic Society.

In conjunction with the Morgan Hill Historical Society (Historical Society) and the City of Morgan Hill, Management Partners evaluated the operational challenges with the current site and evaluated what we believe will be required before any further capital improvements are invested in the historic site. We reviewed case studies for successful historic destination event venues and conducted interviews with staff from the Historical Society and the City of Morgan Hill.

This memorandum provides background on the site, our observations regarding the current operational context, what would be required to be a viable event destination, and some preliminary recommendations for immediate next steps. Our review and analysis resulted in the following major observations and conclusions.

1. Successful historic event venue destinations cannot rely on a small historic house as the primary attraction. Typically, while venues may be historic in nature, they have the following characteristics:
 - Emphasis is placed on providing space for events, which may or may not relate to the history of the site.
 - Event planning (weddings, ceremonies, special events) has shifted from indoor activities to utilization of outdoor spaces that provide more flexible uses. When indoor space is needed, covered areas and/or tents are utilized.
 - Events are becoming destination-oriented where renters look for a venue that provides a full range of support, e.g., vendors, photo opportunities, and overnight accommodations.
 - Successful venues require paid staff who have regular hours, take bookings, answer questions, and can provide support from the booking through the event.

- Events are typically staffed with attendants during most activities to oversee use of the venue.
 - The event venue has determined their market focus. In other words, the venue has a specialty of users (e.g., weddings) and market specifically to that audience.
2. The Historical Society's primary mission is to *"preserve and share the history of Morgan Hill, and its environs, to inspire a sense of community."* While not inconsistent with a successful historic event destination, the non-profit's focus and interest does not now include maintenance and operation of an event venue. There is no paid staff, nor does the interest of their members necessarily include this type of function. An event venue is not currently part of the Society's Strategic Plan. (They are currently evaluating whether the society can support a museum/park event-focused mission.) Until and unless this changes, the Historical Society is not positioned or able to operate an expanded historic event venue.
 3. The proposed \$1.8 million capital improvement investment (landscaping and parking) by the City *may* expand opportunities for rentals. However, based on our analysis, the factors below and the site's constraints, we are not convinced it will ever be a robust event venue destination or provide a commensurate return on investment. Rather, the site's primary purpose is that of housing a museum and perhaps some ancillary community events from time to time. This may be all that can and should be achieved.
 - Based on information provided by the City, the maximum number of parking spaces is 67 with the maximum use at 150. These constraints coupled with storm water mitigation requirements would further impact use of the site use and limit the ability for success.
 - There are many area wineries and associated event facilities/sites with established operating plans that are similar in size to the historical site. Trying to compete with the established venues in the private sector, even if managed by the City, would be difficult at best. Should City leaders decide to invest in the event venue site, they should explore partnering with someone who has experience in this established niche market.
 - Should either the maintenance and/or operation of the site be taken over by the City, the increased cost of City staff and operational requirements would no doubt raise the

cost of operations well above that provided by volunteers or the private sector. This would more than likely price the cost of rental of this space beyond marketability.

There has been no marketing analysis to determine competition in the area for similar rentals (wineries, other historic destination event venues), little strategy for determining what may be captured with such an investment based on an identified market, and no differentiation between the purpose of the Historical Society as it relates to history (the museum), and what it should achieve in operating the property as an event venue. (An in-depth marketing analysis was beyond the scope of this engagement although a high-level listing of event venues in Santa Clara County is provided in this report as information.)

Prior to making any major capital investment by the City, our major recommendations are:

- Sustain the site as a historic community asset and not as an expanded event venue destination.
- Develop a *strategic plan* for the site to address:
 - Stakeholder interests and goals for the future of the site either as an event venue (if determined to be viable) or a sustainable historical asset in the community.
 - A long-term mission and vision for the site, specific goals to accomplish the site's mission, and a plan to implement them. This should elicit a practical solution for the site that incorporates feedback from all stakeholder groups.
 - The market for and feasibility of an expanded historic destination event venue on the site compared with maintenance of the site as an important historic place in the community. It should include an environmental scan of existing facilities and the potential for rentals. In short, it should answer the questions: Who are you trying to reach? Who would use the facility? and Can the site accommodate the facilities required to support the event venue?
 - Potential partnerships and/or third-party operator agreements (e.g., Morgan Hill Historical Society, City Council, community members, etc.) should an event venue destination be determined to be realistic.
 - Additional resources need to accomplish identified goals for the site, including funding responsibilities.

- Develop a business plan to implement the strategic plan. The business plan would specifically identify the operational entity for the facility and a revenue structure for its sustainability.
- If there is continued interest in pursuing the site as an event venue, an interim investment by the City in support of developing an operational budget may be required. This would provide paid staff for the historical site event venue through increased rental rates, in-kind services from the City and an increased annual financial allocation by the City. This will provide more information about what's possible in the current operational environment.

Attachment A provides a full listing of our recommendations.

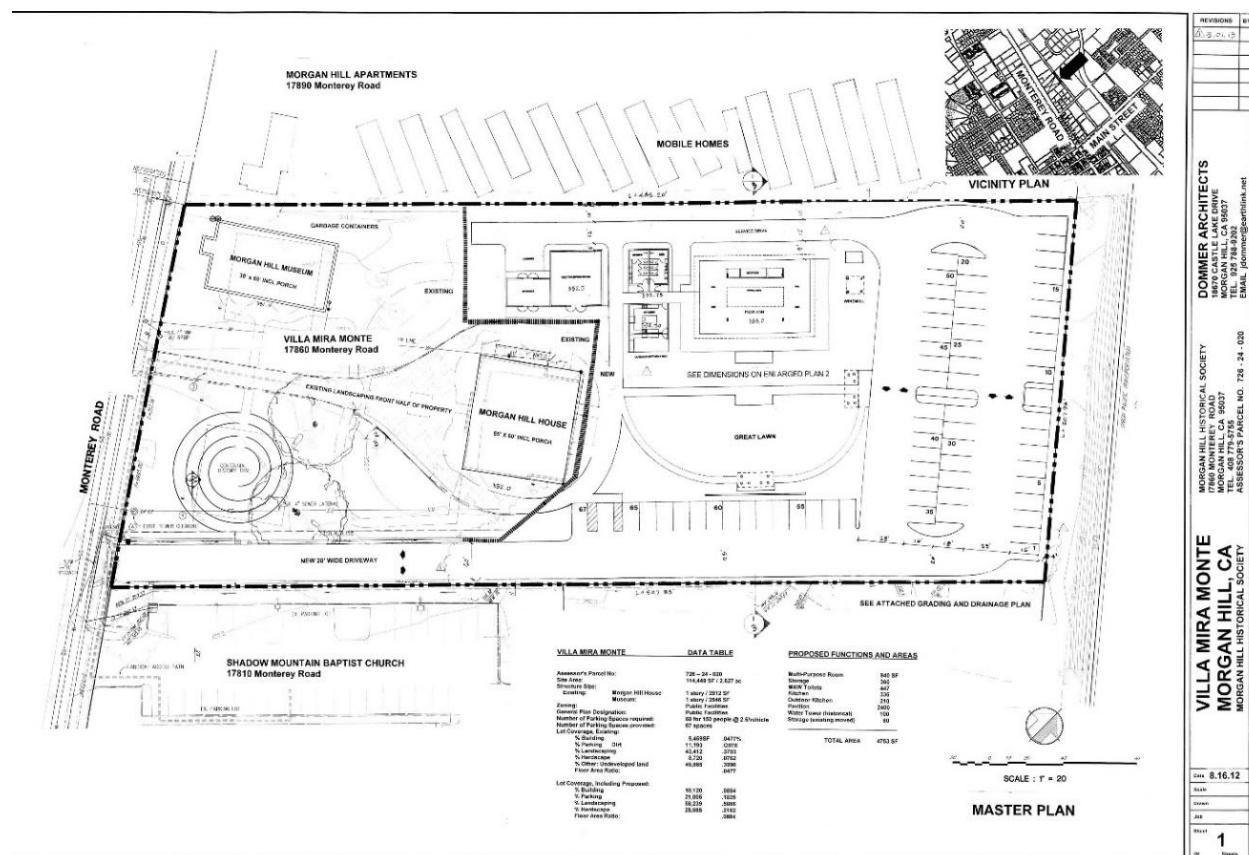
This report is organized into the following sections:

- Background,
- Project Approach,
- Villa Mira Monte Event Venue – Current Operations,
- Alternative Operational Options, and
- Conclusion.

Background

Villa Mira Monte is a 2.5-acre site with two historical buildings. The main house, referred to as the Hiram Morgan Hill House, was built in 1884 and is used as an event venue with upstairs storage for the Historical Society. A second building that was built in 1911 and brought onto the site, is used as the Morgan Hill Museum. A site map of the property is shown in Figure 1.

Figure 1. Villa Mira Monte Property Site Map



Source: Documents provided by Morgan Hill Historical Society.

The site was entered into the National Registry of Historic Landmarks in 1978 and the Morgan Hill Historical Society took title of the property in 1993 under an Owner Participation Agreement with the City. The

covenants, conditions, restrictions, and easements dictate that the site must be maintained as a public educational and recreational park and will revert to the City's ownership if that purpose is not fulfilled. In 2017, the City entered into partnership with the Historical Society to preserve the site and support the operation as a park facility. An overview of the facility is provided in Table 1.

Table 1. Villa Mira Monte Property Overview

Category	Villa Mira Monte Data
Site Area	114,449 square feet/2.627 acres
Morgan Hill House	2,912 square feet
Morgan Hill Museum	2,546 square feet
Zoning Designation	Public Facilities
Parking Spaces	67 spaces

Source: Documents provided by Morgan Hill Historical Society.

The Morgan Hill Historical Society began in 1971 as a 501(c)(3) corporation and has devoted its resources to site preservation, maintenance, and operation. The organization has no paid staff and relies exclusively on volunteers to support its board and operations.

In 2017, the Morgan Hill Historical Society entered into a memorandum of understanding with the City of Morgan Hill where the Historical Society committed to operate and maintain Villa Mira Monte as a community resource in exchange for City funding (a minimum of \$20,000 per year), marketing, and limited administrative functions. Since then, the City of Morgan Hill has provided funds for site maintenance and improvements.

Recent site improvements have included the addition of basic infrastructure elements such as a driveway, parking spaces, storm drainage system, and utilities. The City also provides support through limited marketing of the Villa Mira Monte site and Historical Society programs through the City's Community Services system (e.g., email blasts and the City's Recreation Activity Guide). The City has also assigned a staff liaison to support the coordination of Historical Society programs into the marketing and promotions plan for the Community Services Department and regularly attend Historical Society meetings. As part of the agreement, the Historical Society is responsible for all operations, including coordinating facility rentals.

Historical Society Strategic Plan

In September 2019, the Morgan Hill Historical Society adopted the following three-year priorities intended to improve the Society as a community asset.

1. Establish Business Operations Best Practices,
2. Sustainability Assessment, and
3. Expand Cultural Diversity.

Priorities 1 and 2 relate to the Villa Mira Monte site and directly impact its future operations. Priority 1 includes implementing an Operations Council, consisting of Board members and volunteers, with responsibility for the day-to-day management of the Villa Mira Monte site. The Operations Council will be responsible for planning, production, and proper staffing of events and activities that support the Society's mission to *"preserve and share the history of Morgan Hill, and its environs, to inspire a sense of community."*

Priority 2 involves assessing the sustainability of the Society's funding and volunteers to support its operations. Historically the Society has been dependent on volunteers, fundraising efforts and annual contributions from the City. In the next three years, the Society plans to conduct a self-evaluation of events, activities, and services to determine if there is sufficient funding, identify future capital needs of Villa Mira Monte, and decide whether to pursue a museum- and park-focused mission or an event-focused mission, or both, based on resources available.

Historical Site Plan and Proposed Capital Improvement Investment

Currently, the front half of the Villa Mira Monte property includes the 1941 Morgan Hill Museum, the 1884 Hiram Morgan Hill House, support parking and landscaping, and the 2006 Centennial History Trail. The back half of the property against the railroad tracks is currently undeveloped.

Improvements to Villa Mira Monte are currently designated in the FY 2019-24 six-year Capital Improvement Program for the City of Morgan Hill as Project Number 144017. The project meets the City Council's priority of preserving the community's cultural heritage, supporting youth, seniors, and the entire community. The first phase would create parking and finalize landscaping at the site. A total of \$250,000 has been allocated for architecture and design in FY 2019-20 and \$1.8 million has been allocated for construction in FY 2020-21. The second phase to add a building and covered pavilion area is not currently funded.

Based on our review of successful venues, the property has several constraints and issues that may in the long-term limit the site as a successful event venue. The property is bordered to the north by a mobile home park and to the south by a school with a large amount of parking. The undeveloped back side of the property abuts a railroad that is

planned to contain the California High Speed Rail system and increases in the service levels of Caltrain in the future. (We recognize this may or may not occur.) All three sides detract from the ambience of the historical nature of the property as an event destination and sound mitigation required by City ordinance for larger outdoor events may be challenging to meet. Finally, the site is north of the downtown district in an older residential area, which limits the desirability as a robust event venue destination.

Though the improvements proposed in the City's Capital Improvement Program Phase 1 would spruce up the property (additional landscaping/improved parking), we do not believe these improvements would significantly expand the use of the property as an event destination. In fact, adding additional parking with any hardscape surface (asphalt, pavers) may diminish the ability to use the space behind the house in a flexible manner because too much hardscape will limit flexibility, which is the trend in event venues. Additionally, converting the property's undeveloped areas to impermeable surfaces will require storm water improvements not included in the proposed site plan. These improvements may result in additional capital costs, new ongoing operational requirements, and a reduced footprint from that originally envisioned in the revised plan.

The combination of existing constraints and history (e.g., lack of existing and future parking; storm water improvement requirements; impacts on surrounding neighborhood; lack of adequate on-going funding) result in this site being a considerable longshot as an event venue that could compete successfully in the market.

Project Approach

In conjunction with the Morgan Hill Historical Society and the City of Morgan Hill, Management Partners has evaluated the current site with respect to operational challenges and evaluated what we believe will be required before any further capital improvements are invested in the historic site. The goal of the analysis was to provide our observations and recommendations about whether it makes sense for the City to proceed.

We conducted interviews with staff and leaders from the City, the Morgan Hill Historical Society, and members of the community. Concurrently, Management Partners' team members reviewed Morgan Hill Historical Society financial data for the past five years, agreements with the City for the use and operation of Villa Mira Monte, and other publicly available information. We also developed two case studies regarding other successful historic event venue destinations.

Interviews

Following the kickoff meeting and during the next several weeks, Management Partners conducted interviews with five City staff members, representatives from the Morgan Hill Historical Society, and a local developer/event site owner. In addition to the initial interviews, we conducted follow-up conversations throughout the project as needed, and conducted interviews with additional individuals when requested. Interviews were conducted with the following individuals:

- Director of Community Services,
- Community Services Manager,
- Community Services Supervisors (2),
- Historical Society volunteers (2),
- Local developer/event site owner, and
- Economic Development Director.

The intent of the interviews was to discuss the history of the site as an event venue, the strengths and weaknesses of the management of the site by the Historical Society, and to discover opportunities that could be used to enhance the management and use of the site. The major takeaways from the interviews were:

1. The Historical Society operates and manages the event venue through volunteers and is struggling to secure an adequate number of volunteers to be available to rent, promote, and staff events that take place at the site.
2. The Historical Society owns the property, but ownership reverts to the City should the Society become insolvent and the Historical Society is fully responsible for management of the Villa Mira Monte Historical site.
3. The Historical Society sees providing education through history as part of museum operations as their primary purpose. Operation of an event venue, other than showcasing the historic house, is not the primary purpose of the organization and there is concern that the Historical Society's ability to operate the event venue is diminishing.
4. There was little interest by the City in operating the event venue or providing additional funds beyond the current commitment.
5. The Hiram Morgan Hill house is valued as an important part of the history of Morgan Hill, but the historical site has not found its place in the area as an event venue destination. There is general agreement that the event venue does not have an identified "niche" market nor an overall place in Morgan Hill's array of event venues. There is no consensus as to the market the Historical Society is trying to attract to use the venue.

Document Review

Management Partners requested a variety of documents from the City and the Morgan Hill Historical Society. These include annual reports, site plans, financial information for the Morgan Hill Historical Society, memoranda of agreement for operations, site plan, and park funds, and strategic planning documents for the Morgan Hill Historical Society.

Case Study Research

As part of our analysis, Management Partners' team members identified two historical sites with event venue amenities in California to research. The results of this work are provided in Attachment B. The goal was to find historical venues in the San Francisco Bay Area with similar characteristics (location, number of properties/event spaces at the facility, organizational structure, revenues, or programmatic offerings).

We considered 11 historical homes or similar facilities currently available for event rentals. The initial list included a mix of publicly and privately-owned properties administered by both local governments and non-profit

organizations. The two facilities selected as case studies are shown below in Table 2.

Table 2. Selected Facilities for Case Study Research

Facility Name	Organization	City	Ownership	Year	Spaces on Site
Villa Mira Monte	Morgan Hill Historical Society	Morgan Hill	City	1886	N/A
Shadelands Ranch Museum	Walnut Creek Historical Society	Walnut Creek	City	1903	1
Hakone Estate and Gardens	Hakone Foundation	Saratoga	City	1915	3

Source: Shadelands Ranch Museum website (Walnut Creek Historical Society), Hakone Estate and Gardens website.

While the two properties selected for the case studies are comparable to Villa Mira Monte in that they are historical sites owned by municipalities and operated by a third-party non-profit organization, the operations of the case study facilities are different than that of Villa Mira Monte. Unlike Villa Mira Monte, each of the facilities have dedicated staff responsible for the operations and maintenance of the associated facility and have regular office hours for the public to contact the venue.

Villa Mira Monte also differs from the two case studies in that the Morgan Hill Historical Society's primary mission as a non-profit was not intended to own and operate Villa Mira Monte. The case study non-profits are focused on their respective event venues.

Although each site has historical buildings, the emphasis of the event venues is on the use of outdoor spaces. Individuals we talked with at both sites indicated that the event business is moving away from buildings since permanent walls and structures limit how a space can be used. People planning weddings, ceremonies, and other special uses are looking for places that have spaces that can be customized for unique, special, and one-of-a-kind events. As such, a successful venue needs plenty of open space with appropriate support facilities.

The two case study sites, though operated by non-profit organizations, have long-term, ongoing relationships with the cities that own the properties. The City of Saratoga has installed directional signs in the community at City expense and uses the facility for city functions to provide exposure of the site to a wider audience that may use it in the future. The City of Walnut Creek provides routine, ongoing maintenance of the landscape and facilities from the City's operational funds and has incorporated the rules and regulations for use of the site in their general City rules and regulations. Both venues partner with their respective

cities on capital repairs and improvements through their respective capital improvement programs.

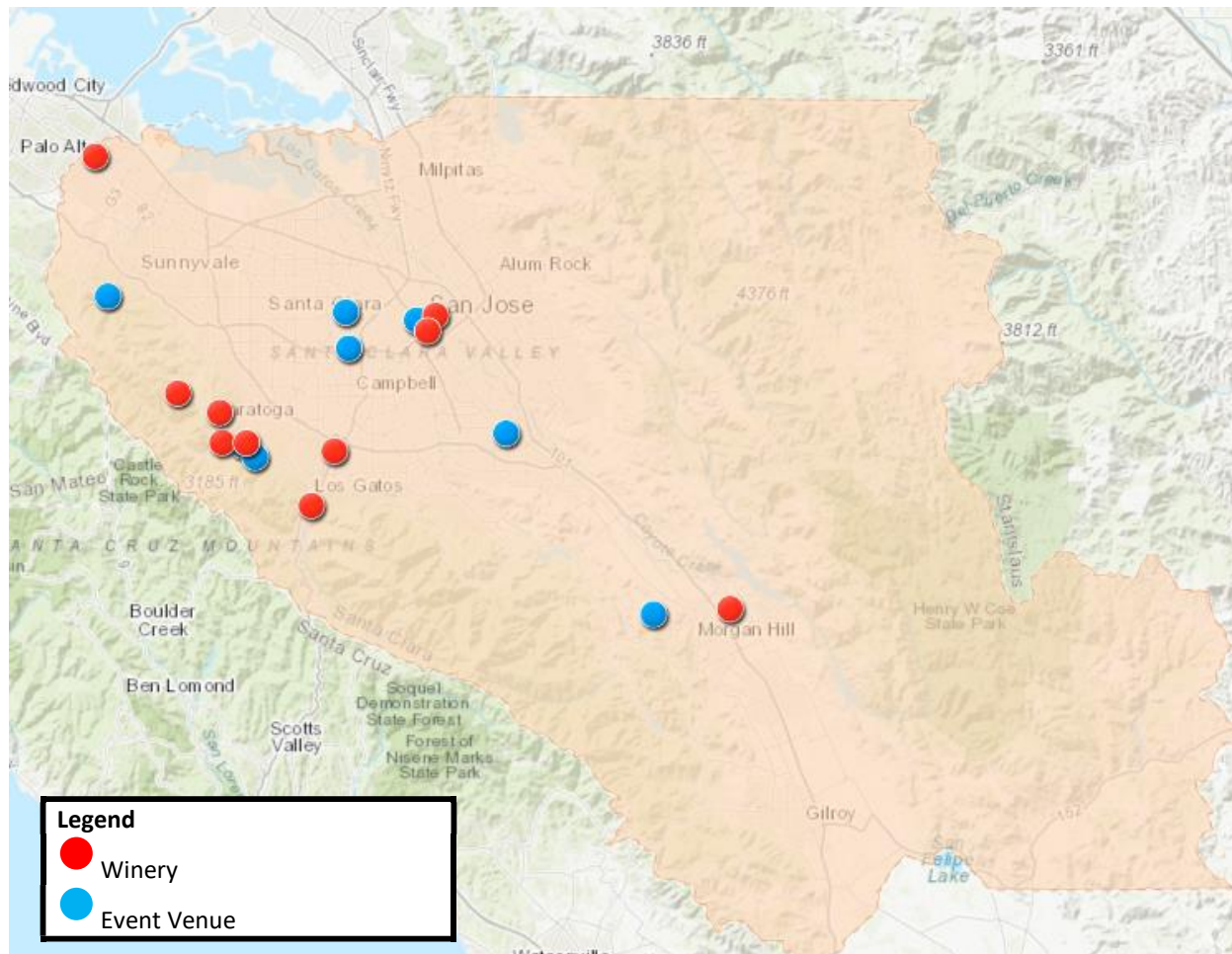
Other Event Center Venues in Santa Clara County

While not engaged to conduct a marketing analysis of potential rental at an expanded facility, the following high-level scan of facilities now providing event venues in Santa Clara County may provide some insight into the current environment. An illustrative list of event venues with like functionality to Villa Mira Monte (historic event space and wineries with event rental space) is shown in Table 3. While some of these facilities may not be directly comparable to Villa Mira Monte in size or facility type, it demonstrates a snapshot of the existing market for this type of use throughout Santa Clara County. A map showing the locations of each can be seen in Figure 2.

Table 3. List of Santa Clara County Historic Event Venues and Wineries with Event Space

Facility Name	Address	Facility Type
Hidden Villa	26870 Mood Road, Los Altos	Event Venue
Picchetti Winery	13100 Montebello Road, Cupertino	Winery
Cooper-Garrod Estate Vineyard	22645 Garrod Road, Saratoga	Winery
Mountain Winery	14831 Pierce Road, Saratoga	Winery
Cinnabar Winery Tasting Room	14612 Big Basin Way, Saratoga	Winery
Hakone Estate and Gardens	21000 Big Basin Way, Saratoga	Event Venue
Montalvo Arts Center	15400 Montalvo Road, Saratoga	Event Venue
Pietra Santa Winery	La Cienega Court, Los Gatos	Winery
Testarossa Winery	300 College Avenue, Los Gatos	Winery
Willow Heights Mansion	1978 Willow Springs Road, Morgan Hill	Event Venue
Guglielmo Winery	1480 E Main Avenue, Morgan Hill	Winery
Dolce Hayes Mansion	200 Edenvale Avenue, San Jose	Event Venue
San Jose Woman's Club	75 S 11 th Street, San Jose	Event Venue
Forager Tasting Room and Eatery	420 S 1 st Street, San Jose	Event Venue
Harris Lass House Museum	1889 Market Street, Santa Clara	Event Venue
Peralta Adobe-Fallon House	175 W St. John Street, San Jose	Event Venue
Winchester Mystery House	525 S Winchester Boulevard, San Jose	Event Venue
The Wine Room	520 Ramona Street, Palo Alto	Winery

Figure 2. Santa Clara County Historic Event Venues and Wineries with Event Space



Villa Mira Monte Event Venue – Current Operations

This following section provides an overview of the current operational structure of the Villa Mira historical site and its current operation.

Financial Information

A summary of the financial information relating to the Morgan Hill Historical Society, including the operation of Villa Mira Monte, is provided in Table 4. Information was obtained from the Historical Society who readily admitted that the information may not be quite complete. Operating revenue is generated through memberships and contributions and rentals and events. Historically there has been a fairly even split between memberships and contributions and rentals and events, with slightly more income from Historical Society memberships and contributions.

Table 4. Summary of Morgan Hill Historical Society/Villa Mira Monte Revenues and Expenses

Revenue or Expense Category	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 YTD
Operating Revenues						
Memberships and Contributions	\$33,141 (47%)	\$43,916 (53%)	\$39,982 (47%)	\$46,910 (58%)	\$33,425 (51%)	\$26,229 (62%)
Rentals and Events	\$31,524 (45%)	\$34,511 (41%)	\$39,940 (47%)	\$33,681 (42%)	\$30,631 (47%)	\$15,794 (37%)
Other Recurring Revenues	\$5,704 (8%)	\$4,893 (6%)	\$5,361 (6%)	\$111 (0%)	\$873 (1%)	\$475 (1%)
Total Operating Revenues	\$70,369	\$83,320	\$85,283	\$80,702	\$64,929	\$42,498
One-Time Revenues						
Grants	\$0	\$0	\$0	\$0	\$246,960	\$0
City Contribution	\$0	\$0	\$0	\$20,000	\$20,000	\$0
Total One-Time Revenues	\$0	\$0	\$0	\$20,000	\$266,960	\$0
Total Revenues	\$70,369	\$83,320	\$85,283	\$100,702	\$331,889	\$42,498
Historical Society Operating Expenses						
Services and Supplies	\$2,817	\$3,567	\$724	\$2,454	\$4,765	\$3,508

Villa Mira Monte Historic Site – Event Venue
 Villa Mira Monte Event Venue – Current Operations

Management Partners

Revenue or Expense Category	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 YTD
Operations and Maintenance	\$6,291	\$5,672	\$9,434	\$13,354	\$14,727	\$2,192
Fees and Insurance	\$1,696	\$897	\$1,365	\$4,334	\$4,269	\$2,094
Advertising and Communications	\$1,942	\$4,020	\$3,268	\$5,256	\$9,332	\$2,467
Total Historical Society Operating Expenses	\$12,746	\$14,156	\$14,791	\$25,398	\$33,093	\$10,261
Villa Mira Monte Operating Expenses						
Maintenance	\$4,727	\$3,568	\$3,213	\$29,615	\$7,547	\$7,261
Services and Supplies	\$11,422	\$16,574	\$15,258	\$18,801	\$21,348	\$9,333
Tax and Insurance	\$6,515	\$6,659	\$7,109	\$3,913	\$4,457	\$2,530
Utilities	\$5,956	\$6,194	\$6,058	\$7,688	\$7,207	\$5,039
Total Villa Mira Monte Operating Expenses	\$28,620	\$32,995	\$31,638	\$60,017	\$40,559	\$24,163
Total Operating Expenses	\$41,366	\$47,151	\$46,429	\$85,415	\$73,652	\$34,424
Villa Mira Monte One-Time (CIP) Expenses¹						
New Fencing	\$0	\$0	\$0	\$0	\$58,500	\$0
Security Cameras	\$0	\$0	\$0	\$0	\$35,826	\$0
Carpentry and Woodwork Restoration	\$0	\$0	\$0	\$0	\$85,000	\$0
Stained Glass Restoration	\$0	\$0	\$0	\$0	\$40,500	\$0
New Roof	\$0	\$0	\$0	\$0	\$90,000	\$0
Other	\$0	\$0	\$0	\$0	\$2,209	\$0
Total CIP Expenses	\$0	\$0	\$0	\$0	\$312,035	\$0
Operating Income	\$29,003	\$36,169	\$38,854	(\$4,713)	(\$8,723)	\$8,074
Total Villa Mira Monte Expenses²	\$41,366	\$47,151	\$46,429	\$85,415	\$385,687	\$34,424

Source: Documents provided by Morgan Hill Historical Society.

¹Capital improvements paid through grant revenue by the Historical Society.

²Does not include Historical Society operating expenses such as volunteer staff required when the facility is rented.

Villa Mira Monte maintenance expenses increased from \$3,213 to \$29,615 from 2016 to 2017. A grant obtained by the Society from the City of Morgan Hill for capital projects allowed the Historical Society to make maintenance improvements during this period. From the information submitted by the Society, we have been unable to document what improvements were made using other grant funds. Operating expenses (as well as the capital expenses) also increased due to the cost of grant administration.

Attachment: 3237001_MorganHillEventVenue_Report (2747 : Villa Mira Monte Event Venue Report)

In 2017, the City provided some funding to support the site, including \$20,000 in general funds for maintenance of the site (in 2017 and 2018), \$64,000 in park improvement funds to install a security camera system and wrought iron fencing to secure the site, and \$142,000 in park maintenance funds to paint the house and museum, and miscellaneous projects. From 2017 through 2018, the City contributed approximately \$246,000.

The Historical Society's operating revenues and expenses excluding the Villa Mira Monte operation are shown in Table 5. If the Historical Society were to eliminate the rental and event income, there may still be sufficient revenues to support its organizational operations based on historical data strictly as a Historical Society, but not major maintenance. The Historical Society currently uses space in the Morgan Hill House and upstairs for storage/small group meetings. If the House is closed, the Historical Society would have to work with the City to determine if this can continue. If not, they would have to make up use of that space somewhere else, probably off site. Lack of use of this space could impact on the Historical Society, their operations and potentially fundraising opportunities.

Table 5. Summary of Morgan Hill Historical Society Revenues and Expenses

Revenue or Expense Category	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 YTD
Operating Revenues						
Memberships and Contributions	\$33,141	\$43,916	\$39,982	\$46,910	\$33,425	\$26,229
Historical Society Operating Expenses						
Services and Supplies	\$2,817	\$3,567	\$724	\$2,454	\$4,765	\$3,508
Operations and Maintenance	\$6,291	\$5,672	\$9,434	\$13,354	\$14,727	\$2,192
Fees and Insurance	\$1,696	\$897	\$1,365	\$4,334	\$4,269	\$2,094
Advertising and Communications	\$1,942	\$4,020	\$3,268	\$5,256	\$9,332	\$2,467
Total Historical Society Operating Expenses	\$12,746	\$14,156	\$14,791	\$25,398	\$33,093	\$10,261
Historical Society Operating Income	\$20,395	\$29,760	\$25,191	\$21,512	\$332	\$15,968

Source: Documents provided by Morgan Hill Historical Society.

While the proposed phase one improvements would enhance the overall parking and landscaping for the site, the improvements will not necessarily increase events, activities, or revenue. In fact, additional

landscaping, parking, and required storm water facilities will increase the yearly cost of maintenance without any specific return on investment.

While our research and analysis indicates that event venues rely more on outside space that is flexible and can meet varying needs, we believe any improvements to landscaping and parking at Villa Mira Monte should be undertaken only after a specific plan for the site has been completed that has identified the type of uses and events that are likely to occur at the site. These improvements would go hand-in-hand with the planning of future auxiliary improvements such as an outdoor pavilion space, restrooms, storage and meeting facilities, and other identified improvements.

Finally, future phases include adding a kitchen at the site due to the limited kitchen facilities available at the Hiram Morgan Hill House. We have found that successful venues that cater to smaller events (less than 200) are moving away from full kitchen facilities on site as a result of the increased regulations governing kitchen facilities and the lack of a financial return on investment. Additional phases should be cautious in the design of a kitchen facility to make sure that any type of kitchen is manageable and affordable from a capital and ongoing maintenance cost perspective.

Current Management and Operations

As mentioned previously, the Villa Mira Monte Historical site is operated as a museum and event venue entirely with Historical Society volunteer staff. The lack of full- or part-time staff severely limits operational effectiveness and rental opportunities necessary for a successful event venue. The site does not maintain regular office hours to answer inquiries, return calls, provide feedback, or market the facility to prospective renters and organizations. Volunteers are responsible for taking reservations, providing information about the event venue, being on site when events take place, clean-up following events, and general administration and financial management.

Marketing of the event venue by the Historical Society is limited with respect to today's technology primarily as a result of the volunteer-based management of the site. The Historical Society has not developed or implemented a specific marketing program for the site, nor does it use social media typical of a successful event center. The City does provide general marketing assistance. However, since the site's rental market has not been clearly defined any increased efforts in this area may not be of benefit.

Event reservations at the Villa Mira Monte Historical site focus on the Hiram Morgan Hill House, which limits the types of uses that may be accommodated in a historical structure. Additionally, the configuration and layout of the historical Morgan Hill House limits events to smaller uses. The main entrance and two adjacent side rooms are rectangular in shape and force large groups to use separate rooms. Where a traditional community center rental space has sliders that can open and close as the event/size changes, the Hiram Morgan Hill House has fixed walls and fixed spaces that limit flexibility.

Concentrating on the Hiram Morgan Hill House for events is contrary to the trend in events where flexible and multi-use outside spaces are becoming more popular. Sites are also expected to be full-service destinations. These factors all point to moving away from historical structures as event sites. The proposed expansion of the site would add additional outdoor opportunities away from the house, but the site has severe limitations and it is not clear whether there is enough of an expansion area to really add value to the site as an event venue.

Historical Society training with respect to booking/rentals, event security and set up/clean-up of events is limited and constrained simply by the fact that it relies on volunteers and has different standards of training that are used in other City facilities. Finally, the fee schedule for rentals has not been updated on a regular basis and is insufficient to recover the costs to adequately operate an event venue.

The rates for Villa Mira Monte event rentals appear to be low compared with typical destination-type rates. Although comparison with other city facilities is not an apples to apples comparison because city facilities offer a higher level of service/amenities, the rate for the Morgan Hill Community and Cultural Center is more than 60% greater than the Villa Mira Monte rate. This large difference in rates would make it difficult for the City to operate the Villa Mira Monte site. A summary of the rates charged by meeting type is provided in Table 6.

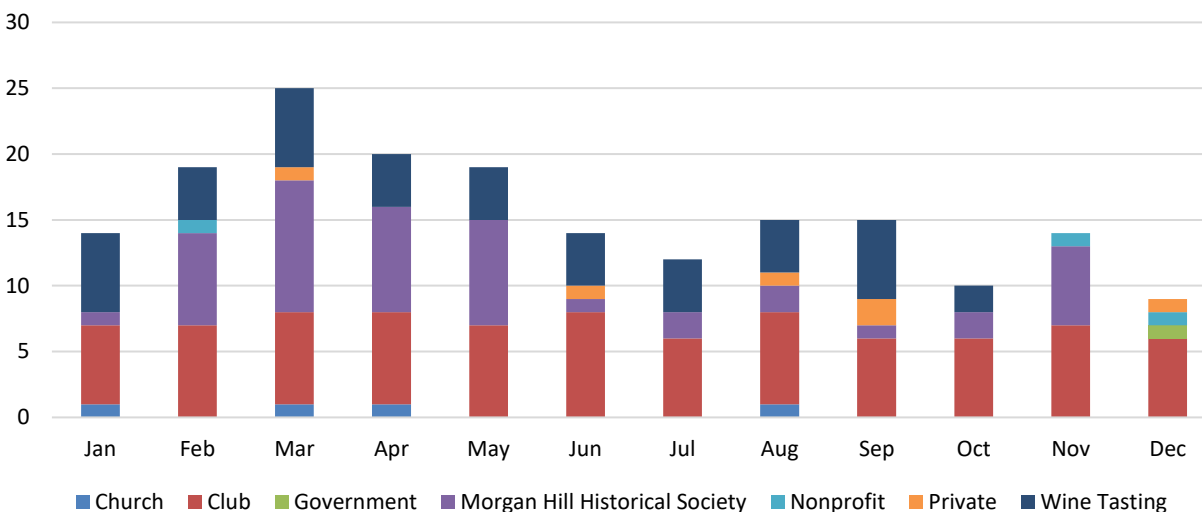
Table 6. Villa Mira Monte Event Rates by Organization Type

Meeting Type	Rate	Number (Percentage) of Total Events in 2018
Non-Profit Organizations	\$30/hour	8 (4%)
Clubs	\$60/hour	80 (44%)
Private Events	\$150/hour	5 (3%)
Wine Tasting	15% of sales	42 (23%)
Morgan Hill Historical Society Events	No charge	48 (26%)
TOTAL		183

Source: Documents provided by Morgan Hill Historical Society.

A summary of the number of events by type of organization is provided in Figure 3. Rentals are generated mostly through club, church, or historical society use.

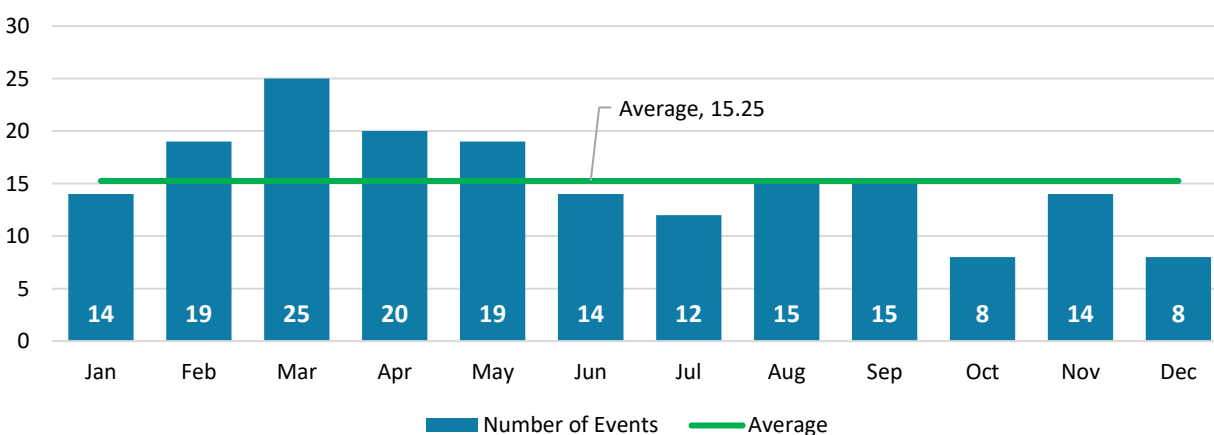
Figure 3. Number of Events Per Month in 2018 by Organization Type



Source: Documents provided by Morgan Hill Historical Society.

Villa Mira Monte had a total of 183 events in 2018 and Figure 4 shows a summary by month. On average, it has 15 rentals per month, with a spike in activity in the spring (February through May). This trend is consistent with the other event venues analyzed.

Figure 4. Number of Events at Villa Mira Monte in 2018



Source: Documents provided by Morgan Hill Historical Society.

Observations

Our general observations regarding the major issues we believe will impact the Villa Mira Monte Center as a destination event venue are detailed below.

- Although operation of the Villa Mira Monte Historical site is related to the Historical Society's function (it is historical and the museum is located there), the Society does not consider operating an event venue fundamental to their main mission and would prefer to relinquish operation of those responsibilities to the City. As mentioned previously, the mission of the Morgan Hill Historical Society is to *"preserve and share the history of Morgan Hill, and its environs, to inspire a sense of community."* This mission is stretching the Historical Society to also operate an event venue.
- The Society is having difficulty keeping and attracting new general members and relies exclusively on volunteers for its activities. Many prospective members are interested in being involved with the history of Morgan Hill; however, also asking them to volunteer at events is problematic. As a result, the Historical Society is challenged to attract new members to provide management and oversight of events at the Center. Should the Historical Society decide to only concentrate on historical activities and not event venues, it may make it easier for them to attract and maintain members and focus on fundraising.
- The Historical Society lacks the financial resources necessary to make needed infrastructure repair, general improvements, and ongoing/regular maintenance. The Society is not able to recover the costs of staff and/or facility attendants at their events through their fee structure and the funds they are raising realistically are only able to support basic historical society functions rather than maintenance and operations. Realistically, the money raised through events is only able to offset some Historical Society costs and not the long-term operation and maintenance of the event venue or Morgan Hill house.
- Though several types of events occur at the site, many are used for Historical Society fundraising purposes. Although some private rentals occur, there is an effectively a mission conflict when the property is required to both fundraise for the Society and be available for private rentals. This is also a result of the inability to clearly define the market for the event venue. As long as the

emphasis for use of the event space is to raise money for the Historical Society, paid rentals that would go toward maintenance and operation of the event venue will be limited and secondary.

- The viability of the Center as a historic site, much less an event venue, is greatly at risk based on the current the operational parameters. Additionally, although the City has previously provided some funds for capital improvements or major maintenance issues as they occur, the Historical Society is currently not administratively or operationally able to handle the long-term funding of maintenance, operation and upkeep of the historical property.
- Retaining operation and maintenance with the Historical Society or a third-party operator is the most cost-effective path. A City operated and maintained facility would most certainly increase maintenance and operational costs significantly simply because it is the public sector rather than a group of volunteers or the private sector. City staff have indicated there are neither staff nor financial resources beyond those currently budgeted to be able to operate the event venue if the Historical Society ceases to do so. As a result, if the Historical Society ceases all operations in support of the event venue, it is possible the City may have to close the site.
- The Historical Society has not contacted other event venues in the area to work toward a more regional and supportive network of rentable venues, nor have they looked at similar venues to model their operation for best practices and financial sustainability. However, the Society may not be administratively or functionally structured to be able to do so.

Should the Morgan Hill Historical Society stay in the lead in the near term as the administrative and operational entity for the Center, our recommendations regarding next steps are provided below. We believe the Historical Society is not likely to be able to operate a financially sustainable event venue or develop an event venue strategy on its own.

Recommendation 1. Develop and implement a one-year pilot program during which the City provides assistance to the Historical Society with rentals, operations, volunteer training, and marketing of the site with existing City staff.

This will provide a baseline of data for what is possible with respect to the current site as a destination venue and sustainable historical site.

Recommendation 2. Review and update the rental fee structure for the event venue to ensure costs are appropriately recovered and offset expenses in support of the venue.

Recommendation 3. In partnership with the Historical Society and the community, develop a new strategic and business plan for the entire site to consider the opportunities and constraints for the future of the site as the home of the Morgan Hill Historical Society and a viable rental event venue, or alternatively just as a historic site. The strategic plan should assess whether the 2016-17 Master Plan would realistically result in a robust event venue, alternative site objectives and incorporate best practices from other historical destination venues to create the appropriate marketing and operational plan for the site (mission specific) as well as a realistic financial plan for doing so.

Alternative Operational Options

Based on our interviews, analysis, case studies, Management Partners has developed alternative operational options for consideration by City leaders. In developing these options, we have made the following assumptions, which underly any future courses of action.

1. The City does not have the financial capacity to assume operational management of the event venue. However, it has allocated capital improvement funds to enhance the overall layout of the Villa Mira Monte Historical Site.
2. The Historical Society is not presently positioned to improve or enhance the operation of the event venue by themselves and their ability to operate the site is starting to decline.
3. Regardless of any significant capital investment to expand and improve the site, major and ongoing maintenance needs of the existing buildings and site are currently not able to be addressed.
4. Should the proposed capital improvements move forward, the community and Historical Society may find it acceptable for the historic house to be rented on a minimal basis and for the major focus of the venue as a destination to shift to outside using the grounds.
5. To be a more robust event destination will require a financial investment as well as an administrative and operational change in the function of the non-profit currently responsible for the site.

The following are possible operational options for review and consideration by City leaders.

Option 1: Sustain the Site as a Historic Destination, not an Event Venue

This option proposes that the historical site master plan be revisited with a different emphasis and objective: to enhance and support the current facilities as an important historical site in the community. Doing so would allow the Historical Society to focus their efforts on their main mission, preserving and enhancing the City's history, and not on expanding its operation to support an event venue which is likely not to be robust or

competitive with others in the community or southern Santa Clara County.

Small rentals in the Hiram Morgan Hill House could continue and ancillary seasonal and local community events could be expanded onto the grounds. This may require some capital investment by the City in some major maintenance projects and perhaps some improvements to the current parking area. The recommended strategic plan and a new site plan would address the priorities required to accomplish these objectives. The Historical Society could then focus on fundraising for the site and its primary mission.

Option 2: Historical Society Maintains the Historic Site and Event Venue

Following development of a strategic plan, the Historical Society could continue to be the responsible entity for operating the event venue. To be successful, however, will require a change in the administrative structure and focus of the Historical Society as a non-profit organization. It will also require hiring part-time paid staff for oversight and management, and an effective marketing plan.

Additionally, an updated agreement between the Historical Society and the City should be completed that identifies the roles and responsibilities for ongoing maintenance, needed improvements and upgrades, and future capital projects.

An estimate of the revenues and expenses required, at least initially, to support a paid staff person and an attendant at private events is provided below. Data from the Historical Society was insufficient to accurately estimate the impact of a revised rate structure on rentals. (Data regarding what percent of the revenue by organization type were unavailable.) Therefore, our assumptions about revenues and expenditures for purposes of this analysis were:

- Hiring of an office manager for oversight and management of the historical site – 20 hours per week at \$20/per hour.
- Use of paid part-time staff as attendants at private events – the cost would be additional for renters of the facility when the events (usually private events) require on-site staff.
- The City will:
 - Assume all outside grounds maintenance, and
 - Provide an additional annual allocation of \$5,000 to \$10,000 for one year to offset needed paid staff, pending development of a strategic plan.

Based on our analysis of the rental data as well as a review of the City's rental fee structure for its recreational center facilities, we also recommend that the Historical Society change its rental fee structure. However, we are unable to estimate the impact on the number of annual rentals if this is done (they may drop), so the feasibility is not known. Additionally, it is not clear from a market standpoint whether paid staff would result in much added value. Nonetheless, the fee structure as it currently stands cannot support paid staff.

Based on the Bay Area labor market, to support a half-time office manager at \$30 per hour, the rental income needs to increase by the same amount to offset the additional cost. The estimated annual cost of an office manager is \$31,200, which would require the annual rental revenue to increase by 49% (based on 2018 revenue data) for an average revenue per event of \$337.87.

Without conducting a comprehensive market analysis, the facility may be able to support this increase. However, to help offset the costs of an office manager, the City would have to take on the maintenance costs, (estimated at \$7,547 based on Historical Society data from 2018), bringing the added cost down to \$13,253. The City could provide an additional \$5,000 of funding to support ongoing operations, which would bring the total additional revenue needed down to \$8,253, representing a 27% increase in rental revenue required. A summary of the existing rental revenue compared to the projected rental revenue with increased rates is provided in Table 7.

Table 7. Existing Rental Revenue from 2018 and Projected Rental Revenue Information

Existing Rental Information (2018)		Projected Rental Information	
Rental Rates (per hour, unless noted)		Rental Rates (per hour, unless noted)	
Non-Profits	\$30	Non-Profits	\$75
Clubs	\$60	Private Events	\$150
Private Events	\$150	(includes Clubs and Wine Tasting events)	
Wine Tasting	15% of sales		
Events by Type		Events by Type (assumes same distribution as 2018)	
Non-Profits	8 (6%)	Non-Profits	8 (6%)
Clubs	80 (59%)	Private Events	127 (92%)
Private Events	5 (4%)	(includes Clubs and Wine Tasting events)	
Wine Tasting	42 (31%)		
TOTAL	135¹	TOTAL	135
Rental Revenue (2018)		Projected Rental Revenue to cover entire cost of office manager	
Rental Revenue	\$30,631	Rental Revenue	\$49,284
Average Revenue per Event	\$226.90	Average Revenue Per Event ³	\$337.87 (+49%)

Source: Documents provided by Morgan Hill Historical Society.

¹Does not include Historical Society rentals.

²Represents the 2018 rental revenue plus the added cost of an office manager (\$31,200 per year), less maintenance costs to be covered by the City (\$7,547), less an additional City contribution (\$5,000).

³Assumes same level of events and event distribution by type.

To arrive at the necessary average revenue per event of \$380.97 to offset the cost of an office manager, we propose raising the non-profit and club rates by 250%. Based on the event site as it is currently configured and operated, this may result in a decrease in the current rentals or the elimination of rentals completely.

Option 3: Alternative Options

While Management Partners believes Options 1 and 2 are the most viable paths for consideration, the following are three alternatives to Options 1 and 2.

A: Historical Society Maintains Event Venue Operation with Assistance from the City

Conducting a strategic plan for the site would be beneficial to bring together stakeholders that have a vested interest in the site, including the Morgan Hill Historical Society, City staff, elected officials, and community members. Engaging various viewpoints can help identify the opportunities and challenges that exist at Villa Mira Monte. Once there is a shared understanding of the barriers and an acknowledgement of stakeholder interests, the development of a strategic plan can specify the purpose and long-term vision for the use of the site and various facilities.

With this option, the Historical Society would continue to be the operational entity responsible for the venue, but the City would provide assistance in the areas of marketing, rentals/bookings, use of part-time staff for attendees, and other duties as determined through the strategic plan process.

The 2017 partnership agreement between the Historical Society and the City identified the historical site as a park facility. The City is responsible for park maintenance at all park sites in the City other than the Villa Mira Monte site as a result of this agreement. Although the City does provide annual funding to the Historical Society for maintenance, regular landscaping and facility maintenance could be considered to be a City function as it is at other park facilities, which would allow the Historical Society to manage and operate events.

B: Cease Operation as an Event Venue

Should the Historical Society choose to cease responsibility for operating the Hiram Morgan Hill House and grounds as an event venue (only operating the Morgan Hill Museum), the City may be required to take

back the responsibility for the house and site or cease operation as an event center and allow the Historical Society to operate the front house. Without specific staff and/or financial resources, the house would no longer be usable as an event site and would likely be preserved as a historic house without public use.

The grounds would continue to support the use of the Morgan Hill Museum but would not be available for rentals outside of an agreement between the Historical Society and the City. Long-term maintenance and repairs/renovation would still be the responsibility of the City; however, it would be expected that there would be little if any public access to the site aside from the museum.

C: Hire a Third Party to Operate the Event Venue

Either through a request for proposals process or as part of the strategic plan process, the City and Historical Society could consider contracting with a third-party operator for events. This would require outlining the duties and responsibilities of the City and Historical Society in support of the third-party operator, so all parties work together for the benefit of the property.

Based on interviews with staff and a local developer/business owner, it appears there would be merit in looking for a third-party operator. As many events look for use of additional facilities (place for the ceremony, place for photos, place for reception, overnight accommodations), a partnership for partial or total operation is conceivable. Any consideration of this option should be carefully negotiated with those involved from both the City and the Historical Society as bringing in a third-party operator to run the event side could conflict with the Historical Society continuing operation of the historical elements and functions. While this option is worthy of consideration, it is possible that no real interest from a third-party operator may emerge.

Recommended Option

In the near term, prior to any further capital investment and until a viable strategic and business plan is developed for the Historical Society, Management Partners believes that Alternative 1 represents the most sustainable option over the long term.

Recommendation 4. Implement Option 1 through a new partnership agreement between the City and the Historical Society. Any other solutions will likely not be viable over the long term for either the Historical Society or the City.

Conclusion

An investment of \$1.8 million in the Villa Mira Monte for landscaping and parking improvements may be an attractive step to improve the site's viability as an event venue. However, Management Partners does not believe this capital improvement will necessarily result in a robust or sustainable event center venue. Rather, we believe a strategic and business plan for the site should be developed first to determine its viability and sustainability and place in the community. Such a plan must also address the operational entity responsible for the historical site and a realignment of the partnership between the City and Historical Society (or successor entity) regarding roles and responsibilities.

Attachment A – List of Recommendations

Recommendation 1. Develop and implement a one-year pilot program during which the City provides assistance to the Historical Society with rentals, operations, volunteer training, and marketing of the site with existing City staff.

Recommendation 2. Review and update the rental fee structure for the event venue to ensure costs are appropriately recovered and offset expenses in support of the venue.

Recommendation 3. In partnership with the Historical Society and the community, develop a new strategic and business plan for the entire site to consider the opportunities and constraints for the future of the site as the home of the Morgan Hill Historical Society and a viable rental event venue or alternatively just as a historic site.

Recommendation 4. Implement Option 1 through a new partnership agreement between the City and the Historical Society.

Attachment B – Event Venue Case Study Results

The City of Morgan Hill engaged Management Partners to evaluate the Villa Mira Monte historical site with respect to current operational challenges and what may be required as the City considers investing further capital improvements in the historic site in an effort to make it a viable event destination. As part of our analysis, we conducted a case study of two event venues to provide information about operational and administrative structures for successful event destination facilities. This document summarizes the results of this research.

The Morgan Hill Historical Society is responsible for the operation of the Hiram Morgan House and associated Museum on the historic site. The Morgan Hill Historical Society and the City of Morgan Hill are currently evaluating improvements to the site to increase utilization as an event venue. The proposed event facility improvements would include a pavilion, permanent restroom facilities, a kitchen, as well as enhanced landscaping and additional parking. The objective is to construct these improvements to increase utilization of and associated revenues from the historical site. Phase one improvements (create parking and finalize landscaping at the site) is currently funded by the City in their FY 2020-21 Capital Improvement Program for \$1,800,000.

Management Partners identified comparative historical sites in California and worked with City staff to finalize the following two sites for evaluation.

- **Hakone Estate and Gardens** is one of the oldest Japanese estates, retreat and gardens in the Western Hemisphere, located in Saratoga. The 18-acre site is operated by the Hakone Foundation, a non-profit organization.
- **Shadelands Ranch Museum** is a 1903 Colonial Revival structure that houses historical artifacts and materials detailing Contra Costa and Walnut Creek history. The museum is owned by the City of Walnut Creek but is operated by the Walnut Creek Historical Society supported through fundraising and by volunteers.

Management Partners collected information from the agencies or organizations responsible for each of the facilities. The facilities were chosen because they represent two organizational options available to Morgan Hill in evaluating the feasibility of the historical site. Information was collected through phone interviews and on-line searches for publicly available information. Table 8 provides an overview of the facilities selected.

Table 8. Overview of Historical Facilities

Facility Name	City	Facility Owned By	Facility Run By
Hakone Estate and Gardens	Saratoga	Hakone Foundation	Hakone Foundation
Shadelands Ranch Museum	Walnut Creek	City of Walnut Creek	Walnut Creek Historical Society

Major Themes

The following represents a summary of the major themes resulting from the case study.

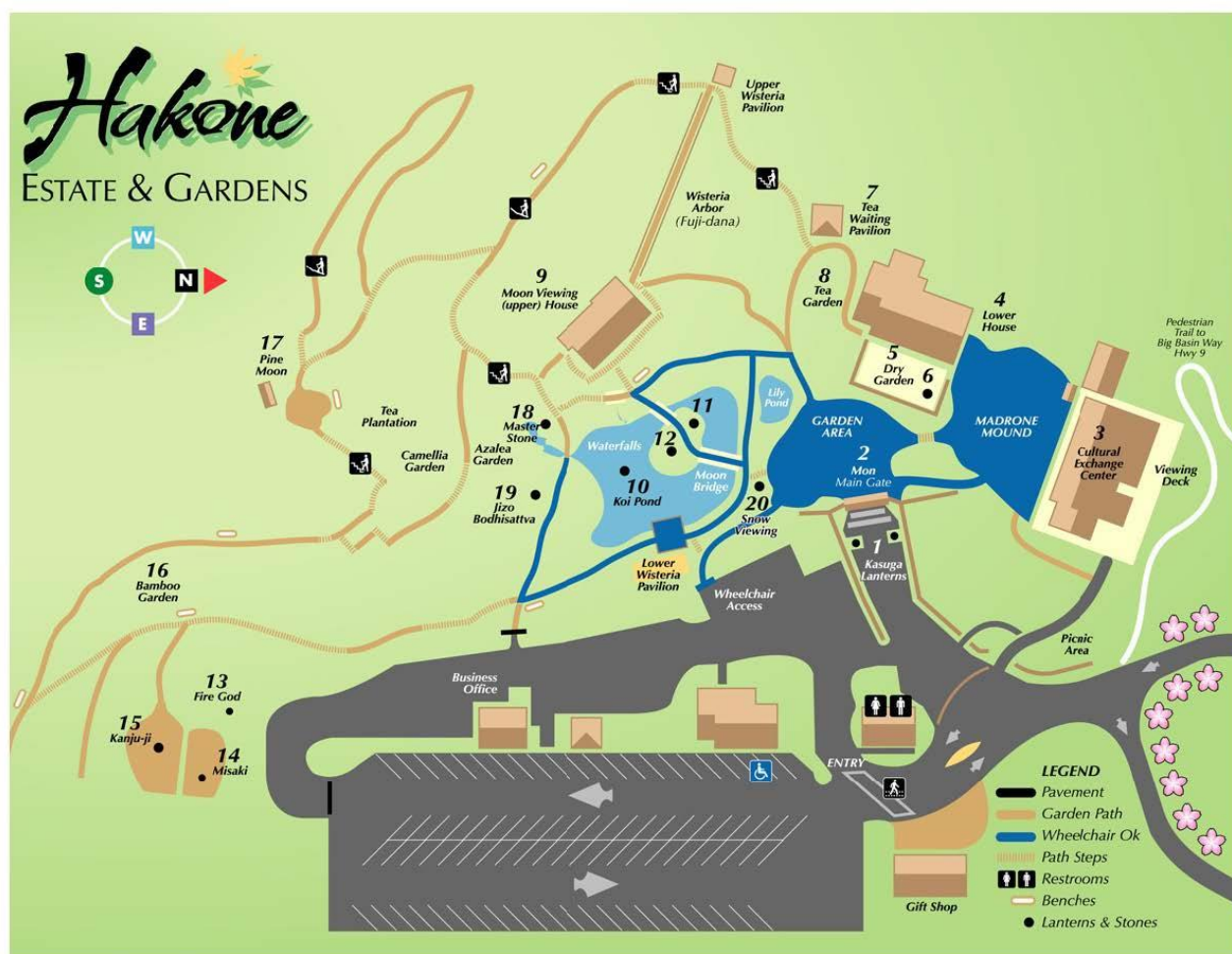
- The trend is moving away from events being held indoors, to utilization of outside spaces including the use of tents when protection or climate control is needed. Weddings and similar events are becoming one-of-a-kind style events and need flexibility to be custom tailored. A permanent building with fixed walls can create barriers. Further, a historical building can add additional complications and restrictions.
- Full-service and commercial kitchen facilities are no longer advised as the requirements for operation and oversight of a full kitchen are not supported by the offsetting revenue.
- Ongoing communication between the venue and the renter is an important component of a successful rental. Having regular, paid staff available to deal with renters and potential renters is integral to the success of the event venues.
- Effective, ongoing communication and cooperation between the non-profit, City staff and the City Council regarding the venue is a key component of an event venue's ongoing operational success. Keeping track of and sharing information related to rentals, participation, and finances help keep individuals up to date about changes that occur over time.
- A well trained, strong and committed Board of Directors is required for the success of these event venues. Additionally, the Board needs to be flexible as events and circumstances change.
- The Board, the City and Council members should all agree on a shared vision for the site with clear roles and responsibilities for each.
- Knowing your niche market and being able to target users directly is vital to building connections with user groups.

Case Study: Hakone Estate and Gardens

Facility Overview

Hakone Estate and Gardens is an 18-acre Japanese garden located in Saratoga. The property is owned by the City of Saratoga and operated by an independent non-profit, the Hakone Foundation, that has a long-term lease of the property from the City. The property was originally purchased as a private residence in 1915 by the Stine family. Hakone is comprised of gardens, historical buildings, ponds, and other Japanese-inspired elements. A map of the property and its structures is shown in Figure 5.

Figure 5. Hakone Estate and Gardens Map



In addition to the various gardens, the property houses three historic structures, the Upper House (a.k.a. Moonviewing House), the Lower House (a.k.a. Zen Garden House), and the Cultural Exchange Center (CEC).

The Hakone Foundation rents both the Lower House and Cultural Exchange Center for business meetings and special occasions (weddings, etc.) for up to 180 guests when the Cultural Exchange Center is combined with the outdoor area designated as Madrone Mound. The facility's rental capacity and rates are shown in Table 9.

Table 9. Hakone Gardens and Estate Facility Rental Summary

Rental Facility Information	Lower House	Cultural Exchange Center	Madrone Mound
Capacity	40 people (dining) 60 for a standing reception	Up to 50 guests (max seated 60 inside, 40 viewing deck)	Up to 180 people
Daytime Rental Rates (11 am – 5pm)			
Three-hour event	\$1,100	\$2,600	N/A
Full day rental (eight hours)	\$1,100	\$2,600	N/A
Evening Event Rental Rates (6pm to 9pm)			
Saturday	\$2,300	\$3,200	\$1,650 (\$6,000 with CEC)
Fridays and Sundays	\$2,000	\$2,800	\$2,000 (\$5,000 with CEC)
Weekdays (Monday to Thursday)	\$1,650	\$3,500	\$2,800 (\$4,000 with CEC)

Note: For every additional hour, \$500 is added to the rental rate; for every person over the maximum number in the rate sheet, a \$25 per person charge is added to the rental rate. The total venue rental includes a refundable deposit of \$600 for fewer than 50 people and/or \$1,000 for more than 50 people.

Rental of the facility is full service, meaning that Hakone provides a list of preferred vendors (caterer, florist, etc.) paid through the rental fees. Utilization of outside vendors is permissible, but comes with an additional fee. Photography services are permitted by outside vendors. Alcohol is permitted, although a security fee is also required. The facility rental rates include the following:

- Pre-event meetings, walk-through, referrals and consultation with Events Manager or Coordinator;
- One-hour set-up and one-hour clean-up time in addition to the event time;
- Chairs and tables up to 180 guests;
- Preferred caterers/vendors list – facility permits use a non-preferred vendor for a fee of \$5 per person;
- Free parking and access to the gardens for guests – the facility has 92 parking spaces available and can accommodate vans, limousines, or buses up to 30 feet; and
- Event staff onsite for event.

The facility operators purposely decided not to move forward with a formal or commercial kitchen as they are expensive to maintain (complying with health department regulations) and did not offer a good return on investment related to the operations cost. The City provides referrals for rentals and has placed directional signs around the community on behalf of the venue. The City also provides funding for major improvements and repairs through their

capital improvement program as funds are available. Regular maintenance of the facility is provided by Hakone staff (2.5 gardeners and 1.5 facility maintenance personnel).

Hakone generates additional revenues through its admission fees, as outlined in Table 10. The venue works with value pricing to offer reduced rates during daytime hours and competitive pricing during high demand times. Admission tokens are valid for the day purchased between 10:00 am and 4:00 pm on weekdays or 11:00 am to 4:00 pm (facility operating hours extend to 5:00 pm from March to October). Saratoga residents are allowed free entry into the facility one day a week as a condition of the use agreement with the Foundation.

Table 10. *Hakone Estate and Gardens Admission Fees*

Admission Fee Type	Admission Cost
Adult (18 to 64)	\$10
Seniors (65+)	\$8
Students (5 to 17)	\$8
Children (4 and younger)	Free
Saratoga residents	\$2 discount
First Tuesday of Month for Saratoga Residents	Free

Organization Overview

The property was privately owned until 1966, when the property owners offered it for sale to the City of Saratoga. In 1966, the City purchased Hakone Gardens to be utilized as a City park. The City's Parks Department maintained the property and it was available for free to the public. At the suggestion of two Council members, the first Hakone Foundation was organized by Saratoga residents to raise money to support ongoing maintenance and operations of the estate.

In 2000, the City of Saratoga determined there was a need to expand the Foundation to assume full responsibility for running Hakone. In 2000, the Foundation and the City signed a lease and drafted new Foundation bylaws. In 2005, the lease was renegotiated and resigned for 55 years.

Originally an all-volunteer organization, Hakone started adding full-time staff in 2015. The Hakone Foundation is a 501(c)(3) non-profit organization with an Executive Board of five members and a Board of Trustees with an additional six members, for a total of eleven board members. Hakone Estate and Gardens is staffed with seven full-time employees and four part-time seasonal staff:

- Executive Director
- Events Manager
- Events Coordinator
- Bookkeeper/Accountant
- Gift Shop, Membership, Volunteers and Community Education
- Gift Shop Staff (2)
- Head of Grounds Maintenance

- Head of Maintenance Facilities
- Assistant Gardener (2)
- Maintenance and Cleaning

The venue has regular office hours where part-time staff may answer the phone; but full-time event staff follow up and work with prospective renters. The Board has transitioned from general upkeep and oversight of a historic property to major fundraising and expansion of the site to an event venue. This has included accessing historic preservation funding through the County and the local County Supervisor.

The focus of events has been to utilize the outside facilities which has increased flexibility of use and allowed for the growth in use of tents when events need to have shelter. Many volunteers support Hakone as docents, providing tours of the gardens for visitors, as well as assisting in the gardens, gift shop, and office.

Funding Sources and Operating Budget

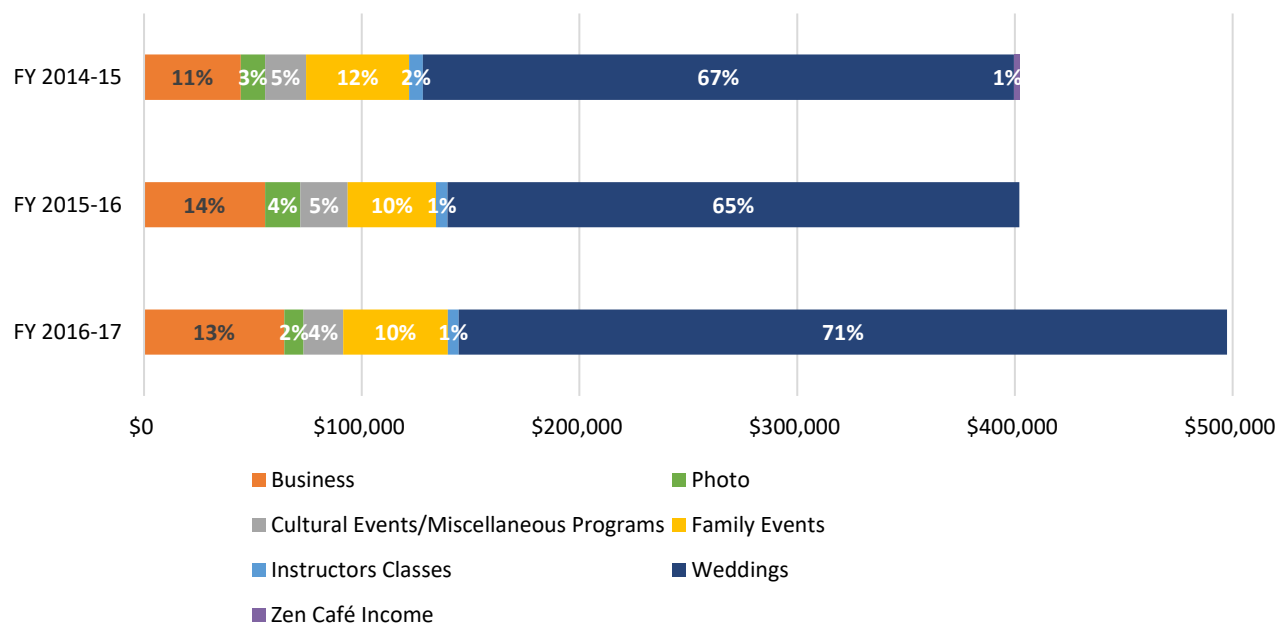
Hakone Foundation generates most of its operating income from rental income and entrance fees. The largest percentage of revenues comes from the operating income generated by the rental of the facility, between 46% and 54%. The two major sources of income, rental income and entrance fees, have been increasing over time. Table 11 shows the Hakone Foundation income by category for three fiscal years, FY 2014 through FY 2017.

Table 11. *Hakone Foundation Operating Income for FY 2014-15 through FY 2016-17*

Income Category	FY 2014-15	FY 2015-16	FY 2016-17
Entrance Fees	\$190,310.44 (26%)	\$224,739.58 (26%)	\$233,609.00 (24%)
Fundraising Events	\$30,418.33 (4%)	\$80,640.67 (9%)	\$62,602.92 (6%)
Donations	\$31,788.77 (4%)	\$76,472.80 (9%)	\$73,439.14 (8%)
Gift Shop Income	\$57,063.90 (8%)	\$55,491.15 (6%)	\$74,251.49 (8%)
Membership Programs	\$27,069.51 (4%)	\$32,630.50 (4%)	\$34,503.00 (4%)
Rentals	\$402,114.41 (54%)	\$401,981.01 (46%)	\$497,429.66 (51%)
Miscellaneous	\$246.83 (0%)	\$450.00 (0%)	\$0.00(0%)
TOTAL OPERATING INCOME	\$739,012.19	\$872,405.71	\$975,835.21

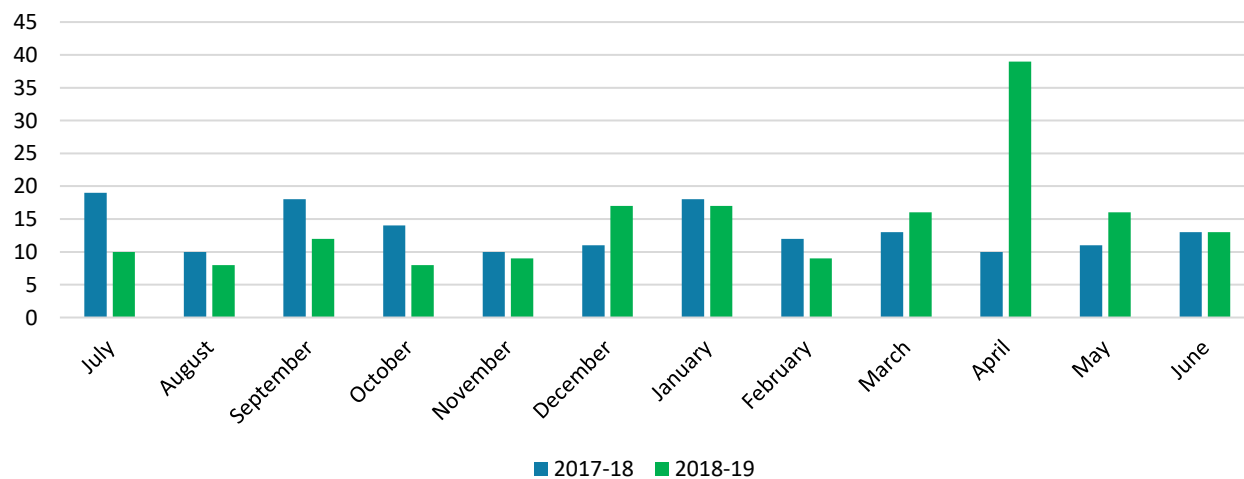
Wedding events generate the majority of rental income, as shown in Figure 6. The wedding events constituted between 65% and 71% of income during these three years.

Figure 6. *Hakone Rental Income for FY 2014-15 through FY 2016-17*



In FY 2017-18 and FY 2018-19 Hakone hosted 159 and 174 events, respectively. The most events in a single month was in April of 2018, with 39 events and the fewest was eight in both August and February of FY 2017-18. The distribution of events by month is shown in Figure 7.

Figure 7. *Distribution of Events for FY 2017-18 and FY 2018-19*



In 2017-18, Hakone hosted 15 fewer events than in 2018-19, but generated 30% more revenue. A summary of the rental event activity and revenue is shown in Table 12.

Table 12. Event Revenue Information for FY 2017-18 through FY 2018-19

FY 2017-18			FY 2018-19		
Number of Events	Event Revenue	Average Revenue per Event	Number of Events	Event Revenue	Average Revenue per Event
159	\$508,364	\$3,197	174	\$391,975	\$2,253

The Hakone Foundation's net income has increased over the last three fiscal years, as shown in Table 13. The negative income for FY 2014-15 is due, in part, to a \$150,000 expenditure for a facility Master Plan.

Table 13. Hakone Foundation Income and Expenses for FY 2014-15 through FY 2016-17

	FY 2014-15	FY 2015-16	FY 2016-17
Total Income	\$716,050.17	\$846,067.09	\$949,390.94
Total Expenses	(\$938,746.64)	(\$841,523.36)	(\$893,867.80)
Net Income	(\$222,696.47)	\$4,543.73	\$55,523.14

The greatest source of expense for Hakone Foundation is labor costs, which represent between 67% and 74% of all operating expenses. Table 14 shows the operating expenses by category for FY 2014-15 through FY 2016-17.

Table 14. Hakone Foundation Operating Expenses for FY 2014-15 through FY 2016-17

Operating Expenses	FY 2014-15	FY 2015-16	FY 2016-17
Labor	\$519,548.34 (67%)	\$555,088.94 (67%)	\$651,011.81 (74%)
Administration	\$17,606.88 (2%)	\$14,509.93 (2%)	\$8,143.08 (1%)
Fundraising	\$19,526.26 (3%)	\$45,598.36 (6%)	\$44,102.58 (5%)
Rental Costs	\$21,020.16 (3%)	\$25,638.07 (3%)	\$12,932.97 (1%)
General Operations	\$83,757.18 (11%)	\$86,796.14 (11%)	\$83,394.82 (10%)
Garden Area	\$12,037.76 (2%)	\$10,931.90 (1%)	\$25,014.50 (3%)
Facilities	\$4,925.53 (1%)	\$21,261.14 (3%)	\$15,689.56 (2%)
Utilities	\$31,850.20 (4%)	\$33,319.90 (4%)	\$34,726.91 (4%)
ED Retainer	\$60,687.76 (8%)	\$30,000.00 (4%)	\$0.00 (0%)
TOTAL EXPENSES	\$770,960.07	\$823,144.38	\$875,016.23

Event Venue Transition

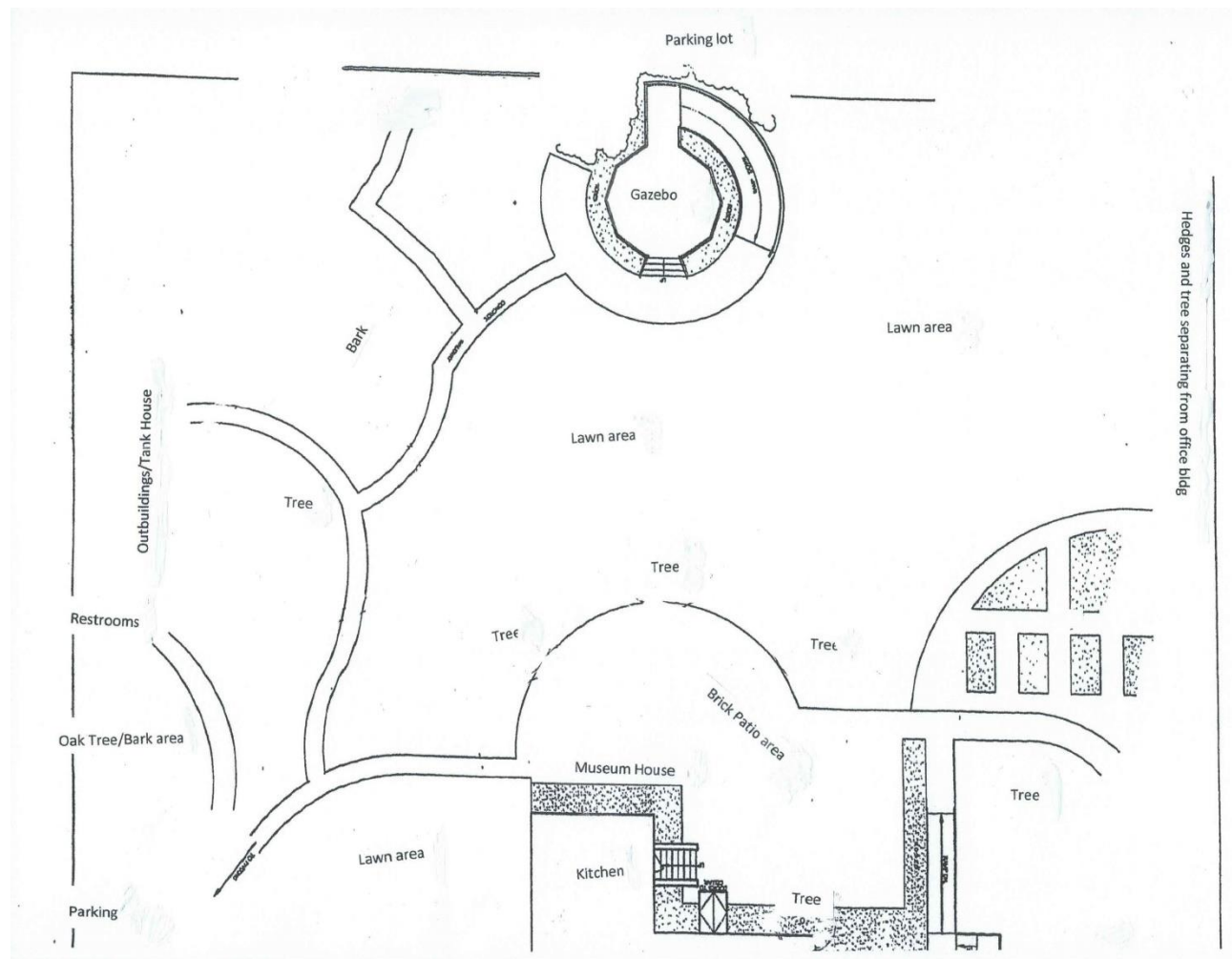
As with most historical sites, the Hakone Estate has been through a variety of phases and transitions. From the beginnings of a private property, to a City park, to present day, the site has adapted based on the needs to preserve the property. With the creation and expansion of the Hakone Foundation, the site has grown to include preservation of historical structures to a full-service venue for weddings and community events. With this growth and changing needs, the Foundation has increased their fundraising efforts and now is able to operate the site with seven full-time staff.

Case Study: Shadelands Ranch Museum

Facility Overview

Shadelands Ranch (Shadelands) is a 2.67-acre property located in the Ygnacio Valley area of Walnut Creek. Shadelands Ranch is owned by the City of Walnut Creek and operated by the Walnut Creek Historical Society. Completed in 1903, the property currently houses the Museum, the offices of the Walnut Creek Historical Society, and the Ranch grounds. The Museum and Historical Society are both located in the original Penniman family home on the property and are not available for event rental. The grounds, which include a lawn area, gazebo, patio, and use of the home's porch and kitchen, are available for rental and accommodate parties of up to 300 guests. A map of the property and its structures is shown in Figure 8.

Figure 8. Shadelands Ranch Museum Layout



The Walnut Creek Historical Society has one 30-hour a week employee who functions as the office manager and manages all events and reservations. The rest of the staff who support the office and/or events are volunteers and part-time/seasonal staff of the Historical Society. The City of Walnut Creek provides daily maintenance of the site and in partnership with the Historical Society, will help to fund major repairs/improvements when funds are available.

The property also hosts additional programming including tours, educational programs, special events, and seasonal leases such as a Christmas tree lot and a pumpkin patch to generate additional income. In addition to rentals, the Historical Society hosts a number of fundraising events during the year at the site.

The Walnut Creek Historical Society rents the Ranch Museum property for various events, including weddings, family reunions, corporate retreats, and others. The rentable space is primarily outside, therefore available for rentals only from April through October. The venue can accommodate between 250 and 300 guests. The facility's rental capacity and rates are included in Table 15.

Table 15. *Shadelands Ranch Rental Summary*

Rental Facility Information	Shadelands Ranch
Capacity	250 to 300 people, seated
Rental Rate	\$400 per hour

Aside from auxiliary use of the 12 x 12 kitchen area of the house and the porch for pre-wedding activities, all events happen outside and around the grounds. As there is no provision for inclement weather, events are only booked April through October. With only one 30-hour per week office manager, the Historical Society does not provide wedding planning services. Securing photographers, florists, planners, etc. are the responsibility of the renter. The facility rental rate includes the following restrictions and amenities:

- Three-hour minimum rental
- Event must conclude no later than 10 pm with clean up by 11 pm
- Rental time includes set-up, decorating, and take-down/clean-up¹ time
- Rehearsal time of up to 90 minutes included
- Use of up to 150 chairs and 30 tables; additional tables and chairs (up to maximum inventory) available
- Custodial fee of \$200 for set-up/take-down for weddings over 150 guests

¹Renters are supposed to set up and clean up themselves; however, staff indicated that working with renters to comply with the rules and regulations is the most difficult job of event management.

- Damage deposit of \$500², fully refundable
- Kitchen use fee of \$100 (optional and includes limited use)
- Reservation fee of \$300 (minimum, non-refundable) to hold a date, applied to rental fees
- Requires certificate of insurance provided at least 30 days prior to the event (must carry minimum liability coverage of \$1,000,000 and must name the Walnut Creek Historical Society and the City of Walnut Creek as additional insureds, at no cost to either WCHS or the City)
- Beer, wine and champagne are allowed (by City ordinance) but hard liquor is prohibited

Another revenue generating activity of Shadelands Ranch is the admission fees, as Table 16 shows. The Shadelands house and grounds are open to the public for docent-led tours each week on Wednesday and Sundays from 1:00 to 4:00 pm from February through October.

Table 16. *Shadelands Ranch Admission Fees*

Admission Fee Type	Admission Cost
Adult	\$3
Students (ages 6 to 17)	\$1
Children (ages 5 and younger)	Free
Members	Free

Organization Overview

The Walnut Creek Historical Society (WCHS) is a 501(c)(3) non-profit corporation that was originally founded by members of the Walnut Creek Women’s Club. The WCHS works with the City of Walnut Creek and its community to “collect, preserve and interpret the history and heritage of the Walnut Creek area.”

The WCHS is responsible for operation and maintenance of the Shadelands Ranch Museum, supporting local history programs in schools, sponsoring tours of downtown heritage sites, and maintaining a rotating exhibit at the downtown Walnut Creek Library. The WCHS is governed by a board of 13, supported by more than 40 volunteers who serve as museum docents, give guided downtown tours, and facilitate the WCHS programs in local schools.

Funding Sources and Operating Budget

The Walnut Creek Historical Society generates most of its revenue from programming, representing more than 90% of its revenue in 2016. From 2014 to 2016, the contributions and grants received dropped dramatically. Due to its relatively small number of staff (only one 30-

³The Society charges a \$500 refundable damage deposit. As a result, many renters apparently leave the facility without cleaning it, expecting the Society deposit to perform this function. The deposit does not cover what is required to clean up after an event and staff intend to raise the fee in the future.

hour a week office manager), the salary and benefits expense is very low, representing less than a third of the total expenses. Table 17 shows the reported revenues and expenses of the Walnut Creek Historical Society based on their Form 990 reports.

Table 17. Walnut Creek Historical Society Revenues and Expenses for 2014 to 2016*

Category	2014	2015	2016
Revenue			
Contributions and Grants	\$195,577 (53%)	\$38,979 (18%)	\$6,757 (3%)
Program Revenue	\$173,964 (47%)	\$173,484 (81%)	\$189,128 (96%)
Investment Income	\$0 (0%)	\$0 (0%)	\$0 (0%)
Other Revenue	\$1,975 (1%)	\$524 (1%)	\$1,648 (1%)
Total Revenue	\$371,516	\$212,987	\$197,533
Expenses			
Grants Paid	\$250 (0%)	\$0 (0%)	\$0 (0%)
Benefits to members (disability, unemployment, life insurance)	\$0 (0%)	\$0 (0%)	\$0 (0%)
Salaries and Compensation (health benefits)	\$47,501 (15%)	\$45,594 (21%)	\$68,973 (33%)
Professional Fundraising Fees	\$0 (0%)	\$0 (0%)	\$0 (0%)
Other Expenses	\$266,984 (85%)	\$170,307 (79%)	\$142,598 (67%)
Total Expenses	\$314,735	\$215,901	\$211,571
Fundraising Expenses	\$82,343	\$83,190	\$0
Revenue Less Expense	\$56,781	(\$2,914)	(\$14,038)

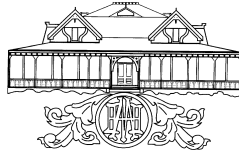
Source: Walnut Creek Historical Society Form 990 Filing Information, 2014, 2015, and 2016.

*Revenues and expenditures do not include operational costs provided by the City of Walnut Creek such as major facility maintenance or landscape maintenance.

According to the Society Office Manager, they work with the City to request funding for capital improvement projects and major repairs; however, the City only assists when its budget allows. The Society does use a little marketing money to advertise in *Here Comes the Guide* and other bridal publications and staff believes that more money should be allocated for this purpose.

Event Venue Transition

Shadelands has evolved over the years since it was originally founded. From its beginning as a private farming operation and house, the site is now owned by the City of Walnut Creek and operated by the Walnut Creek Historical Society. Shadelands is also the home of the Society. The City continues to provide general landscape maintenance and facility maintenance to major systems like heating and air conditioning; however general operation and management of the site is the responsibility of the Historical Society.



Morgan Hill Historical Society

To preserve and share the history of Morgan Hill, and its environs, to inspire a sense of community.

To: Chris Ghione, Director of Community Services
 Cc: Christina Turner, City Manager

From: Kathy Sullivan, President, Morgan Hill Historical Society
 Karl Bjarke, Vice President Morgan Hill Historical Society

Re: MHHS Comments on "Villa Mira Monte Historic Site - Event Venue" Study
 Approved by the Morgan Hill Historical Society Board of Directors on April 27, 2020.

Date: April 28, 2020

Chris,

Thank you for the opportunity to review the "Villa Mira Monte Historic Site - Event Venue" study, dated January 2020, and prepared by Management Partners for the City of Morgan Hill. The Morgan Hill Historical Society (MHHS) would like to share our thoughts on the study and it's recommendations. We will also provide our own recommendation for moving forward.

We would like to start by thanking the City for commissioning this study and including volunteers and representatives from the MHHS Board of Directors in the development of findings and recommendations. The MHHS values our partnership with the City and as the study points out, the future of the Villa Mira Monte site is dependent upon a strong partnership.

Comments on the Study

Executive Summary: We are in general agreement with the conclusions in the Executive Summary. It sums up the practical and financial situation that the MHHS finds itself in today. However, regarding the current \$1.8 Mil in the CIP the MHHS would like the City to think about this proposed expenditure not in terms of whether there will be a return on investment but rather as an investment into a park facility making it easier for the public to use the entire site. As you know, the back lot of Villa Mira Monte is an unsightly expanse of ground up asphalt and weeds. We at the MHHS have found that there is a tremendous need for parking for the community events we now hold. While the all-weather ground up asphalt has expanded the parking area and made the parking situation immensely more convenient for our customers and patrons, it is not as desirable, attractive nor usable as a nicely paved and landscaped parking area. Currently, parking for events is labor intensive and challenging to get cars parked in an orderly and efficient manner. Relocating the paved parking area to the back of the lot as required in the Circa Historic Review and permanently striping the parking lot would help the Society greatly and dress up the back area facing the railroad tracks and as viewed by the many who commute on the train. Landscaping the back provides the opportunity to install agricultural educational exhibits.

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 408.779.5755
www.morganhillhistoricalsociety.org
 Tax ID 94-2562450

Background: The Background section is good and represents the information we presented during our interviews with the Management Partners team.

Since those interviews, however, the Board has been working on initiatives in its Specific Plan that relate to 'Establishing Business Operations Best Practices' and 'Sustainability Assessment'. We are collectively coming to the conclusion that because of the limited resources (volunteers and funds) that the Board has at its disposal, it is not practical to create a separate Operations Council. We simply don't have the people power to manage an Operations Council while also trying to maintain the governance of the Board of Directors. This is consistent with the findings in the Management Partners study.

The last two paragraphs of the Background Section discuss the capital expenditure of parking and landscaping. As stated above, we differ with the study's conclusion: "...we do not believe these improvements would significantly expand the use of the property as an event destination." The MHHS believes the improvements should not be thought of as expanding the use of the site but would instead address the eyesore and improve the parking situation that the residents of Morgan Hill and visitors use on a regular basis right now. This is a City park facility and should be brought up to the standards of the other City parks.

Historical Site Plan and Proposed Capital Improvements Investment: The first sentence should be reworded to state, "Currently the front half of the Villa Mira Monte property includes the 1911 (not 1941) Acton Farm House relocated to the site in 2005 and renovated to serve as the Morgan Hill Morgan Hill Museum, ..."

Project Approach: Takeaway #2 on page 10 is incorrect. The City does not own the property (refer to the correct title description in the 'Background' section on pages 5 and 6). We also recommend that takeaway #3 on page 10 should be reworded: *The Historical Society sees providing historical education through museum operations and with community events as their primary purpose. Operation of an event venue outside of the handful of community, education and fundraising events that currently happen is not the primary purpose of the organization and there is concern that the Historical Society's ability to operate the event venue is diminishing.*

This is intended to acknowledge that there are certain community events such as the Holiday Boutique, the Tea events, and the Community Picnic that are important for sustaining our membership interest and the revenue that generates.

The Case Study Research points out how unique the MHHS is and why it has these current challenges.

Villa Mira Monte Event Venue - Current Operations: On page 17 Management Partners concludes "...we believe any improvements to landscaping and parking at Villa Mira Monte should be undertaken only after a specific plan for the site has been completed that has identified the types of uses and events that are likely to occur at the site." Assuming that the City and MHHS agree that the Villa Mira Monte site's future is that of a Historical landmark and City park and not a large event venue, a Specific Plan is not helpful. Again, the MHHS believes the parking lot and landscaping improvements will address the needs of a beautiful community park with educational opportunities. Also provide for occasional rental events that serve private community celebrations.

We agree with the “Current Management and Operations” section. We agree with the “Observations” section and have the following comments on the three recommendations:

Recommendation 1: The MHHS would be grateful for any assistance from the City for rentals, operations, volunteer training, and marketing.

Recommendation 2: The MHHS would welcome a review and update of our rental fee structure. We don't want to be in a position where our regular rental customers go elsewhere if our fee structure changes dramatically. This did happen and the Board of Directors approved a new fee structure on April 27, 2020. Our documents and website will be updated and the new rates will go into effect when Villa Mira Monte opens to the public as COVID-19 guidelines permit.

Recommendation 3: We generally agree with this recommendation, however, the MHHS is not yet in a position to work on a new Strategic Plan and a Business Plan. We are in the midst of working on our recently adopted Strategic Plan and from that effort we will have a much better idea of what resources we can commit to a new Strategic Plan. This includes our strategic planning for funds development. Until we have resolved as a Board what resources we can reasonably expect to have going forward (volunteers and funds) we are not in a position to start any new initiatives. We expect this to take eighteen months at the earliest. It is important to note that the impacts of the COVID-19 Pandemic on the MHHS resources is difficult to predict, but likely to decrease volunteers and funding for the foreseeable future.

Alternative Operational Options: We agree that ‘Option 1: Sustain the Site as a Historical Destination, not an Event Venue’ is the best of the options presented. However, this option should have a stronger financial commitment on the City's part than described in the study. The City should provide annual operation and maintenance funds similar to what it has been providing. Without the establishment of a dramatically different funds development strategy, based on large donations from private entities or trusts, the MHHS will simply not be able to raise sufficient funds to keep the Villa Mira Monte property up to minimum standards. In addition, the City should include the Villa Mira Monte site in its CIP planning for parks citywide. This should be a priority before additional parks are planned and developed.

MHHS & City Partnership Future

We again want to emphasize the value we place on our partnership with the City in providing and keeping up the Villa Mira Monte site as a very unique City park asset. As the MHHS Board continues with its self-assessment we would like to share what we believe will become real factors in the Society's ability to sustain the volunteer element of this partnership.

1. Finding and keeping quality volunteers is challenging and we don't see that improving in the near future.
2. The nature of the work involved in the complex governance, maintenance and operation of the Villa Mira Monte landmark and the MHHS mission to preserve and share the history of Morgan Hill and its environs, makes it difficult to find high quality and dedicated volunteer Board members who have the time and passion to serve the mission.

3. Over the next several months, the MHHS will work on resetting its purpose and objectives, likely resulting in scaling back events and activities due to the lack of resources. This will impact the small amounts of revenue that come with those events and activities which the Society uses to fund preserving, maintaining and operating the site.
4. Aside from potential future grants, the MHHS does not now have the fundraising mechanism to provide for large capital improvements expenditures that will most certainly be needed to keep up the Villa Mira Monte site.
5. In spite of the limitations that lie ahead, the Board still believes in a partnership with the City whereby the Society (made up of a team of volunteers, including a Board of Directors) handles the governance, outreach to the community, history-related education and operation functions, while the City provides financial support for the preservation, maintenance and regular operations including the occasional required capital expenditures.



PARKS AND RECREATION COMMISSION STAFF REPORT

MEETING DATE: May 19, 2020

PREPARED BY: Chris Ghione, Public Services Director

APPROVED BY: Chris Ghione, Public Services Director

FY20/21-25/26 CAPITAL IMPROVEMENT PROGRAM

RECOMMENDATION(S)

Provide comments and feedback on the proposed FY 2020/21 through FY 2025/26 Capital Improvement Program (CIP).

NARRATIVE:

The Capital Improvement Program for the Fiscal Years 2020/21 through Fiscal Years 2025/26 has been developed and prepared for the biannual budget process. It is the role of the Parks and Recreation Commission to review, comment and make recommendations on the CIP areas

In determining projects for the proposed CIP, the following factors are considered:

- Projects must be consistent with the goals of the General Plan
- Projects included in an adopted Master Plan
- City Council priority
- Addressing a maintenance or deficiency issue
- Available revenues to pay for project
- Long term maintenance is considered

The proposed 6-year CIP is included as a link and available on the City website. Comments received from the Commission will be forwarded to the City Council as they consider the entire budget for adoption.

LINKS/ATTACHMENTS:

1. FY 20/22 Proposed Operating and Capital Budget (Weblink)
2. PRC CIP Presentation 5-19-20 Updated



Fiscal Year 2020-21 through 2025-26 Recommended Capital Improvement Program



Purpose

- Present FY 20/21 to 25/26 Capital Improvement Program
- Discuss Key Projects
- Provide feedback and comments on the proposed FY 20/21 & 21/22 CIP

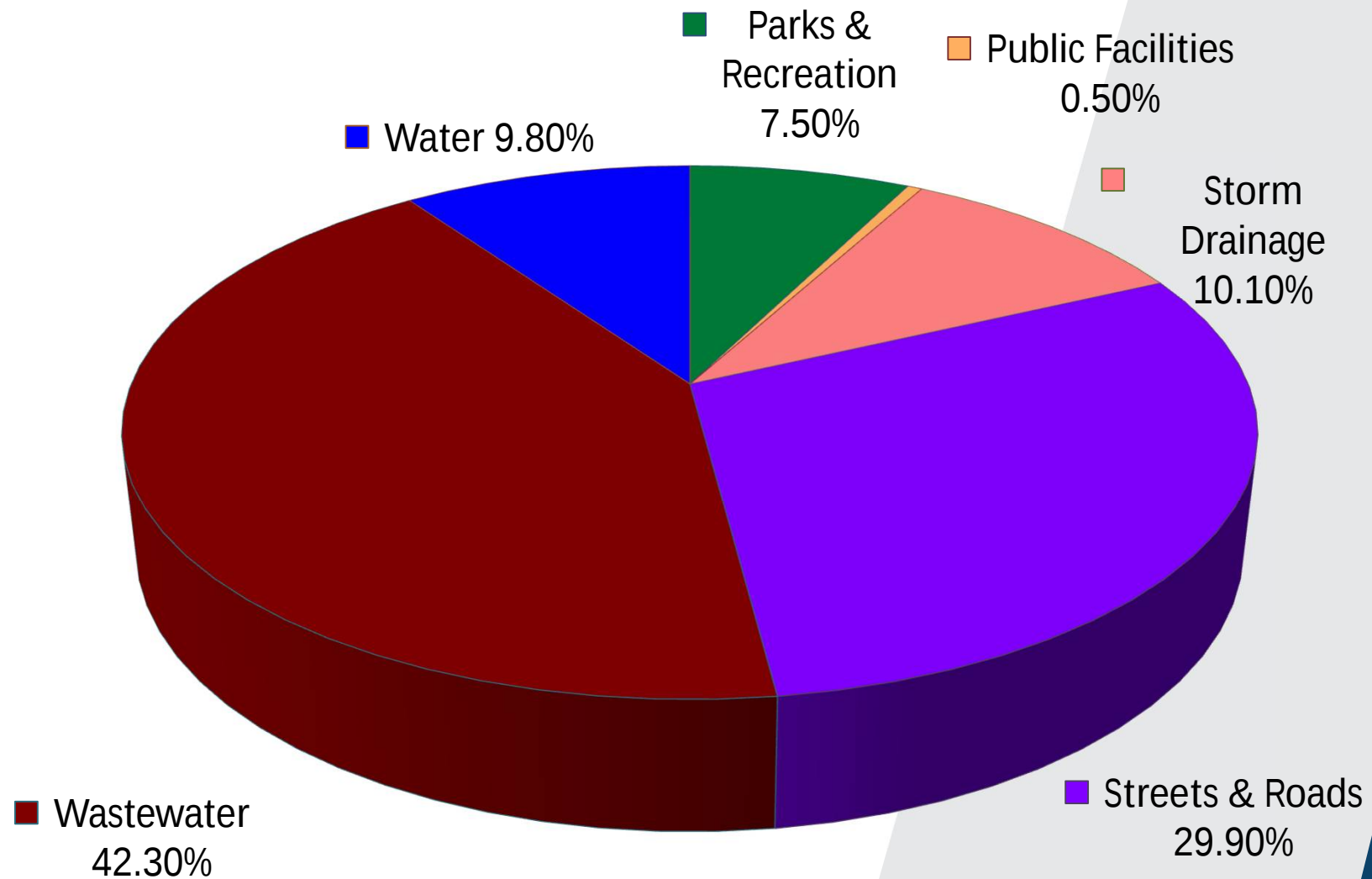




Guiding Principles

- Projects must be consistent with the goals of the General Plan
- Projects included in an adopted Master Plan
- City Council priority
- Addressing a maintenance or deficiency issue
- Available revenues to pay for project
- Long term maintenance is considered
- Legal uses of funds

Areas of the CIP by Project Category FY 2020-21 and 2020-22





Current Projects Underway

- Magical Bridge Inclusive Playground Project
- Pedestrian Safety Projects
- Main Avenue Bike Lanes
- Madrone Channel Trail Project
- Butterfield Path Project
- CRC and Library Expansions

Parks and Recreation Highlights FY 20-21 & 21-22 Projects



Borello School Park - \$2M

- Joint park/school site off Peet Road

West Little Llagas Creek Trail - \$850,000

- Class 1 Trail south of Watsonville Road
- Primarily grant funded
- Limited additional maintenance necessary

Park Renovations - \$500,000

- Upgrade existing park and recreation facilities
- Support cost recover

Parks and Recreation Highlights FY 20-21 & 21-22 Projects



Sports Facility Planning- \$100,000

- Condit Road Facilities Concept Master Plan
- Environmental Review

Park Land Purchase- \$500,000

- Potential land bank of neighborhood park

Parks and Recreation Highlights Post FY21-22



- Potential Sand Volleyball Facilities
- Villa Mira Monte Expansion/Renovation
- Park and Recreation Facility Renovations
- Begin banking funding for Ball Field Center



Streets and Roads Highlights FY 20-21 & 21-22 Projects

Pavement Rehabilitation- \$5.8M (2 years)

- Annual program intended to address City's pavement rehabilitation needs.
- Primarily dedicated funding sources

Hale Avenue Extension \$17M

- Construct Hale Ave from Main to Spring Ave
- Primarily grant funding for construction
- Land acquisition and design completed (\$10M)

Sidewalk Repairs- \$150,000/yr

- Annual program to address damaged sidewalks

Unfunded or Partially Funded Projects

- Ball Field Development
- New Bike and Pedestrian Safety Projects



Questions?

