

Villa Chanticleer Business and Development Plan Summary Report

Prepared for:



The City of Healdsburg

Prepared by:



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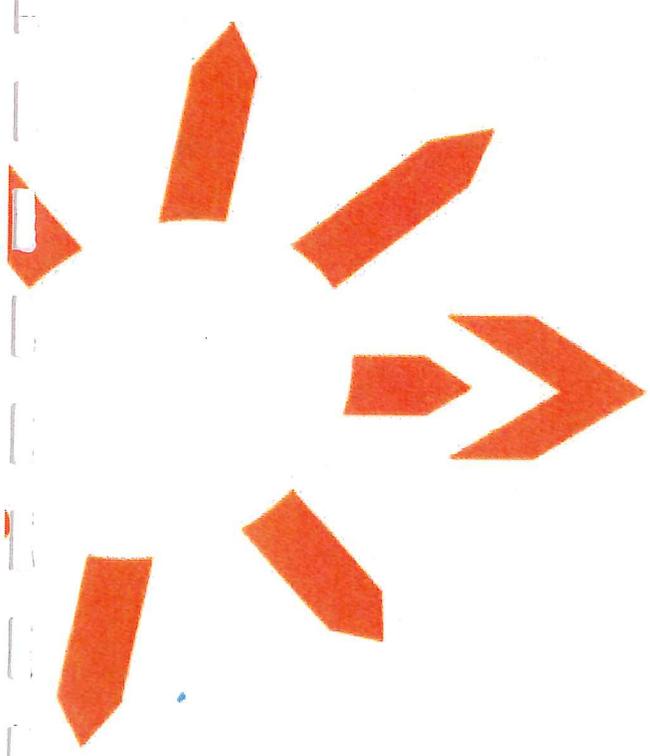


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Section 1 – Executive Summary

1.1 Introduction

The City of Healdsburg, recognizing the need for additional recreation and educational space within the City, contracted with PROS Consulting, LLC to develop a Business and Development Plan for the Villa Chanticleer. This business plan will identify opportunities in the market place that are consistent with the vision for the facility. The Villa located in the heart of the Sonoma County Wine Country captivates visitors with breathtaking views of rolling hills. The multitude of amenities, including the ballroom and dining room, the adjacent wedding garden, complete with a gazebo, provides the ultimate setting for elegant wedding, quaint gatherings, and business conferences and the Annex which is used for local community meetings and gatherings.

The Summary Report seeks to highlight the key findings and provide guidance to management and staff on operational and financial matters, trends, and strategies for future implementation.

1.2 Project Objective, Process, and Methodology

The objective of this project was to develop a Business and Development Plan for the City of Healdsburg's Villa Chanticleer that would allow city leaders and staff to operate the facility in an informed and pro active manner with the intent of generating sufficient operational revenue to offset operational costs. The following tasks were performed to establish an understanding of the current situation, identify strategies for future operations, and prepare financial projections that present a reasonable view of expected outcomes.

1.2.1 Operational Analysis

PROS reviewed the current Villa operating management processes and procedures to assess the operations and level of effectiveness. This included data collection and analysis, and on-site observations of key organizational components in the following areas:

- Hours of operations
- Programs and services
- Facility condition
- Customer satisfaction
- Labor agreements
- Marketing and communications
- Procedures manuals

The current operations were evaluated against an organized checklist and industry practices composed with a commitment to excellence for quality products and services. A summary of the analysis was prepared presenting the overall findings, analysis, and recommendations.

1.2.2 Market Analysis

A market analysis was performed to document the needs and identify target markets for the site. Market analysis is an iterative process of qualitative and quantitative input to identify needs, and

a vision for the project. This analysis was performed to derive the program and development potential of the site. Specific tasks include:

- **Competition Analysis** – PROS researched the market within the City of Healdsburg and regionally to document activities, service offerings, with the goal of positioning the Villa within the marketplace for comparable hospitality sites. The documentation focused on the Villa's market-place position. An analysis of the major direct and indirect competitors was conducted against the activities and facilities identified in the market definition.
- **Stakeholder Interviews** – Interviews were conducted with business, catering, and hospitality planners as identified by the City to evaluate existing ideas and concepts and test preliminary findings from the market analysis.
- **Trends Analysis** – Documentation of existing and new trends as they relate to the hospitality industry was performed by PROS.
- **Market/Service Analysis** – The Market Analysis consisted of a needs assessment to identify underserved or unmet needs within the market service area of the site. This allows quantification of priorities. From this review, the PROS Team provided a Programming Plan to guide the business, catering, and hospitality planning effort and future facility development recommendations.
- **Pricing Strategy and Pro Forma** – Based on the estimated cost to operate the Villa and property, PROS developed a pricing strategy with a desired outcome for cost recovery. A five-year pro-forma (financial plan) was developed that focused on potential revenues and expenses based on development/operational assumptions.

1.2.3 Business Plan Development

Overall recommendations are presented for each of the areas reviewed including market and programming, facility improvements, operational improvements, and financial strategies. This plan will serve as a decision-making tool for the staff and City Council to follow.

In connection with the Business and Development Plan for the Villa Chanticleer, a team of architectural and acoustical consultants were assembled to provide additional services. Glass Architects and Rosen Goldberg & Der, Inc. tasks include:

- Development of upgrade options including renovations, additions, restoration, and acoustical treatments
- Site Investigation to review the existing conditions including acoustical measurements
- Preparation of three (3) design option studies including drawings and cost estimates
- Development of preliminary rendering of one (1) selected option

1.3 Operational Summary

An Operational Assessment was performed to appraise the programs, services, and activities offered by the Villa Chanticleer complex in a holistic perspective. Overall, the Villa provides a breathtaking setting and unique venue, however, the revenue generation disparity between booking types is a concern. To ensure long term sustainability, a pricing policy must be

established to promote a diverse revenue stream among all rental types, thus, reducing the impact that one rental category has on the success of the entire Villa.

Bookings of the Villa follow a common sense approach; indoor venues receive a higher level of demand in the winter months for meetings while the Wedding Garden areas experience high user volume in the warmer months. The Villa generated no less than seventy-five percent (74.9%) of all revenues in any of the four quarters of 2005; quarterly revenues for 2006 were similar. Revenue generation is heavily dependent on the main Villa as evident by the 2005 and 2006 revenue total presented below.

Revenues by Activity, by Facility - 2005	The Villa (Main Area)	The Annex	Wedding Garden	BBQ Area	Meeting Room	Chair Rental	Kitchen Use
Wedding	96,137	-	19,100	150	120	6,068	1,200
Social	28,386	1,691	-	530	50	-	700
Meeting	6,736	4,603	-	119	2,510	215	375
Fundraiser	7,062	647	-	-	-	-	410
Classes	1,030	150	-	-	-	-	-
Totals	\$ 139,351	\$ 7,091	\$ 19,100	\$ 799	\$ 2,680	\$ 6,283	\$ 2,685

Revenues by Activity, by Facility - 2006	The Villa (Main Area)	The Annex	Wedding Garden	BBQ Area	Meeting Room	Chair Rental	Kitchen Use
Wedding	77,694	575	21,700	-	-	4,876	4,600
Social	27,872	1,979	900	85	50	-	2,200
Meeting	6,218	4,779	-	-	1,860	740	1,515
Fundraiser	7,039	245	-	-	-	-	750
Classes	1,349	40	-	-	-	11	-
Totals	\$ 120,172	\$ 7,618	\$ 22,600	\$ 85	\$ 1,910	\$ 5,627	\$ 9,065

To ensure operational efficiencies, utilization of spaces must be reevaluated. The average revenues received per rental type was heavily skewed in 2005. Wedding rentals generated nearly three times the revenues as the next closest rental type, fundraisers, while meetings only average one-hundred-fifty six dollars per booking. In 2006, slightly more than three quarters (75.9%) of costs were recovered. As with 2005, Villa operations were subsidized heavily by wedding rentals. The average wedding generated three thousand dollars while meetings accounted for an average of fifty-six dollars.

Average Revenues per Booking Type, 2005	
Wedding	\$ 2,816
Social	\$ 655
Meeting	\$ 150
Fundraiser	\$ 725
Classes	\$ 131

Average Revenues per Booking Type, 2006	
Wedding	\$ 3,119
Social	\$ 665
Meeting	\$ 56
Fundraiser	\$ 863
Classes	\$ 26

Current Operating Expenditures, 2005	Amount
Total 3001-413	8,596
Total 3007-441	236,786
Total 2006 Expenses	\$ 245,383
Total Rental Revenues	\$ 199,257
Revenues Over (Under) Expenditures, 2005	\$ (46,126)
Percent of Rental Costs Recovered, 2005	81.2%

Current Operating Expenditures, 2006	Amount
Total 3001-413	8,310
Total 3007-441	251,467
Total 2006 Expenses	\$ 259,777
Total Rental Revenues	\$ 197,082
Revenues Over (Under) Expenditures, 2006	\$ (62,694)
Percent of Rental Costs Recovered, 2006	75.9%

1.3.1 Revenue and Usage Analysis

Analyzing Villa activity by total rentals revealed July with the most activity fueled in part by the highest number of wedding rentals for the entire year.

Booking by Month - 2005						
Month	Wedding	Social	Meeting	Fundraiser	Classes	Total Bookings
January	-	6	12	1	1	20
February	1	4	10	3	1	19
March	4	3	11	2	1	21
April	4	5	7	-	1	17
May	6	5	7	1	1	20
June	8	6	8	-	-	22
July	10	2	10	1	-	23
August	3	4	7	-	1	15
September	5	1	8	-	1	15
October	4	3	12	2	1	22
November	3	3	10	1	1	18
December	1	11	9	1	-	22
Totals	49	53	111	12	9	234

As expected, revenue generation was consistent with number of total bookings, experiencing the greatest rental revenue in the month of July, nearly nine thousand dollars more than the next closest month.

Revenues by Month - 2005						
Month	Wedding	Social	Meeting	Fundraiser	Classes	Total Revenues
January	\$ -	\$ 1,671	\$ 1,948	\$ -	\$ -	\$ 3,619
February	\$ 1,408	\$ 6,034	\$ 2,252	\$ 2,151	\$ 140	\$ 11,985
March	\$ 11,464	\$ 1,057	\$ 2,774	\$ 1,061	\$ 180	\$ 16,536
April	\$ 9,264	\$ 3,739	\$ 771	\$ -	\$ 150	\$ 13,924
May	\$ 17,391	\$ 4,633	\$ 865	\$ 300	\$ 180	\$ 23,369
June	\$ 21,406	\$ 2,020	\$ 1,163	\$ -	\$ -	\$ 24,589
July	\$ 28,247	\$ 3,045	\$ 1,433	\$ 400	\$ -	\$ 33,125
August	\$ 7,020	\$ 3,225	\$ 708	\$ -	\$ 50	\$ 11,003
September	\$ 17,321	\$ 330	\$ 1,235	\$ -	\$ 160	\$ 19,046
October	\$ 10,535	\$ 991	\$ 1,232	\$ 1,957	\$ 160	\$ 14,875
November	\$ 11,369	\$ 2,572	\$ 1,154	\$ 1,190	\$ 160	\$ 16,445
December	\$ 2,582	\$ 5,373	\$ 1,145	\$ 1,641	\$ -	\$ 10,741
Totals	\$ 138,007	\$ 34,690	\$ 16,680	\$ 8,700	\$ 1,180	\$ 199,257

Operations for 2006 were similar to 2005 – meetings accounted for the largest number of rentals, more than four times as many as the next type of booking, and weddings generated the largest portion of revenues.

Booking by Month 2006

Booking by Month						
Month	Wedding	Social	Meeting	Fundraiser	Classes	Total Bookings
January	1	5	30	-	5	41
February	2	2	25	2	8	39
March	-	8	30	2	1	41
April	6	4	31	2	1	44
May	3	9	22	-	6	40
June	6	5	20	-	-	31
July	7	1	18	1	-	27
August	5	2	18	-	4	29
September	6	2	23	-	8	39
October	3	2	24	-	9	38
November	3	4	25	2	8	42
December	1	11	25	1	4	42
Totals	43	55	291	10	54	453

Revenues by Month 2006

Revenues by Month						
Month	Wedding	Social	Meeting	Fundraiser	Classes	Total Revenues
January	\$ 1,820	\$ 1,538	\$ 1,502	\$ -	\$ 100	\$ 4,960
February	\$ 4,337	\$ 1,515	\$ 1,013	\$ 2,225	\$ 160	\$ 9,250
March	\$ -	\$ 4,758	\$ 2,208	\$ 1,310	\$ 180	\$ 8,456
April	\$ 15,316	\$ 3,515	\$ 1,284	\$ 1,067	\$ 190	\$ 21,372
May	\$ 4,742	\$ 6,819	\$ 1,731	\$ -	\$ 120	\$ 13,412
June	\$ 22,520	\$ 2,149	\$ 1,517	\$ -	\$ -	\$ 26,186
July	\$ 29,210	\$ -	\$ 706	\$ 820	\$ -	\$ 30,736
August	\$ 15,127	\$ 2,075	\$ 1,076	\$ -	\$ 80	\$ 18,358
September	\$ 20,137	\$ 2,420	\$ 1,088	\$ -	\$ 160	\$ 23,805
October	\$ 10,127	\$ 2,215	\$ 2,084	\$ -	\$ 180	\$ 14,606
November	\$ 8,209	\$ 712	\$ 990	\$ 1,487	\$ 160	\$ 11,558
December	\$ 2,586	\$ 8,850	\$ 1,143	\$ 1,725	\$ 80	\$ 14,384
Totals	\$ 134,131	\$ 36,565	\$ 16,342	\$ 8,634	\$ 1,410	\$ 197,082

This information demonstrates how much the Villa is used as a community center first, versus a business hospitality center second, even though weddings and socials accounted for 90% of the total revenues and 25% of the use; however, much of the meeting activity in the Villa occurs in the Madrone Room and not the main Villa. The key issue that needs to be addressed in this analysis is whether the staff can increase the levels of weddings and business meetings to support the entire operation of the Villa, which is currently being subsidized.

Section 2 – Market Analysis

The Market Analysis provides a clear understanding of the market size, economic factors, and trends that assist in determining the potential client base within the target market area.

2.1 Competition Analysis

The Villa Chanticleer's rate structure is segmented into five customer categories to accommodate a variety of user groups for each facility:

- Private Resident
- Private Non-Resident
- Non-Profit Resident
- Non-Profit Non-Resident
- Government/School

The current pricing strategy used is driven by a social management model whereby local, non-profit, and government segments receive a substantial discount from non-residents. The pricing strategy also reflects the demand utilization for weekend and weekday time periods with a premium placed on Saturdays.

Ancillary services such as the Villa's rental fees for the kitchen includes exclusive use of a commercial kitchen along with the use and availability of all kitchen appliances, and supplies including two refrigerators, freezer, Wolf ovens, convection oven, ice machine, dishwasher, coffee maker, china, glassware, silverware, cleaning equipment, paper products and refuse disposal. Current rental schedules for each facility are presented in **Appendix A**.

2.1.1 Competitive Pricing

A comparative study was conducted of Healdsburg area Event and Meeting facilities to assess the Villa's current market position and determine best strategies for achieving long-term profitability in the competitive market space. The list of competitors was provided by City of Healdsburg staff members and represents a broad range of facilities in the area which accommodate varying degrees of user needs, activities, group sizes, and budgets. The facilities listed include a winery, garden estate, golf clubhouse, church facility, public and private community centers, and public halls.

Each of the facilities can accommodate weddings, special events, meetings, seminars, lectures, fundraisers, receptions, and banquets. The larger facilities are able to accommodate conferences, concerts, dances, tradeshow, and exhibits.

Weddings and Events

The following is a comprehensive list of competitor support services to accommodate Weddings and Events and comparable costs from like service providers:

- Catering
- Kitchen
- Event Coordinator

- Parking Attendants
- Patio/Courtyard/Garden
- Outdoor Tent
- Over-Time
- Rehearsal Time
- Set-Up
- Clean-up / Take-Down
- Table Settings
- Tables & Chairs
- Bar
- Bar Service
- Bridal Room
- Insurance
- Dance Floor

The following table provides a review of the pricing comparables for Event Pricing. The key elements depict the average, high point and low point for seating capacities, square footage, cost breakdowns by resident / private and by non-resident / private. The table on the next page outlines the comprehensive competitor breakdown.

The Villa with a seating capacity of 500 and possessing a square footage of 6,000 square feet is above average with respect to its competitors, as it applies to average pricing for non-resident/private and below average as it applies to resident/private Monday-Thursday. The cost breakdowns demonstrate that the Villa, along with some other facilities, is priced on the lower end. This was a theme that had been mentioned in the stakeholder interviews as well and has been briefly addressed in the Pricing Recommendations in Section 2.1.3. They will be addressed in greater detail once the capital improvement design and financial plan has been chosen.

Event Pricing Comparison; By Facility Name	Seating Capacity	Square Footage	Resident / Private				Non-Resident / Private			
			Friday	Saturday	Sunday	Monday- Thursday	Friday	Saturday	Sunday	Monday- Thursday
Villa Chanticleer - Main	500	6,000	1,080	1,410	1,127	490	2,256	3,672	2,352	720
Villa Chanticleer - Annex	250	2,300	380	590	380	146	575	865	575	290
Mary Agatha Furth Center	360	6,674	1,500	2,500	1,500	1,500	1,500	2,500	1,500	1,500
Healdsburg Country Gardens*	150	2,244	N/A	8,000	7,000	N/A	N/A	8,000	7,000	N/A
Trentadue Winery*	250	6,000	7,500	8,500	7,500	6,000	7,500	8,500	7,500	6,000
Best Western - Tuscan Room	181	2,010	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Tayman Park Club House	150	2,000	2,300	2,300	2,300	2,300	2,800	2,800	2,800	2,800
Finley Community Center - Auditorium	308	3,712	688	688	688	688	856	856	856	856
Friedman Center	700	6,480	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400
Rohnert Park Comm. Ctr - Multi-Use Room	350	4,324	640	640	640	640	840	840	840	840
Santa Rosa Vets Memorial - Auditorium	1,000	9,890	536	536	536	536	536	536	536	536
Petaluma Vets Memorial - Auditorium	450	6,984	456	456	456	456	456	456	456	456
Sonoma Vets Memorial - Auditorium	500	4,400	456	456	456	456	456	456	456	456
Sebastopol Vets Memorial - Auditorium	500	4,474	456	456	456	456	456	456	456	456
Guernerville Vets Memorial - Auditorium	250	2,520	296	296	296	296	296	296	296	296
Cloverdale Vets Memorial - Auditorium	250	2,028	336	336	336	336	336	336	336	336

*Pricing based on Banquet Event for 250 people with an 8-hour rental period

Event Pricing Comparables				
Seating Capacity				
Average:		384		
High:		1,000		
Low:		150		
Square Footage				
Average:		4,503		
High:		9,890		
Low:		2,000		
Cost Breakdown, Resident/Private		Average	High	Low
Weekday (Monday-Thursday):		\$ 1,193	\$ 6,000	\$ 146
Friday:		\$ 1,359	\$ 7,500	\$ 296
Saturday:		\$ 1,971	\$ 8,500	\$ 296
Sunday:		\$ 1,738	\$ 7,500	\$ 296
Cost Breakdown, Non-Resident/Private		Average	High	Low
Weekday (Monday-Thursday):		\$ 1,282	\$ 6,000	\$ 290
Friday:		\$ 1,519	\$ 7,500	\$ 296
Saturday:		\$ 2,198	\$ 8,500	\$ 296
Sunday:		\$ 1,891	\$ 7,500	\$ 296

Meeting Rooms

The following is a comprehensive list of competitor support services to accommodate meetings and comparable costs from like service providers:

- Sound System
- Modem Hook-ups
- Wireless Network
- AV Equipment
- Stage
- Lighting Control
- Bar
- Bar Service
- Event Staff
- Parking Attendant
- Tables & Chairs
- Projection Screen
- Podium
- Microphone

The following table provides a review of the pricing comparables for Meeting Pricing. The key elements depict the average, high point and low point for seating capacities, square footage, cost breakdowns by resident / private and by non-resident / private. The table on the next page outlines the comprehensive competitor breakdown.

The Villa with a seating capacity of 500 and possessing a square footage of 6,000 square feet is on the high end with respect to the average (184 seating capacity and 2,351 square feet). The cost aspect has been briefly addressed in the Pricing Recommendations in Section 2.1.3. They will be addressed in greater detail once the capital improvement design and financial plan has been chosen.

Meeting Pricing Comparison; By Facility Name	Seating Capacity	Square Footage	Resident / Private				Non-Resident / Private			
			Friday	Saturday	Sunday	Monday- Thursday	Friday	Saturday	Sunday	Monday- Thursday
Villa Chanticleer - Main	500	6,000	108	117	112	49	216	230	222	71
Villa Chanticleer - Annex	250	2,300	54	80	54	24	71	108	71	36
Mary Agatha Furth Center	360	6,674	150	200	150	150	150	200	150	150
Healdsburg Country Gardens*	150	2,244	N/A	N/A	4,500	4,000	N/A	N/A	4,500	4,000
Trentadue Winery*	250	6,000	6,000	7,000	6,000	4,500	6,000	7,000	6,000	4,500
Best Western - Milan Room	60	465	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Best Western - Pisa	60	465	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Tayman Park Club House	150	2,000	150	150	150	100	150	150	150	100
Finley Community Center	90	1,276	43	43	43	43	54	54	54	54
Friedman Center	700	6,480	1,950	1,950	1,950	1,950	1,950	1,950	1,950	1,950
Rohnert Park Community Center	100	864	55	55	55	55	55	55	55	55
Santa Rosa Vets Memorial - North Room	80	972	27	27	27	27	27	27	27	27
Petaluma Vets Memorial - Conf. Room A	100	1,089	32	32	32	32	32	32	32	32
Sonoma Vets Memorial - Lounge Room	85	855	27	27	27	27	27	27	27	27
Sebastopol Vets Memorial - Fireside Rm	50	532	22	22	22	22	22	22	22	22
Guernerville Vets Memorial - Conf. Room	60	690	22	22	22	22	22	22	22	22
Cloverdale Vets Memorial - Trophy Room	80	1,064	27	27	27	27	27	27	27	27

Pricing based Meeting Room for 50 people on an hourly rental period; all pricing is per hour unless where indicated with asterisk

Meeting Pricing Comparables			
Seating Capacity			
Average:		184	
High:		700	
Low:		50	
Square Footage			
Average:		2,351	
High:		6,674	
Low:		465	
Cost Breakdown, Resident/Private	Average	High	Low
Weekday (Monday-Thursday):	\$ 735	\$ 4,500	\$ 22
Friday:	\$ 619	\$ 6,000	\$ 22
Saturday:	\$ 697	\$ 7,000	\$ 22
Sunday:	\$ 878	\$ 6,000	\$ 22
Cost Breakdown, Non-Resident/Private	Average	High	Low
Weekday (Monday-Thursday):	\$ 738	\$ 4,500	\$ 22
Friday:	\$ 629	\$ 6,000	\$ 22
Saturday:	\$ 707	\$ 7,000	\$ 22
Sunday:	\$ 887	\$ 6,000	\$ 22

2.1.2 Discount and Pricing Analysis

The chart presented below reflects the discount percentage received by each customer segment using the maximum fee charged, Private Non-Resident, as the base rate. An additional thirty-three (33) percent discount is given to groups with eight or more scheduled uses (Kiwanis, Garden Club, SIRS).

Discount Percentage*; Rate by Category	Mon. – Thurs.	Friday	Saturday	Sunday
Private Resident	32.0%	52.0%	62.0%	52.0%
Non-Resident Non-Profit	46.0%	62.0%	63.0%	52.0%
Resident Non-Profit	55.0%	68.0%	63.0%	69.0%
Government/School	82.0%	87.0%	63.0%	88.0%

*Discounted from maximum fee charged (Private Non-Resident)

The Private Non-Resident rate has increased in each year for the past five (5) years by a combined total of 33%. This is the only user category which has received a rate increase. Resident, Non-profit, and Government/School rate categories have remained unchanged over the same period, some even receiving a greater discount. Based on stakeholder interviews the catering community has failed to benefit from the annual preferred caterers list.

With minimal returns from BBQ rentals in 2006, only slightly more than one hundred dollars (\$115) received, the BBQ area should be removed and replaced with an attractive entry area to the Wedding Garden and additional space for parking and a circular drive and fountain area.

2.1.3 Pricing Recommendations

Pricing strategies should be desired to maximize rental and revenue opportunities, avoid displacing profitable customer segments, and increase utilization of the Main Villa while serving the local community. Additionally, the Villa needs to establish and maintain rate integrity with a simplified pricing structure and reduce discounting. The following key pricing initiatives support achieving long-term operational goals and for detailed pricing recommendations see **Appendix E**:

- Keep discount percentages offered to local, non-profit, and government/school groups for rental of the Villa Chanticleer Main Building the same, but encourage additional use of the Villa Annex to open up times for higher paying rentals to support the operational costs of the Villa
- Simplify the rate structure to three categories – Resident, Non-Resident, and Non-Profit/Government/School
- Optimize pricing opportunities with day of week, user, group sizes, and peak/off-peak categories to stimulate demand
- Annex should only be available Monday through Thursday to avoid direct competition with the premium venue of the Villa
- A comprehensive list of Additional Support Services for Weddings/Events and Meetings should be developed along with respective fees so as to provide premium services desired and recover costs of providing such services
- Standardize kitchen-use fee to apply to all user categories whom are non caterers

- Remove annual catering use fee to improve business relationships and encourage caterers use and recommendations
- Maintain Main Villa minimum rental of four (4) hours
- Remove BBQ area and replace with more attractive entryway to the Wedding Garden
- Allow users to provide their own bar service for a fixed fee or enhance the operating standards for the existing bar provider
- Establish a stand alone bar rental fee independent of the bar service fee
- Leverage usage and the rental price of Wedding Garden in conjunction with the Main Villa pricing based on level of service and exclusivity received
- A price sheet by Function Type (Wedding/Event/Meeting) needs to identify components and services included
- Rental pricing should be per room and not the whole site unless they pay for it
- Avoid providing discount rates to non-discount groups
- Increase over-time rate when groups go past their allotted time
- Seek high standards from the American Legion contract for the Villa and Annex
- Create a photo book of examples of various Weddings/Events/Meetings at various levels of service
- The Villa Chanticleer brand name should be positioned at the front entryway in European script with an illustrious "Rooster"
- Leverage and promote Villa Chanticleer's French heritage with "European Elegance, Country Charm" throughout architectural design and landscaping
- Position the Villa as an executive retreat within the meeting market space industry
- Simplify insurance liability coverage fee by providing insurance for a stated fee within the listed prices
- Improve the Villa's Friday and Sunday utilization with greater price differentials between the two days
- Increase Sunday utilization by focusing on four-day holiday weekends
- Allow Weddings to be scheduled prior to three (3:00) p.m.

2.2. Stakeholder Interviews

Nine stakeholder meetings were conducted to assess current uses and needs of the main users of the Villa Chanticleer including representatives from the hotel industry, event planners, and caterers. Complete responses are presented in **Appendix B**.

2.2.1 Overall Facility Use

The Villa is mainly used for weddings, corporate events and for local community meetings and events. The target audience is local residents, and the Villa is discounted well and offers good value for money to the local community. In the past, it seems some business-type clients would not attend the Villa since the facility is outdated, while others left due to the limited choice available on the bar.

Caterers claim a loss in business and seem upset that they have not been receiving referrals from the preferred caterer list nor from the Villa staff. Also, they are unhappy about being charged to be on the referral list, a practice that is not adopted by anyone else in the area. They would not mind being charged a fee every time they rent there. In addition, event planners seem to have decreased their use of the Villa facilities because the conditions of the Villa and the bar arrangement, as well as the many restrictions placed on the event. Event planners would prefer to use wineries with their upscale clientele. Overall in 2006, the Villa was used 43 dates for weddings, 55 dates for social events, 291 meeting dates, 10 fundraisers, and 54 classes for a total of 453 dates.

2.2.2. Strengths

The Villa is the face of the community and one of the nicest facilities in Sonoma County. It is the prime location for weddings, family reunion, social celebrations, and community meetings. The staff is very accommodating and the ambience at the Villa is extremely pleasing. The kitchen set-up is easy to clean up and everything is clean and accountable. The appearance of the Villa, including the front doors, lobby and bar and the wedding outdoor area, is excellent. The parking facilities too seem adequate.

There is a feeling by the community that the City should not have to subsidize the facility and yet the pricing can still be very reasonable. It is an excellent meeting space for small and larger groups up to 400 people and could serve in greater capacity as a mid-priced conference center. Given below are the comments stated by the interviewees.

- Everything works well
- The staff is very accommodating
- One of best places around and is very clean
- Nice ambience
- It is charming in a small town kind of way
- It is the face of the community
- The kitchen set up is very nice and allows for easy clean-up
- They have a nice bar and lobby
- Nice pricing

- The front doors are excellent
- It is the nicest and largest facility in Sonoma Co.
- Nice set up for meetings too
- It could be a mid priced conference center
- The wedding outdoor area is good, but needs additional amenities to make it better
- They keep a very tight ship on the kitchen; it is clean and accountable and very acceptable
- The City should not have to subsidize the facility but the pricing should still remain fair

2.2.3 Weaknesses

Overall, there is a feeling that the Villa is not as upscale and polished as some of the newer facilities in the area. Additionally, there seems to be limited awareness about the Villa and the staff needs to make additional efforts to engage the hotels in the area to consider the site for their business and social events. The website needs to be updated to compete with other event venues in the area. The layout makes it difficult to split the venue up and the inability to partition the site is a sore point with the respondents. The insurance issues also pose a problem for users and should be addressed differently.

The lighting needs some improvement, the walls could be painted in a lighter color and the low level quality Christmas lights need to be replaced and upgraded. The acoustics too do not seem to be up to the mark, which limits use by business and small conferences. The staff is not given sufficient time to set up for a large group of people, which should be addressed. There have been occasional complaints about the customer service as well. Additional comments include:

- Most people do not even know about the place and what it offers
- The staff needs to work with the hotels on the square and invite them into the planning process and seek their input on how to make the Villa work for them and their clients
- The Villa needs to have an updated website in order to compete with the other event venues in the area
- Need technology services on-site for corporate outings and events and a staff technician available
- The City should look at some portable screening to divide the room
- The lighting needs help and improvement to make it more inviting and not so dark
- The lighting fixtures need to be updated such as what has occurred at Hummingbird Gardens
- The light fixtures need to have dimmer capability
- Bar service can be poor at times, as well as too proprietary
- People who are looking for a wine country event want something more polished
- It needs to be a level of class that a winery has and it is not in the middle of a vineyard

- Bad acoustics need to be addressed
- Not enough time is allowed to set up for a large group of people by Villa staff
- It is not upscale enough; consequently, it should just be used for mid-level or below weddings
- Heating and ventilation is poor and needs to be addressed
- The parking is the worst and needs to be redesigned with the barbeque area moved

2.2.4 Opportunities for Change

The bar service and customer service, as a whole, needs to be improved. Uniforms and a consistent look for staff and bar staff must be adopted. The rules are extremely strict and must be updated to be more flexible with the caterers. The Villa must be updated and remodeled with new floors and paint as well as better lighting to make the Villa feel more upscale. The kitchen is very accommodating.

The American Legion too must operate by the standards they have established. Tip jars must be done away with and there should be staff available during the event to troubleshoot during emergencies. Also, additional options for bartending when requested should be allowed. There may also be additional fees charged to ensure that the staff cleans the facility after use and keep the ovens and grills cleaned as well. Additional comments include:

- Better advertising and an updated website, with virtual tours, will certainly help to promote the Villa better
- There also needs to be a staff member / Villa manager who could offer site tours and help market the Villa on-site after hours
- Too strict of rules: need to update them
- At the event, if something goes wrong, there is no staff available to support the event host
- The bar service needs to be improved and the bar people are not polished to execute the event
- Bar staff need uniforms and consistent looks
- Bart staff need black pants and white shirts, as well as a pressed, collared shirt with a tie
- The American Legion is great but they have to have better standards which they do not follow
- Tip jars are unacceptable
- Option on bartending is needed and should be allowed
- Update and remodel with new floors, new paint, and new walls
- The facility is too dark and the lighting is poor; the key is to upgrade the building to make it more attractive
- The ovens and grill need to be cleaned before the events by staff and should not be the responsibility of the caterers

- The dishwasher needs to be updated and a water softener needs to be installed
- The time frame to get in and out is ridiculously short
- The overtime fee clients have to pay is too high and is in need of adjustment
- The City should add \$200 and have the staff clean the kitchen after an event
- They should only have licensed caterers, non-professionals using the kitchen should be limited
- Need better communication with staff members, people who are able to provide tours of the site, a general manager who is readily available during the day and after hours
- Better advertising of the site is needed if you want to seek additional dates
- The website needs to be updated to include a virtual tour of the facility
- Develop a website that is easier to find through a search engine (e.g. different address name not through parks and recreation and City website)

2.2.5 Villa Permit

Overall, the insurance policy is not viewed favorably and seems restrictive. Respondents were of the opinion that the policy should be covered by the caterer. The preferred caterer list had over 250 caterers, which seemed excessive and also there was an absence of consistent standards and quality between all the preferred caterers. There is a need to create a tiered level of preferred caterers based on quality and price. Other comments include:

- Dislike insurance policy
- The insurance process is restrictive
- The insurance should be covered by the caterer versus the user
- The Preferred Caterer list has over 250 caterers on it; it is obscure
- The preferred caterers list does not have criteria for standards and quality and many people don't follow the same standards
- Other venues choose caterers that they trust and then create three or four levels of caterers based on quality and price
- The prices for use need to be updated and more market driven

2.2.6 Pricing

The Villa seems to be priced very reasonably and some respondents feel it is priced below market. There seem to be excessive layers of pricing that can be replaced by one flat fee. There is an option to sell the lighting package as an add-on. Also, the City loses money with people cooking on-site as opposed to using caterers. In addition, people value good quality over the price and will not mind paying more if they get excellent service. Other comments are:

- The pricing structure is very confusing
- The price could be increased some to be at market rates based on like type of venues
- They need just one flat rate versus a la carte fee schedule

- They should sell a lighting package for people as an optional package for weddings and special events
- The 10 hour window for an event is too short for assembly, the event, and take down
- The City loses money with people who cook everything there versus only allowing caterers to be onsite
- They should only have licensed caterers on the site
- The quality of the service is more important than the price

2.2.7 Amenity / Other Priorities

The acoustics, lighting, visual improvements, and indoor/outdoor improvements were the most important amenities among all the respondents. Also, communication and a positive working relationship with the staff were greatly desired. Adequate feedback and comments to the staff and the City and a clear outline of everyone's roles and responsibilities would be helpful for users renting the facility.

Additional hospitality / catering service training to the staff would be very beneficial to understand the nature and working of the industry. Business process planning and brief service descriptions from each type of caterer would also help market and manage the Villa in a more business-like fashion. In addition, clean equipment and a variety of seating areas were also greatly desired. Other priorities include:

- The acoustics need to be improved
- AV and wireless internet and digital capabilities are needed on-site
- Improved tables and chairs are needed and should be replaced every five years
- The visual improvements
 - Add a flag stone patio and fire pit area between the Villa and the Annex
 - Take out the Barbecue Area and return to parking
 - The picnic site is unsightly and needs to be enhanced
 - The Wedding garden needs to be better managed and hire a landscape architect to redesign and improve on it as a special wedding site
 - The Annex is in very poor condition and needs updated. The North Wall should be opened up to allow light with a walkout porch and improved restrooms and bar area
 - The Villa needs to be restored more appropriately for the next 10 years
 - Warm, inviting, comfortable, rustic, country environment is needed for the Villa
 - Restore its historical look and ambiance
- Lighting improvements are needed in the Villa and Annex
- Equipment such as a stove, refrigerator, coffee pot, and dishwasher need to be updated
- Indoor/outdoor space need to work as one – currently the two feel separated
- Different seating areas in the Villa and bar areas are needed

- Parking needs to be improved and a turnaround drive needs to be added to allow for drop-off
- A better way to present feedback and comments to the staff and City is needed
- Storage availability to roll out tables is needed in the Villa
- A better, positive working relationship with the staff and caterers is needed
- The city employees need training on what the catering service industry is all about
- They need to have a sales person on site at all times and after hours
- Product and service standards for the American Legion is needed for the bar area
- A business process needs to be outlined for their caterers to allow the caterers to have real expectations for using the site
- Each caterer should provide a 25 word or less promotional piece and a link to their website to be made available for staff to provide the interested parties looking to rent the Villa
- The City does not need to outsource the site, but it needs a lot more advertising and promotion
- Valet parking is needed and offered as an option for event planners

2.3 Trends Analysis

2.3.1 Wedding Trends

Weddings, the culmination of a lifetime of dreams and fairytale wishes made by young girls, and a \$25 billion industry, have grown considerably in size, magnitude, and budget over the past fifty years. Many trends have taken root over the years, but the ability to have a wedding that is unique to an individual's taste and style is among the most sought after characteristics. Wedding trends as reported by Hallmark and The Conde Nast Bridal Group include:

- 2.25 million to 2.40 million weddings take place each year in the U.S.
 - 1/3 are re-marriages
- 44,230 weddings occur every weekend
- 85% of wedding are held in a church or synagogue
- More than half of all weddings take place in the afternoon
- 10.2% of all wedding are held in August
 - June ranks second with 9.9%
- The age of an average first-time bride is 27
 - The average age of a first-time groom is 29
- Among all categories, interest is growing in reconnecting to family and seeing occasions such as weddings as an opportunity to bring generations together
- Traditional Weddings
 - Average cost of a wedding is has increased to nearly \$28,000

- Nearly a 100% increase since 1990 when the average wedding cost slightly more than \$15,000
- 32% of brides and grooms will pay for the wedding themselves
- 15% of couples will split the costs between both sets of parents
- Wedding couple has an average estimated household income of \$74,000
- An average of 165 to 185 guests attend a wedding
- Destination Weddings
 - Will account for 16% of all weddings
 - A 400% increase in the last 10 years
 - Average cost of a destination wedding is \$25,806
 - Couples have an average estimated household income of \$93,000
 - An average of 63 guests attend a destination wedding

The popularity of destination weddings has grown so rapidly that its given rise to a whole new industry. More companies have begun specifically catering to destination wedding crowd – resorts, cruise lines, airlines, and hotel chains are developing special programs specifically for the destination wedding market as well as the Walt Disney Company. According to Linda Kevich, with an array of destination wedding packages, Disney World has become the second most popular destination in the U.S. for destination weddings, trailing only Las Vegas.

Cities, towns, and countries have also begun discovering the substantial profit by making destination weddings their focus. Some cities and towns in the U.S. are now putting effort and investment into marketing themselves as wedding destinations as a way to improve the local economy; websites of more and more Chambers of Commerce or Visitors and Tourists Bureaus have focused on the destination wedding aspect of their cities as a means of attracting more tourism.

2.3.2 Small Group Rental and Executive Meeting Trends

According to a recent report published by PhoCusWright Inc., the group and meetings arena, a marketplace valued at more than \$164 billion in the U.S. alone, and one of the last major revenue streams to move online, is poised for an e-commerce breakthrough.

A study completed by the Hospitality Sales & Marketing Association International (HSMIA), an industry leader in identifying and communicating trends in the hospitality industry, projects that by 2008 the U.S. groups and meetings marketplace will account for \$175 billion in sales, with travel (air, hotel, car rental, ground transportation, cruise and tour) representing \$94.5 billion (54%) of the total, according to PhoCusWright's Groups and Meetings: Market Opportunity Redefined report. Non-travel expenses (meeting rooms, catering, audio/visual equipment) represent the remaining \$80.5 billion (46%).

The HSMIA study found that small groups – social, leisure, and business gatherings in less than nine rooms – represent one of the most significant market opportunities within the groups and meeting arena. The small group classification, a segment which has fallen outside of the traditional "group" definition, includes family reunions, weddings and religious groups, is

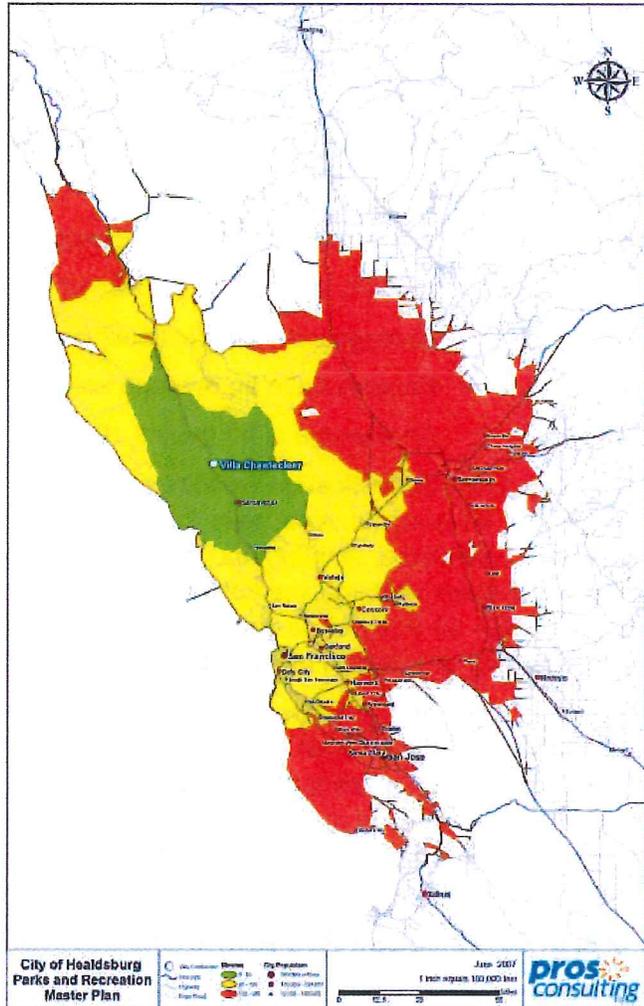
predicted to grow at nearly twice the rate of larger (10+ rooms) group travel between 2005 and 2008.

The study also projects that smaller corporate meetings will represent another major growth opportunity. In 2005, two-thirds of all corporate meetings were for less than 50 attendees; this trend is expected to continue. While the total market for corporate meetings will be remain relatively flat, corporate meetings with fewer than 25 attendees are projected to grow 13% in 2007.

By 2008, 41% of all groups and meetings travel revenue, an estimated \$39 billion, will be booked online. In conjunction with the overall increase in small social, leisure, and business gatherings, this portion of the hospitality industry is also predicted to experience the greatest windfall from the e-commerce evolution. Small group rentals are expected to have an online penetration of 53% by 2008, nearly three times the rate of larger leisure groups.

As Americans continue to embrace e-commerce, total online bill payment is projected to increase by 75% over the five year period from 2005 – 2010, the ability to offer a “one-stop-shop” on-line is also instrumental in attracting and keeping a customer base. Research performed for the banking industry has shown that the most significant trait of online bill payers is loyalty, and that the ease of use, speed of transactions, and simplicity of the process should be emphasized.

- Smaller, simpler groups and meetings are on the rise in both the leisure and corporate segments
 - Due to fewer variables, small groups can be moved online with the entire business being transacted – from contract to bookings
- Hotel companies are working to centralize group and meeting inventories and rates to enhance offerings and leverage and optimize resources to achieve efficiencies
 - Technology capabilities are increase supply will be placed online
- Components of large meetings (RFP processing, housing management, attendee registration) will continue to move online largely to achieve efficiencies and to empower or off-load tasks to planners and attendees



- The rise in new market entrants (Groopie, Group Travel Planet, TripHub) and efforts by established businesses to automate portions of the groups and meetings lifecycle will help to draw attention to the technology tools, educate the marketplace, and encourage people to book electronically online

2.4 Service Area

Based on the services and activities offered by the Villa, PROS recommends market segmentation follows several important themes established throughout this report and outlined below:

- It will be essential to draw participants and customers from the local community (year-round and seasonal residents), the known tourism base, and those who reside within a three (3) hour drive-time
 - 1-Hour – Green shading
 - 2-Hour – Yellow shading
 - 3-Hour – Orange shading
- Partnerships and collaborations within the region among private and public hospitality operators have the opportunity to increase visitation with multiple events and rentals
- Local business leadership should be encouraged to form partnerships that promote efficiencies including special events and group meetings
- It is essential to develop base-line data and reference materials on the current expenditures and trends and compare to operations on a quarterly basis

The potential growth of The Villa Chanticleer based on the assumptions set forth in this report is strong. This is supported through the region's ability to attract, expose, and retain tourism by providing a diverse environment which appeals to a broader segment of the prospective market. For the pursuit of Villa users both a local and target market exists.

- The local market is classified as those that are full-time and seasonal residents of the City of Healdsburg
- The target market is made up of those that reside in the nearby communities and regions and the known annual visitor base. While it is clear that the potential patrons encompasses a large portion of the Wine Country and Bay Area, the targeted efforts in the initial stages of development should go toward those who are readily identifiable as either residents or tourists within the region

Projecting a target market base for The Villa is not an exact science. Analyzing recent wedding and small group rental trends and the available markets located within a reasonable drive-time, a foundation for participation was formulated.

Based on available trends, a three (3) hour drive-time market (Appendix C) was defined and analyzed. The drive time analysis was performed using ESRI's Network Analyst 9.2, an extension to ESRI's ArcMap 9.2, in combination with data from ESRI's Street Map USA.

The road network for the drive time analysis was established on a national basis utilizing the major road segmentation of Street Map USA, representing interstates, USDOT highways, state

Department highways, and major routes/arterial streets applied to the region with network locations plus or minus 1,000 feet from the major highways.

From the network location, or starting point, Network Analyst traverses every road traveling at an assumed speed limit depending on road classification – State Highways and US Highways are classified by ESRI as 15-65 miles-per-hour (mph) and interstate freeways are classified as 50-65 mph. Attempts to include stop signs/lights, turn modeling, slow road segments, and traffic congestion were made but are not inclusive. Drive times were established for one-hour individual intervals culminating with a three-hour ring. Each hour was established as its own disc or ring for incorporation of demographic data.

Major metropolitan statistical areas, recently reclassified as Core Based Statistical Areas (CBSA), located within the three-hour drive-time were highlighted for marketing intelligence due to their dense populations and relative concise marketing boundaries, but were not analyzed independently of the one-hour drive time rings..

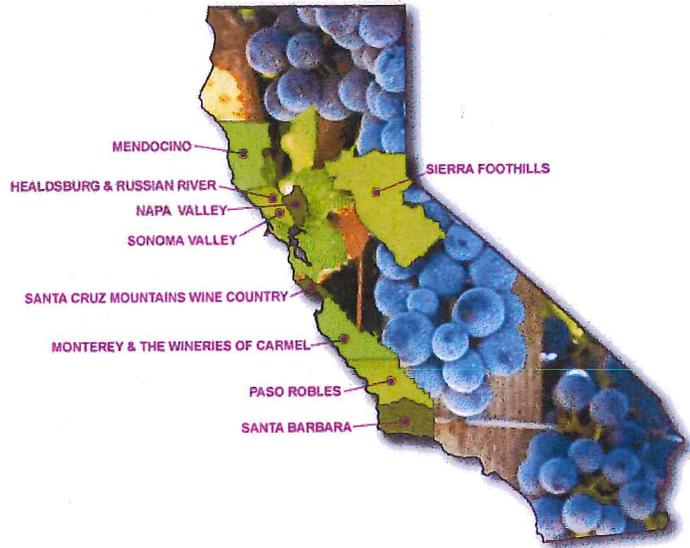
Core Based Statistical Area, One to Three Hour Drive Time - By Area*	Estimated Population (2005)	Total Square Miles	Persons per Square Mile
Chico, CA	216,341	1,678	129
Clearlake, CA	62,026	1,329	47
Eureka-Arcata-Fortuna, CA	130,369	3,584	36
Merced, CA	239,890	1,971	122
Modesto, CA	506,719	1,514	335
Napa, CA	135,643	789	172
Sacramento--Arden-Arcade--Roseville, CA	2,057,382	5,309	388
Salinas, CA	422,692	3,314	128
San Francisco-Oakland-Fremont, CA	4,311,814	2,531	1,704
San Jose-Sunnyvale-Santa Clara, CA	1,820,720	2,689	677
Santa Cruz-Watsonville, CA	262,260	447	587
Santa Rosa-Petaluma, CA	481,290	1,590	303
Stockton, CA	652,654	1,425	458
Truckee-Grass Valley, CA	97,913	975	101
Ukiah, CA	88,916	3,512	25
Vallejo-Fairfield, CA	425,349	890	478
Yuba City, CA	151,558	1,252	121
Total CBSA Population	12,063,536		

*In alphabetical order

2.5 Target Market

Healdsburg, located in the Russian River Valley and the heart of the California wine country, is part of the American oligopoly of fine wine, including:

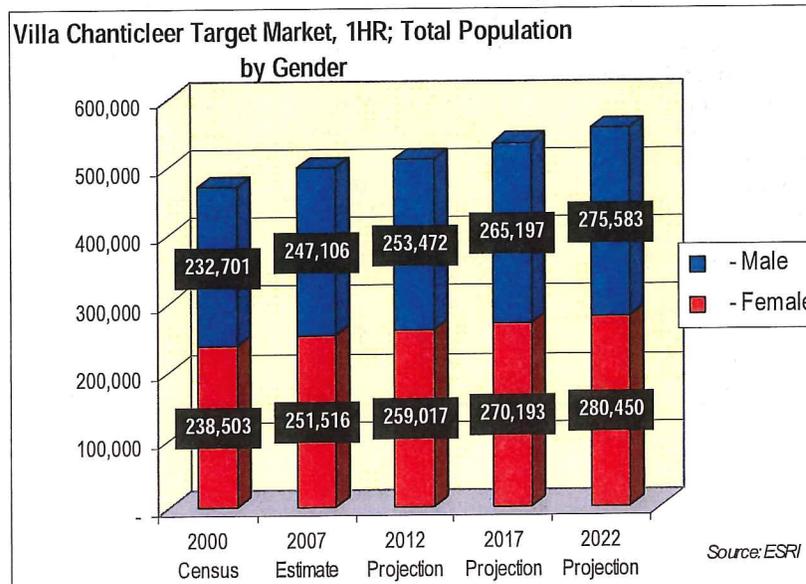
- Mendocino Region
- Napa Valley Region
- Sonoma Valley Region
- Sierra Foothills Region
- Santa Cruz Region
- Monterey Region
- Paso Robles Region
- Santa Barbara Region



Due to the density of similar attributes and attractions in the region, the target market was segmented into three distinct one-hour drive time rings consisting of 1-hour, 2-hour, and 3-hour rings. The Villa Chanticleer address, 1248 North Fitch Mountain Road, was utilized as the point of origin for drive times; each hour was established as its own disc or ring for incorporation of demographic data.

2.5.1. One (1) Hour Drive Time Market

The one (1) hour drive time market (represented by green on the drive time map) should be considered an extension of the local resident. According to the 2005 American Community Survey by the Census, the average commuting time to work for a Californian's is twenty-seven (27) minutes. The total population within the 1-hour drive time market is estimated at nearly 500,000 persons is evenly dispersed between the two genders and among the grouped age segments.



As the year's progress it is expected that the composition will shift slightly to an older populace; most age segments compiled of persons aged less than fifty-five years will experience slight percentage decreases in population:

- <25 years – Estimated 3.3% decrease from 2007 to 2022
- 35-44 years – Estimated 4.7% decrease from 2007 to 2022
- 45-54 years – Estimated 1.5% decrease from 2007 to 2022

Age Segment	Total Populaiton 2000	Total Populaiton 2007	Total Populaiton 2012	Total Populaiton 2017	Total Populaiton 2022
< 25	158,403	162,838	158,763	160,735	161,079
25-34	59,993	62,918	71,479	74,637	79,250
35-44	77,373	68,161	62,147	55,660	49,301
45-54	75,245	77,805	75,814	77,012	77,351
55-64	40,824	64,726	74,449	90,308	104,515
65-74	27,889	28,916	35,791	37,539	40,667
75+	31,477	33,258	34,046	35,238	36,322

As the American population ages, the likelihood of a family gathering and/or reunions and other social gatherings become more prevalent. This can be attributed to family sprawl and the possibility of the maturing individual having multiple offspring and relatives, and the increased participation in social clubs and services as a person's age increases and other obligations, such as raising children and holding a full-time job, decrease.

Due to a core program of the Villa being weddings, the one-hour market was also analyzed by marriage trends as they were reported in the 2000 Census for the market, and applied to the current and projected populations of all persons aged 15 years and above. Twenty-five percent of all females and 22.2% of all males located within 1-hour of the Villa are estimated to not be married – this includes those that have never been married, those that are married and separated, widowed, and divorced – a total of 52,100 females and 44,300 males.

Population by Sex and Marital Status, 15 Years and Above

	2000	2007*	2012*	2017*	2022*
Total Population	376,220	406,431	423,303	444,441	464,431
Total Female Population	51.1%	206,863	215,607	225,810	235,621
Never Married	11.9%	24,617	25,657	26,871	28,039
Married, not Separated	25.9%	53,578	55,842	58,485	61,026
Married, Separated	1.1%	2,275	2,372	2,484	2,592
Widowed	5.0%	10,343	10,780	11,291	11,781
Divorced	7.2%	14,894	15,524	16,258	16,965
Total Male Population	48.9%	199,568	207,696	218,631	228,810
Never Married	15.4%	30,733	31,985	33,669	35,237
Married, not Separated	26.6%	53,085	55,247	58,156	60,863
Married, Separated	0.7%	1,397	1,454	1,530	1,602
Widowed	1.2%	2,395	2,492	2,624	2,746
Divorced	4.9%	9,779	10,177	10,713	11,212

*Census 2000 percentages applied to current and projected populace totals

The median income, the middle point when all household incomes are listed in ascending order, made a significant jump from the 2000 Census among all households with the age of the primary householder less than twenty-five years; from 2000 to 2007, the median household income of householder aged less than 25 years rose 36% to an estimated \$43,110.

This trend was felt amongst each of the age segments, with an increase in median incomes ranging from the low of 15.5% median household increase (aged 25-34) to a high of 37.4% median household income increase (aged 75 and above). The median household income for the entire 1-hour drive time market is currently projected at \$67,107; a total that is 45.1% more than that of the median U.S. household income reported for 2005 of \$46,242 and 25.1% more than 2005 California median household income of \$53,629.

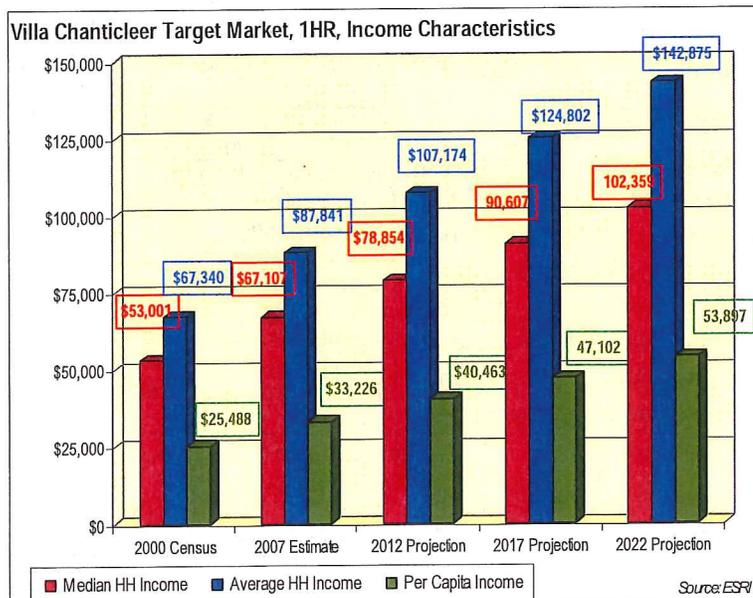
Analyzing the average household income growth leads to much of the same outcome – the estimated household wealth of the 1-hour drive market as depicted by household income medians and averages has increase dramatically. Growth of average household income mimicked trends found in the median income chart with the under-25 and over-75 segments experiencing the greatest growth (66.3% and 38.5% respectively).

Age Segment	Est. Median Income 2000	Est. Median Income 2007	Est. Median Income 2012	Est. Median Income 2017	Est. Median Income 2022
< 25	\$ 31,689	\$ 43,110	\$ 50,342	\$ 58,347	\$ 66,144
25-34	\$ 49,571	\$ 57,253	\$ 66,356	\$ 72,440	\$ 79,337
35-44	\$ 61,137	\$ 74,003	\$ 83,196	\$ 92,386	\$ 101,578
45-54	\$ 66,373	\$ 83,063	\$ 100,279	\$ 113,075	\$ 127,061
55-64	\$ 59,239	\$ 76,241	\$ 91,101	\$ 103,694	\$ 116,897
65-74	\$ 40,120	\$ 51,705	\$ 65,183	\$ 74,317	\$ 84,621
75+	\$ 29,171	\$ 40,084	\$ 50,311	\$ 58,508	\$ 67,251

*By Age of Householder

Age Segment	Est. Average Income 2000	Est. Average Income 2007	Est. Average Income 2012	Est. Average Income 2017	Est. Average Income 2022
< 25	\$ 37,381	\$ 62,167	\$ 72,138	\$ 88,565	\$ 103,254
25-34	\$ 57,773	\$ 72,313	\$ 88,203	\$ 99,498	\$ 112,030
35-44	\$ 72,214	\$ 91,339	\$ 108,225	\$ 122,418	\$ 137,337
45-54	\$ 81,581	\$ 103,386	\$ 124,881	\$ 141,434	\$ 159,317
55-64	\$ 76,671	\$ 100,200	\$ 123,116	\$ 140,931	\$ 160,120
65-74	\$ 57,320	\$ 78,129	\$ 103,302	\$ 119,868	\$ 138,751
75+	\$ 45,811	\$ 63,433	\$ 79,617	\$ 92,798	\$ 106,788

*By Age of Householder



It is assumed that the above average income characteristics of the service area results in a higher than average disposable income, income available for spending or saving after all taxes have been paid, therefore, generating a greater base of consumer buying power among the market constituents. However, this assumption may be compromised due to the above average housing costs and other living expenses found in the region and state.

Total Household Budget Expenditures by Type	Spending Index	Percent of Expenditures
Food	118	12.0%
Alcoholic Beverages	121	0.9%
Housing	123	28.7%
Household Operations	122	2.2%
Housekeeping Supplies	116	1.1%
Household Furnishings and Equipment	118	3.2%
Apparel and Services	109	3.6%
Transportation	118	15.7%
Travel	126	2.8%
Health Care	115	5.4%
Entertainment and Recreation	121	5.0%
Personal Care	121	1.2%
Education	121	1.9%
Smoking Products	106	0.6%
Miscellaneous	117	1.8%
Support Payments/Cash Contributions/Gifts in Kind	122	3.2%
Life/Other Insurance	117	0.9%
Pensions and Social Security	121	9.8%

Although median and average household incomes have risen in the past years, nationwide, total individual income has dropped; this phenomenon is due to the increase in multiple household occupants participating in the work force.

Household budgetary spending habits based major categories were also analyzed. Data is derived from the 2002, 2003, and 2004 Consumer Expenditure Surveys of the Bureau of Labor Statistics and forecasted for current spending. A spending index was also provided; the spending index is household based and represents the amount spent for a product or service relative to a national average of 100. All index's greater than 100 represent the likelihood that spending for a particular item or service is higher than that of the general U.S. population. As is generally the case, housing (28.7%), transportation (15.7%), and food (12.0%) are the three highest spending categories. All index's are greater than 100. This coincides with the greater than average median and average household incomes and the probability that the market has a higher level of consumer purchasing power than the general U.S. population.

Spending on recreation and entertainment accounts for 5.0% of total household expenditures and has an index of 121. Analyzing the sub-categories of recreation and entertainment spending, 25.6 of entertainment fees and admissions go towards social, recreation, and civic club memberships; an amount equal to 8.5% of total recreation and entertainment spending.

Business Characteristics

Small businesses are considered engines that drive the economy, the vital cog in the economic machine. According to the Birmingham Business Journal, small business provide roughly three-quarters of new jobs added to the economy each year, represent 99.7% of all employers, and employ half of the work force.

Business by Category, by SIC Code; One-Hour Drive Time	Number of Businesses	Number of Employees
Agriculture & Mining	15,747	80,092
Construction	30,097	70,840
Manufacturing	17,834	275,381
Transportation	5,988	28,556
Communication	700	2,433
Electric, Gas, Water, Sanitary Services	1,185	28,590
Wholesale Trade	9,648	133,241
Retail Trade	33,140	258,623
Finance, Insurance, Real Estate	15,499	70,755
Services	87,124	839,168
Government	3,330	73,973
Other	4,111	3,299
Total Residential Population:		498,622
Daytime (Employee) / Nighttime (Population) Ratio:		3.74

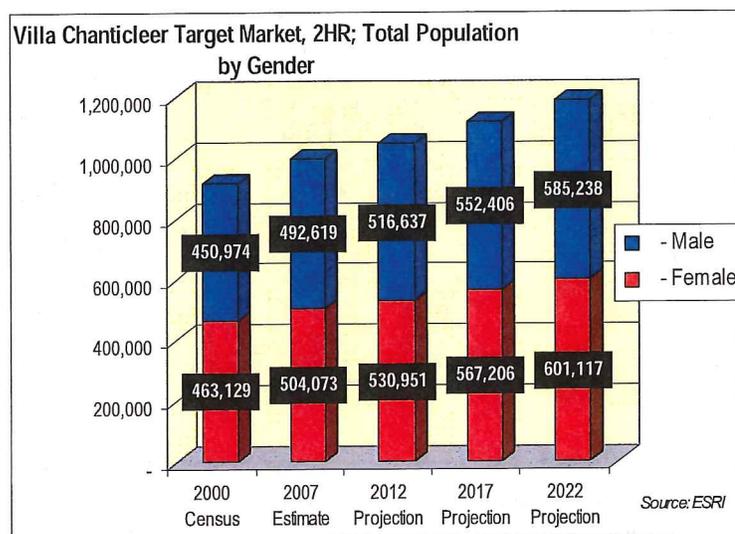
Nearly forty percent (38.8%) of all businesses (by SIC code) within the 1-

hour drive time market are classified into the services industry. Retail trade and construction rank second and third in total number of businesses. Services including hotel and lodging accommodations, motion pictures and amusement, a high number of eating and drinking establishments, and food stores would imply a healthy tourism market, while the high numbers of construction firms, home improvement stores, and health services signify a thriving residential base.

Nearly half of all employees are employed by the services industry. The daytime to nighttime ratio for the 1-hour drive time market is 3.74. The daytime/nighttime ratio calculates the total size of the employee sector (estimated 1,864,951) as compared to the residential/population base (498,622) of the area. This ratio depicts the total influx/exodus of the labor force as it pertains to that area. A ratio of less than 1.00 would imply an exodus of the residential population to other areas for employment; a ration greater than 1.00 signifies an influx of persons into the community or area from outside. It is assumed that a ratio of greater than one would require a greater offering of goods and services, leading to a greater economic impact on the community or area; however this increased demand is projected to be experienced during normal business hours.

2.5.2. Two (2) Hour Drive Time Market

The two (2) hour drive time market will most likely fall into the category of occasional or special visitor. Two hours is considered too far for a routine day trip, but close enough for a special occasion get-away. The total population within the 2-hour drive time market is estimated at nearly 1,000,000 persons. The composition is evenly split between male and female, however, in terms of age, much more weighted towards the younger demographic.



As with most populations, as the year's progress it is expected that the composition will shift slightly to an older populace; most age segments compiled of persons aged less than fifty-five years will experience slight percentage decreases in population:

- <25 years – Estimated 1.8% decrease from 2007 to 2022
- 35-44 years – Estimated 4.7% decrease from 2007 to 2022

- 45-54 years – Estimated 0.1% decrease from 2007 to 2022

However, the under-25 segment is expected to account for more than 30% of the population over the course of the study period (2007 to 2022; 33.8% to 32.0% respectively).

Age Segment	Total Population 2000	Total Population 2007	Total Population 2012	Total Population 2017	Total Population 2022
< 25	308,319	336,939	340,189	357,793	371,532
25-34	117,613	115,476	134,538	136,411	142,913
35-44	155,960	147,190	133,701	126,244	117,162
45-54	142,440	155,663	162,398	171,395	179,784
55-64	81,615	123,767	142,773	171,048	196,828
65-74	54,345	58,057	71,470	75,899	82,746
75+	53,811	59,600	62,519	66,453	70,114

The aging populace combined with the trend towards more social gatherings and activities among the American public would entail a need for gathering places. A two-hour drive time will not preclude those of above average income characteristics from patronizing the facility, but the marketing efforts required to attract the extended market will have to increase exponentially due to the increased competition.

The potential wedding candidates for the two-hour drive time market include an estimated total of 94,700 females and 79,300 males.

Population by Sex and Marital Status, 15 Years and Above

	2000	2007*	2012*	2017*	2022*
Total Population	718,697	793,715	844,619	897,949	950,625
Total Female Population	51.3%	404,754	431,205	457,600	484,011
Never Married	11.2%	45,332	48,295	51,251	54,209
Married, not Separated	27.8%	112,522	119,875	127,213	134,555
Married, Separated	1.0%	4,048	4,312	4,576	4,840
Widowed	4.6%	18,619	19,835	21,050	22,264
Divorced	6.6%	26,714	28,460	30,202	31,945
Total Male Population	48.7%	388,961	413,414	440,348	466,614
Never Married	14.1%	54,844	58,291	62,089	65,793
Married, not Separated	28.2%	109,687	116,583	124,178	131,585
Married, Separated	0.7%	2,723	2,894	3,082	3,266
Widowed	1.1%	4,279	4,548	4,844	5,133
Divorced	4.5%	17,503	18,604	19,816	20,998

*Census 2000 percentages applied to current and projected populace totals

The two-hour drive time market's income characteristics have similar occurrences as the one-hour drive time market. Both the median household income and average household income for the two-hour drive time market made significant gains from 2000 to 2007. The median household income of householder aged less

Age Segment	Est. Median Income 2000	Est. Median Income 2007	Est. Median Income 2012	Est. Median Income 2017	Est. Median Income 2022
< 25	\$ 32,316	\$ 43,609	\$ 51,734	\$ 59,810	\$ 67,899
25-34	\$ 56,670	\$ 64,193	\$ 75,672	\$ 82,054	\$ 89,808
35-44	\$ 68,329	\$ 84,992	\$ 100,792	\$ 113,338	\$ 126,760
45-54	\$ 73,182	\$ 91,579	\$ 108,905	\$ 122,737	\$ 137,509
55-64	\$ 63,863	\$ 82,238	\$ 100,128	\$ 114,040	\$ 129,023
65-74	\$ 42,886	\$ 56,520	\$ 71,190	\$ 81,743	\$ 93,404
75+	\$ 30,487	\$ 42,191	\$ 53,231	\$ 62,034	\$ 71,439

*By Age of Householder

than 25 years rose 35% to an estimated \$43,609. The greatest percentage gain from 2000 to 2007 was experienced by the 75 and above age segment – 38.4% increase which results in a median income of \$42,191, nearly identical to the under-25 segment.

The median household income for the entire 2-hour drive time market is currently projected at \$76,270; 45.1% more than that of the median U.S. household income 42.2% more than the California median household.

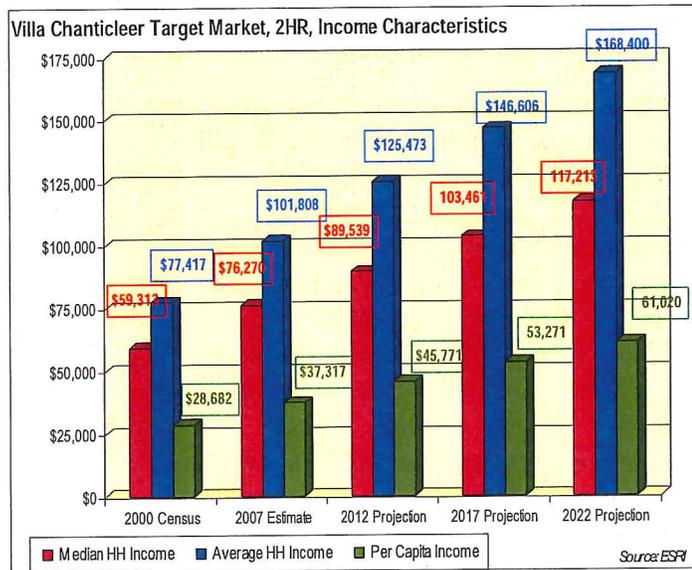
Growth of average household income increased at astronomical percentages as well – 64.8% growth was experienced by households with householder ages less than 25 years of age. All age segments increased by at least 22.1%.

Age Segment	Est. Average Income 2000	Est. Average Income 2007	Est. Average Income 2012	Est. Average Income 2017	Est. Average Income 2022
< 25	\$ 38,489	\$ 63,435	\$ 75,023	\$ 91,813	\$ 107,202
25-34	\$ 67,488	\$ 82,379	\$ 99,550	\$ 111,266	\$ 124,450
35-44	\$ 86,370	\$ 110,917	\$ 134,117	\$ 152,586	\$ 172,329
45-54	\$ 92,576	\$ 119,279	\$ 149,863	\$ 170,837	\$ 194,399
55-64	\$ 85,774	\$ 112,137	\$ 137,660	\$ 157,596	\$ 179,036
65-74	\$ 61,922	\$ 89,903	\$ 116,271	\$ 137,311	\$ 159,786
75+	\$ 49,186	\$ 71,043	\$ 90,970	\$ 107,295	\$ 124,589

As the market size increases (1-hour to 2-hour) the income characteristics and averages also increase. This can be attributed to the addition of more CBSA populations and large metropolitan areas where higher paying jobs and net worth are more prevalent. Cities of note included in the 2-hour market are:

- Berkeley
- Concord
- Daly City
- Fremont
- Hayward
- Oakland
- San Francisco

Housing (28.8%), transportation (15.6%), and food (11.8%) expenditures were nearly identical between the one and two-hour drive time markets.



As with the 1-hour drive time, each of the 2-hour drive time category indexes is greater than 100, however, coinciding with the greater income characteristics seen with the extended market, the index for each category is significantly higher. It can be assumed that the 2-hour drive time market is more likely to spend a greater amount of money on household expenditures than the 1-hour drive time market.

Spending on recreation and entertainment for both markets was nearly identical.

Business Characteristics

As is expected among larger, metropolitan type cities, white collar jobs and employment increased significantly over the 1-hour drive time market. However, the total number of employees that are employed within the 2-hour drive time market is only 22% of that employed by the 1-hour market. This is due to the amount of jobs that commute out of the 2-hour market on a daily basis. The daytime to nighttime ratio for the 2-hour drive time market is 0.40 (402,931 employees; 996,692 residents).

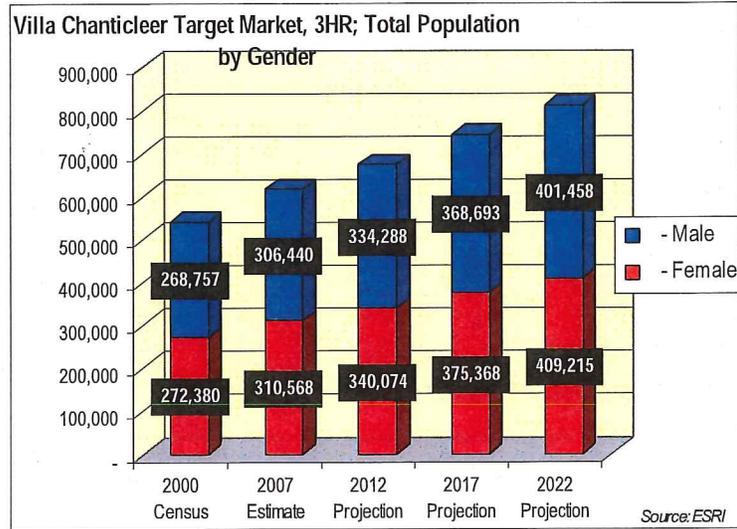
Total Household Budget Expenditures by Type	Spending	Percent of
Food	135	11.8%
Alcoholic Beverages	139	0.9%
Housing	142	28.8%
Household Operations	143	2.2%
Housekeeping Supplies	134	1.1%
Household Furnishings and Equipment	138	3.2%
Apparel and Services	126	3.6%
Transportation	136	15.6%
Travel	147	2.8%
Health Care	132	5.4%
Entertainment and Recreation	140	5.0%
Personal Care	139	1.2%
Education	140	1.9%
Smoking Products	120	0.6%
Miscellaneous	134	1.8%
Support Payments/Cash Contributions/Gifts in Kind	142	3.3%
Life/Other Insurance	138	0.9%
Pensions and Social Security	143	10.0%

This ratio signifies the mass exodus of persons out of the many metropolitan areas (CBSAs) for employment. It would be assumed that the low daytime/nighttime ratio implies a migration to the cities located south of the San Francisco Bay Area that are located in the 3-hour drive time market and northward into the one-hour drive time market which has a daytime/nighttime ration of 3.74. With a large contingent of traveling employees, a 2-hour drive for a employee retreat or executive visioning session may not be seen as an inconvenience.

Business by Category, by SIC Code; Two-Hour Drive Time	Number of Businesses	Number of Employees
Agriculture & Mining	1,675	9,331
Construction	4,477	21,169
Manufacturing	2,485	51,218
Transportation	1,140	7,044
Communication	270	13,622
Electric, Gas, Water, Sanitary Services	129	1,839
Wholesale Trade	2,418	24,785
Retail Trade	8,967	84,709
Finance, Insurance, Real Estate	4,681	29,508
Services	20,064	143,684
Government	701	15,179
Other	831	843
Total Residential Population:		996,692
Daytime (Employee) / Nighttime (Population) Ratio:		0.40

2.5.3. Three (3) Hour Drive Time Market

The three (3) hour drive time market mainly consists of tourists and special events – too far to drive for a day event or social club meeting. Three hours however is not to distant for a wedding or multi-day meeting. The total population within the 3-hour drive time market, independent of both the one- and two-hour drive time, is estimated at 617,000 persons, and evenly split between male and female.



The 3-hour market hour is nearly identical to the 2-hour drive time market in all aspects. The population is segmented basically the same, and household characteristics are comparable. The youth are predominant and the maturing populace is expected to grow by a small percentage as compared to the total population.

Age Segment	Total Population 2000	Total Population 2007	Total Population 2012	Total Population 2017	Total Population 2022
< 25	187,059	218,144	231,643	252,409	271,219
25-34	71,369	67,627	79,685	79,445	82,516
35-44	97,545	99,669	91,675	91,621	89,430
45-54	81,314	96,696	111,021	122,559	134,848
55-64	48,892	70,363	83,979	99,031	113,697
65-74	30,763	35,351	43,371	47,431	52,558
75+	24,195	29,158	32,988	36,580	40,236

The potential wedding candidates for the three-hour drive time market include an estimated total of 50,400 females and 44,000 males.

Median household incomes are slightly higher – a trend that continues as the drive time increases. The

Population by Sex and Marital Status, 15 Years and Above

	2000	2007*	2012*	2017*	2022*
Total Population	416,222	477,851	529,304	574,198	620,859
Total Female Population	51.0%	242,371	268,658	291,253	314,841
Never Married	10.8%	26,176	29,015	31,455	34,003
Married, not Separated	30.2%	73,196	81,135	87,958	95,082
Married, Separated	0.9%	2,181	2,418	2,621	2,834
Widowed	3.8%	9,210	10,209	11,068	11,964
Divorced	5.3%	12,846	14,239	15,436	16,687
Total Male Population	49.0%	235,480	260,646	282,946	306,017
Never Married	13.1%	30,848	34,145	37,066	40,088
Married, not Separated	30.3%	71,350	78,976	85,733	92,723
Married, Separated	0.7%	1,648	1,825	1,981	2,142
Widowed	1.0%	2,355	2,606	2,829	3,060
Divorced	3.9%	9,184	10,165	11,035	11,935

*Census 2000 percentages applied to current and projected populace totals

The median household income for the entire 3-hour drive time market is currently projected at \$86,000; 86.0% more than that of the median U.S. household income 6 0.4% more than the California median household.

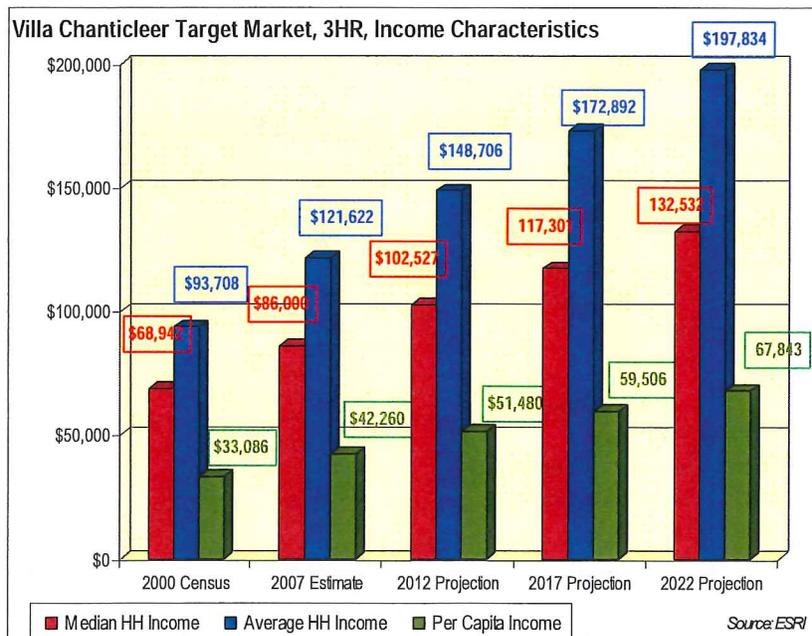
High growth of average household income for households with the age of householder less than twenty-five was also realized (63.3% from 2000 to 2007). All age segments increased by at least 19.5% over that same time.

Age Segment	Est. Median Income 2000	Est. Median Income 2007	Est. Median Income 2012	Est. Median Income 2017	Est. Median Income 2022
< 25	\$ 31,505	\$ 42,523	\$ 51,665	\$ 59,745	\$ 68,111
25-34	\$ 66,495	\$ 75,752	\$ 85,773	\$ 92,948	\$ 100,889
35-44	\$ 79,151	\$ 96,259	\$ 110,688	\$ 123,273	\$ 136,354
45-54	\$ 82,938	\$ 101,344	\$ 117,862	\$ 131,566	\$ 146,027
55-64	\$ 72,326	\$ 91,839	\$ 106,545	\$ 120,610	\$ 134,847
65-74	\$ 46,812	\$ 64,207	\$ 81,188	\$ 94,365	\$ 108,567
75+	\$ 34,535	\$ 47,827	\$ 60,342	\$ 70,335	\$ 81,007

*By Age of Householder

Age Segment	Est. Average Income 2000	Est. Average Income 2007	Est. Average Income 2012	Est. Average Income 2017	Est. Average Income 2022
< 25	\$ 39,575	\$ 64,616	\$ 77,962	\$ 95,099	\$ 111,215
25-34	\$ 81,633	\$ 97,545	\$ 117,487	\$ 130,269	\$ 144,979
35-44	\$ 104,532	\$ 129,673	\$ 156,182	\$ 175,552	\$ 196,844
45-54	\$ 111,512	\$ 134,878	\$ 168,816	\$ 188,354	\$ 211,769
55-64	\$ 103,549	\$ 129,854	\$ 156,594	\$ 176,696	\$ 198,586
65-74	\$ 69,049	\$ 117,795	\$ 149,602	\$ 183,923	\$ 217,568
75+	\$ 55,949	\$ 100,128	\$ 123,502	\$ 153,707	\$ 182,073

*By Age of Householder



Business Characteristics

As with the 1- and 2-hour drive time markets, services and retail trade dominate the business place in terms of total number of businesses and employees. As a percent, manufacturing accounts for the third largest portion of the employees. As with the 2-hour market, the daytime/nighttime ratio would imply a large number of persons commuting outside of the market.

Business by Category, by SIC Code; Three-Hour Drive Time	Number of Businesses	Number of Employees
Agriculture & Mining	723	4,276
Construction	2,124	15,087
Manufacturing	1,196	43,934
Transportation	674	5,006
Communication	159	12,784
Electric, Gas, Water, Sanitary Services	89	979
Wholesale Trade	1,523	20,173
Retail Trade	4,675	48,209
Finance, Insurance, Real Estate	2,654	17,597
Services	9,821	74,821
Government	343	8,241
Other	549	682
Total Residential Population:		617,008
Daytime (Employee) / Nighttime (Population) Ratio:		0.41

Section 3 – Business and Development Plan

3.1 Development Plan

In support of achieving long-term profitability through pricing, improvements to the Villa hinge on the ability to create a quality experience through architectural design and function, from entry to exit.

The Villa wasn't developed as a family winery, a private estate, a hotel, or a public hall; however, in the highly competitive Wedding/Event and Meeting marketplace, a more compelling, thematic positioning strategy is required. The Villa's origins, name, location, and value in the community, present an opportunity to create a centralized theme that design concepts can leverage. From entry to exit guests should feel like they've been transported to a European country villa. The recommended improvements greatly enhance the selling position of the Villa and reflect the wants and needs of its users.

Three options were developed for the City's review; Alternative B was chosen and a detailed financial plan is included with this option. Detailed descriptions for Alternative B with cost estimates are presented in this report and **Appendix D**.

3.1.1. Option B

- **Description:** Divider partition and Recess at Dining and Ballroom. Partition to be electrically operated and have an STC rating of 50 – 55. Include power and structural modifications to support the new partition system.
 - **Benefit:** Flexibility to further subdivide the spaces into smaller units for meetings and conferences.
- **Description:** Add cross-over Vestibule / Hall between Ballroom and Dining Room. Adjust finishes, HVAC distribution, power and lighting at the added rooms.
 - **Benefit:** Provides private entrances into Toilet Rooms, better access between various spaces.
- **Description:** Add Vestibules at Entry to Ballroom and Dining. Use a portion of the existing Entry space to create two new Vestibules between the Entry and each of the Assembly areas. Adjust finishes, HVAC distribution and lighting at added rooms.
 - **Benefit:** Improved sight and sound isolation between Entry and Assembly areas, and between Assembly areas.
- **Description:** Raised ceiling at Bar with cove uplight. Remove existing ceiling. Reframe and finish a higher ceiling with an additional run of concealed cove lighting.
 - **Benefit:** Brighter, more dramatic space, more inviting.
- **Description:** Add exit doors at Meeting Rooms. Add exit doors from Ballroom to existing deck area. Add exit doors from Dining Room to new raised wood deck with stairs to grade and possible exterior gathering area (see item 27).
 - **Benefit:** Additional exits are required if rooms are subdivided. Provides an access to grade.

- **Description:** Reconfigure / enlarge Toilet Rooms. The number of plumbing fixtures on the main level do not meet current code requirements. The lower level Toilet Rooms are not readily accessible to the primary occupants.
 - **Benefit:** Bring the building into interpreted compliance with the CBC and be more convenient to the occupants.
- **Description:** A/V Improvements at Ballroom. Provide similar system as in Dining Room, but also include control for configuring the room as separate or as combined meeting. Motorized projection screen in one room only with portable screen for the other.
 - **Benefit:** Flexibility for scheduling Meeting Rooms 3 and 4 individually or combined.
- **Description:** Added acoustical treatment at Assembly areas. Provide new acoustical treatment at one long wall of the Ballroom and the Dining Room. Remove existing wood paneling, install rigid insulation board and black scrim, replace boards with uniform spaces.
 - **Benefit:** Reduce the existing high reverberation time to improve room acoustics; improve sound quality and make more effective audio communication.

Total cost of improvements is projected to be \$1.2 million. This estimate is based on a local general contractor cost estimate based on a review of capital needs of the Villa while on site with the architect. This cost represents the probably cost for general condition improvements, general contractor fee, overhead and profit. This cost also includes escalation cost, construction contingency, and soft costs. Escalation Costs are projected at 10% annually, construction contingency is estimated at 15%, and soft costs for architectural and engineering design, project construction management, permit cost fees, testing, and inspection is calculated at 30% of total costs. Estimated budget by task and the design layout is presented on the following pages.

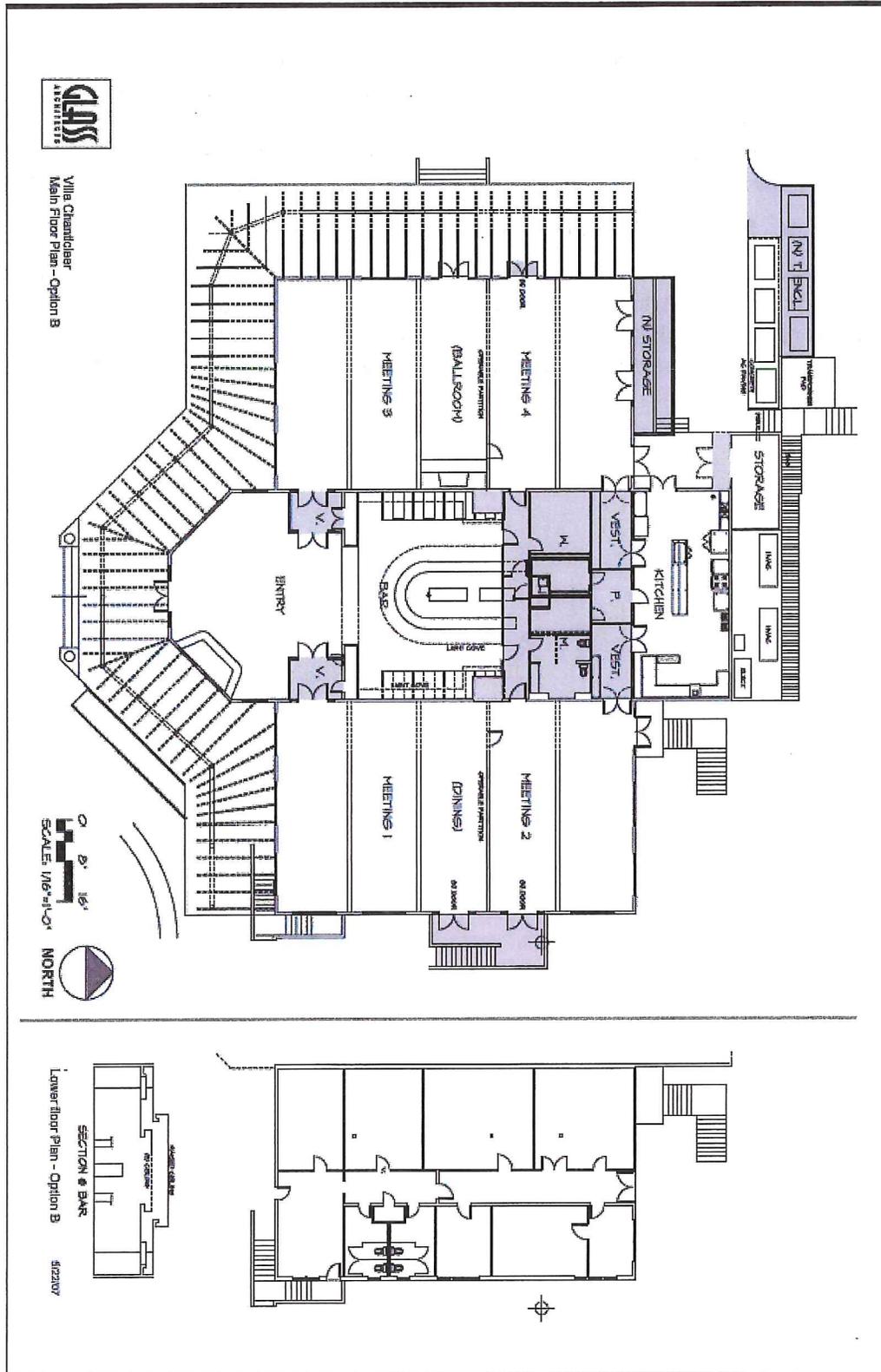
Description of Improvement, Option A	Probable Cost*	Notes
Relocate trash enclosure	\$ 29,900	-
Add storage to Ballroom; reduce storage at loading dock	\$ 21,900	-
New lighting in entry, dining, and ballroom	\$ 54,000	-
New vestibules in kitchen	\$ 16,000	-
Added acoustical treatment in assembly areas	\$ 28,900	-
Add window covering at the ballroom and dining	\$ 40,800	-
New lighting in bar	\$ 9,000	-
Remove booths from bar; provide storage for portable bar	\$ 11,700	-
A/V improvements in dining room	\$ 47,000	-
Add security gate at property entrance	\$ 21,000	\$14,000 - \$21,000; manual gate
Add fountain feature at parking lot	\$ 26,200	\$12,000 precast unit
Remove BBQ and exterior seating; add parking	\$ 80,500	includes \$20,000 for planting
Total Improvements by Task, Option A	\$ 386,900	-
**Estimated Escalation Cost	\$ 58,035	-
***Construction Contingency Cost	\$ 58,035	-
****Soft Costs	\$ 116,070	-
Total Option A Improvement Cost	\$ 619,040	-
Description of Improvement, Option B	Probable Cost*	Notes
Add divider partition and recess at dining and ballroom	\$ 110,300	-
Add cross-over vestibule/hall between ballroom and dining	\$ 18,000	-
Add vestibules at entry to ballroom and dining	\$ 14,000	-
Add raised ceiling at bar with cove uplight	\$ 20,300	-
Add exit doors at meeting rooms	\$ 40,100	-
Reconfigure/enlarge toilet rooms	\$ 80,000	-
A/V improvements in ballroom	\$ 54,000	-
Added acoustical treatment in assembly areas	\$ 22,000	-
Total Improvements by Task, Option B	\$ 358,700	-
**Estimated Escalation Cost	\$ 53,805	-
***Construction Contingency Cost	\$ 53,805	-
****Soft Costs	\$ 107,610	-
Total Option B Improvement Cost	\$ 573,920	-
Description of Improvement, Option C	Probable Cost*	Notes
Update patio	\$ 64,000	-
Total Improvements by Task, Option C	\$ 64,000	-
**Estimated Escalation Cost	\$ 9,600	-
***Construction Contingency Cost	\$ 9,600	-
****Soft Costs	\$ 19,200	-
Total Option C Improvement Cost	\$ 102,400	-
Total Villa Chanticleer Improvements	\$ 1,295,360	-

*Note: Probable costs include the costs of conditions, general contractor fee, overhead and profit; allowance for escalation, construction contingency, and soft costs are shown as additional costs

**Note: Escalation costs shown as 10% per year; illustrated to midpoint of construction (1.5 years - Dec '07 to Jun '09 - total of 15%)

***Note: Construction contingency shown as 15% of total probable costs

****Note: Soft costs are shown as 30% of probable costs; soft costs include costs for architectural and engineering design, project (construction) management, permit costs, fees, testing, and inspection



3.1.2 The Annex

- **Description:** Reconfigure / enlarge Toilet Rooms for modernization and disabled access. Relocate the Bar and the Bar Storage rooms. Relocate the Storage Room and restore all finishes. Remove and replace the existing accordion partition. Provide new elevated deck and stairs to the North side exterior gathering area, along with new exterior windows and door pair. Provide new ramp to building entry for the disabled.
 - **Benefit:** Modernize / update facility and enhance disabled access.

Probable costs are based on an onsite visit and Drawing Option / Description review with a local Contractor / Cost Estimator that took place on the 6th of June, 2007. Items highlighted in yellow are A/V in nature and should be reviewed by others for description, benefits, and probable cost. The proposed cost estimate and design for the Annex is presented on the following page.

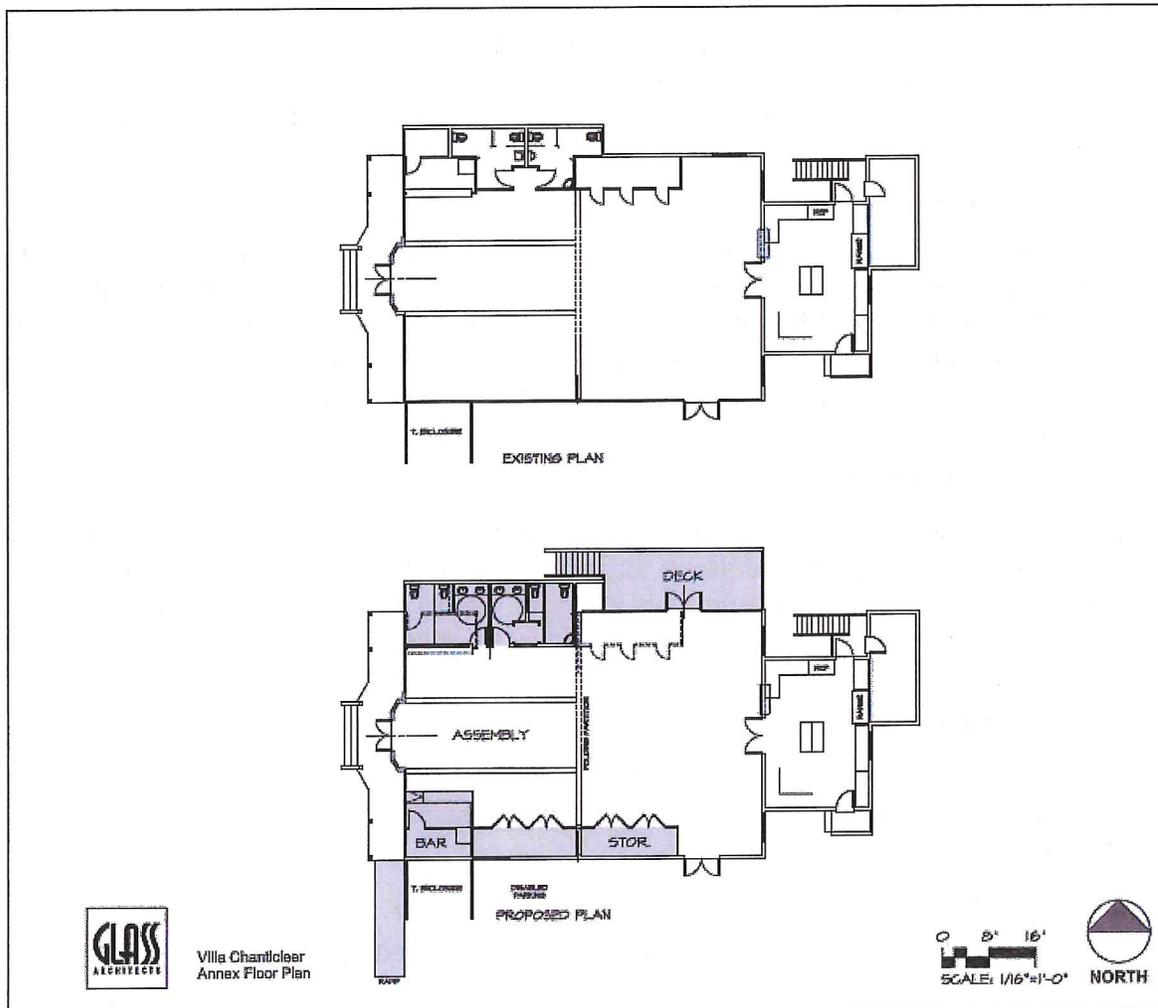
Description of Improvements, The Annex	Probable Cost*
Modernize/update facility	\$ 112,000
Total Improvements by Task, Option B	\$ 112,000
**Estimated Escalation Cost	\$ 16,800
***Construction Contingency Cost	\$ 16,800
****Soft Costs	\$ 33,600
Total Annex Improvement Cost	\$ 179,200
Total Annex Improvements	\$ 179,200

*Note: Probable costs include the costs of conditions, general contractor fee, overhead and profit; allowance for escalation, construction contingency, and soft costs are shown as additional costs

**Note: Escalation costs shown as 10% per year; illustrated to midpoint of construction (1.5 years - Dec '07 to Jun '09 - total of 15%)

***Note: Construction contingency shown as 15% of total probable costs

****Note: Soft costs are shown as 30% of probable costs; soft costs include costs for architectural and engineering design, project (construction) management, permit costs, fees, testing, and inspection



Villa Chanticleer
Annex Floor Plan

0 8' 16'
SCALE: 1/16"=1'-0"



Section 4 – Pricing Methodology

The pricing policy is designed to provide the City of Healdsburg managers and staff, along the City Council, consistent guidelines in pricing of services. This allows The Villa Chanticleer users to better understand the philosophy behind pricing a service while simultaneously providing Villa management and staff the ability to price services in a competitive market. Furthermore, the level of service and benefits users receive is translated into a price that is based on a set subsidy level, or on the level of individual consumption or exclusivity that is involved outside of what a general taxpayer receives.

To gain and provide consistency among patrons, visitors, user groups, management, and staff, a philosophical revenue and pricing foundation must be implemented. PROS recommends a ten (10) step process to effectively develop the foundation and to establish an adequate pricing policy.

4.1 Rationale

Department management, staff, and Council must agree that pricing services to the benefits received is needed to help offset operating costs. All parties must concur that communicating this approach is a fair method to distribute parks and recreation resources to the largest number of users of the system and at the Villa. Providing that management and staff operate within the guidelines set by the Council, pricing of services should be allowed to fluctuate with the competitive market.

4.2 Authorization

The Council must allow the Villa management and staff to present prices for rentals, programs and services with the highest amount of flexibility to maximize all pricing strategies. Ideally, prices should be created based on the level of desired income or subsidy level, and what the market will bear. By allowing Villa staff to work within a pricing range it will permit staff to set prices based on season, offseason, prime-time and non-prime time to build capacity of use in the Villa and Annex.

4.3 Revenue Philosophy

The Council should adopt a revenue philosophy that not only promotes revenue production to offset operating costs, but also allows for revenues collected to remain in the Villa budget fund where it was generated. In return, this will build incentives for staff to be more aggressive in seeking revenues; user support for pricing services will be reinforced through the reinvestment in quality services and facilities.

4.4 User Alternatives

Patrons and visitors should have the ability to pick and choose the components and services available that they wish to purchase. This will allow users to pick and choose the level of quality or quantity and pay accordingly.

4.5 Programs

Council should allow the pricing of services to be classified into levels. These classifications include the following:

- Cost Recovery Goal Pricing
- Level of Exclusivity Pricing
- Age Segment Pricing
- Volume Pricing
- Incentive Pricing
- Group Discounting and Packaging
- Primetime
- Non-primetime

These classifications will apply to all services offered at the Villa.

4.6 Levels of Benefit

Pricing of the Villa should be based on the level of benefit received. Visitor programs and services are consumptive in nature. Consequently, once an activity or visit is finished, the most a user can hope for is a fulfilling experience. Allowing prices to reflect what a user is investing, based on an individual benefit received, is easy to communicate and visitors will understand the justification.

4.7 Cost Accounting

The Council should allow the Villa management and staff to develop an effective Activity Based Costing model that includes direct and indirect costs to determine cost per experience and subsidy level before pricing of the product or service. This allows for efficient decision making in determining the best method to price the program or activity in the most cost effective manner.

4.8 Visitor Pricing Expectations

Visitors expect higher quality of services when pricing efforts are instituted. This will require strong customer service, as well as program and facility standard implementation to meet the visitor's expectations and willingness to pay the proposed fees. The pricing methods outlined in this policy should be incorporated into all services offered.

4.9 Communicating Costs

In all cases, communicating the true cost of a service or program to patrons, visitors and program users will increase their understanding of the value they receive. By sending out messages that convey the benefit received in the Villa will encourage significantly higher reference prices.

4.10 Objective of Pricing

The objective of effective pricing is fourfold.

- Equity
- Revenue Production
- Efficiency
- Redistribution of Income

4.10.1 Equity

Equity means those who benefit from the service should pay for it – those who benefit the most should pay the most. Public parks and recreation agencies offer three kinds of services. The type of service will directly determine the cost recovery strategy or pricing strategy to be used in the pricing of their services and products at the Villa.

Public Services – Public services normally have no user fees associated with their consumption. The cost for providing these services is borne by the general tax base. Public services are those services parks and recreation offer that provide all users the same level of opportunity to access the service. Consequently, the level of benefit is the same to all users. Examples of public services include a park, a playground, a trail, or a picnic area that are not reservable.

Merit Services – Merit services can be priced using either a partial overhead pricing strategy or a variable cost pricing strategy. Partial overhead pricing strategies recover all direct operating costs and some determined portion of fixed costs. The portion of fixed costs not recovered by the price established represents the tax subsidy. The level of tax subsidy, regardless of size, should be communicated to the public through effective communication. Merit services are usually services whereby the user receives a higher level of benefit than the general taxpayer, however, the taxpayer benefits as a whole because the service provides a better quality of life throughout the community and the service has a good public benefit.

Private Services – Private services are when only the patron and visitor benefits. Private services should implement pricing policies using a full cost recovery strategy. The price of this particular service is intended to recover all fixed costs and variable costs associated with the service.

4.10.2 Revenue Production

Revenue production indicates that user fees from programs, rentals, special events, food services, and retail services will assist in the overall operations of the Villa. Revenue production gives the Department needed cash for operations, capital costs, and marketing dollars to promote the Villa. These dollars can come from any source that supports operations at the Villa and can include grants, sponsorships, catering, and special rental use.

4.10.3 Efficiency

Priorities to enhance patron and visitor experiences are clearly defined based on demand of the services provided; prioritized based on direct user dollars associated with the activities that patrons and visitors desire. Pricing can achieve six positive results:

- Reduces congestion and overcrowding
- Indicates visitor demand and support
- Increases positive visitor attitudes
- Provides encouragement to the private sector to invest in the Villa through contracts that can bring greater revenue to the Department
- Provides incentives to achieve societal goals
- Ensures stronger accountability on Villa management and staff

- Allows multi-tiered pricing to occur so those visitors who want a higher level of quality can obtain it

4.10.4 Redistribution of Income

Redistribution of income implies that dollars generated from each activity are redistributed to the revenue producing activity to pay direct and indirect cost, and for future improvements associated with an activity.

Council and Department staff should determine the true cost of services provided through an activity based costing model. The true cost of each activity is determined by accounting for all direct and indirect costs associated with providing a product or service.

A review of all fees periodically is recommended to document the changes that have occurred within the products or services provided at the Villa and those within the competitive market that may adversely affect Villa operations. This will assist Council, management, and staff in the evaluation of which programs, products, or services should be adjusted based on the pricing policy.

The ability to apply an activity based costing model to each cost center at the time of pricing of products or services is essential. All direct and indirect costs need to be identified consistently by the Center staff for each product, program, or service. After the true cost of the product, program, or service is figured, the appropriate tax subsidy level that is approved in the pricing policy can be applied to determine the price.

Earned income dollars need to continue to be pursued as it applies to grants, advertising, sponsorship, and partnerships that can help support operational and capital costs. These earned income dollars require a concentrated support effort by staff to be successful with a strategy in place to achieve the desired results.

The key to a successful pricing plan and philosophy centers on knowing the cost to produce a service or product, creating effective products and services, having quality and knowledgeable staff and volunteers in place, and creating a memorable and fun experience that mixes products and services well. In addition, staff must effectively manage all facets of programs and services and must be effective in the marketing and promoting the Villa.

4.11 Recommendations

Current and recommended Villa, Annex, Wedding Garden, and ancillary service pricing is presented in the charts below and on the following page.

Main Villa - Rental Rates by Category	Monday – Thursday	Friday	Saturday	Sunday	Monday – Thursday	Friday	Saturday	Sunday
	CURRENT - Full Day (8 Hour) Rental				CURRENT - Hourly Rental, per Individual Hour			
Private Non-Resident	\$ 720	\$ 2,256	\$ 3,672	\$ 2,352	\$ 71	\$ 216	\$ 230	\$ 222
Private Resident	\$ 490	\$ 1,080	\$ 1,410	\$ 1,127	\$ 49	\$ 108	\$ 117	\$ 112
Non-Resident Non-Profit	\$ 392	\$ 862	\$ 1,350	\$ 880	\$ 39	\$ 43	\$ 89	\$ 87
Resident Non-Profit	\$ 327	\$ 720	\$ 1,350	\$ 730	\$ 33	\$ 36	\$ 75	\$ 73
Government/School	\$ 131	\$ 287	\$ 1,350	\$ 290	\$ 13	\$ 28	\$ 30	\$ 29
	RECOMMENDED - Full Day (8 Hour) Rental				RECOMMENDED - Hourly Rental, per Individual Hour			
Non-Resident	\$ 750	\$ 2,880	\$ 4,440	\$ 2,940	\$ 200	\$ 360	\$ 600	\$ 378
Resident	\$ 500	\$ 1,920	\$ 2,700	\$ 2,040	\$ 65	\$ 288	\$ 450	\$ 250
Government / School	\$ 150	\$ 400	\$ 1,500	\$ 450	\$ 33	\$ 75	\$ 200	\$ 150

The Annex - Rental Rates by Category	Monday – Thursday	Friday	Saturday	Sunday	Monday – Thursday	Friday	Saturday	Sunday
	CURRENT - Full Day (8 Hour) Rental				CURRENT - Hourly Rental, per Individual Hour			
Private Non-Resident	\$ 290	\$ 575	\$ 865	\$ 575	\$ 71	\$ 216	\$ 230	\$ 222
Private Resident	\$ 196	\$ 430	\$ 640	\$ 430	\$ 49	\$ 108	\$ 117	\$ 112
Non-Resident Non-Profit	\$ 157	\$ 313	\$ 640	\$ 344	\$ 39	\$ 43	\$ 89	\$ 87
Resident Non-Profit	\$ 131	\$ 261	\$ 640	\$ 290	\$ 33	\$ 36	\$ 75	\$ 73
Government/School	\$ 52	\$ 104	\$ 640	\$ 114	\$ 13	\$ 28	\$ 30	\$ 29
	RECOMMENDED - Full Day (8 Hour) Rental				RECOMMENDED - Hourly Rental, per Individual Hour			
Non-Resident	\$ 350	\$ 600	\$ 1,050	\$ 950	\$ 75	\$ 250	\$ 350	\$ 245
Resident	\$ 200	\$ 480	\$ 840	\$ 760	\$ 55	\$ 150	\$ 300	\$ 200
Government / School	\$ 75	\$ 125	\$ 700	\$ 650	\$ 40	\$ 75	\$ 250	\$ 150

It is recommended that a resident and non-resident rate be applied to the wedding garden fee structure. It is proposed that the base rate – residential rate – remain unchanged. Wedding garden rates are presented below.

Wedding Garden - Rental Rates	Monday – Thursday	Friday	Saturday	Sunday
	CURRENT			
Non-Resident	\$ 780	\$ 1,040	\$ 1,300	\$ 1,170
Resident	\$ 600	\$ 800	\$ 1,000	\$ 900

*Chair rental additional \$2.00 per chair; outside only

Main Villa Kitchen, Full Use - Rental Rates by Category	Wedding	Fundraiser	Social
	CURRENT		
Private Non-Resident	\$ 200	\$ 175	\$ 125
Private Resident	\$ 150	\$ 150	\$ 100
Non-Resident Non-Profit	\$ 60	\$ 120	\$ 180
Resident Non-Profit	\$ 50	\$ 100	\$ 150
Government/School	\$ 20	\$ 40	\$ 60
RECOMMENDED			
Non-Resident	\$ 250	\$ 200	\$ 200
Resident	\$ 200	\$ 175	\$ 175
Government / School	\$ 50	\$ 105	\$ 105

Main Villa Kitchen, Minimal Use - Rental Rates by Category	Main Villa	The Annex
	CURRENT	
Private Non-Resident	\$ 50	\$ 25
Private Resident	\$ 50	\$ 25
Non-Resident Non-Profit	\$ 50	\$ 25
Resident Non-Profit	\$ 50	\$ 25
Government/School	\$ 25	NC
RECOMMENDED		
Non-Resident	\$ 50	\$ 25
Resident	\$ 50	\$ 25
Government / School	\$ 25	\$ 25

Bar Service - Rental Rates by Category	Fee
0 – 100 people	\$6/person
101 – 200	\$7/person
201 – 300 people	\$8/person
301 – capacity	\$9/person

Current Ancillary Service Fees include:

- Sound System – \$100.00
- Over Time – \$65.00 per hour
- Insurance Liability – \$200.00
- Insurance Processing – \$30.00
- Caterer Use (paid by caterer) – \$150.00
- Outdoor Chair Rental (chairs must be set-up by applicant) - \$2/each

It is recommended that minimal use kitchen fees and bar service fees remain unchanged.

4.11.1 Pricing and Management Recommendations

The purpose of a pricing strategy should be to maximize rental and revenue opportunities, avoid displacing profitable customer segments, and to increase utilization of the Main Villa while serving its local community. Additionally, a pricing strategy allows the Villa to establish and maintain rate integrity with a simplified pricing structure and reduced discounting. The following pricing initiatives support achieving long-term profitability goals. These are the recommended pricing changes:

- Reduce resident discount to twenty percent (20%) on the Villa; fees for weekday use remain relatively unchanged; peak use periods have premium pricing. The Annex pricing should be maintained in similar fashion.
- Annex should only be available Monday – Thursday and on a limited basis on Friday's to avoid displacing higher weekend rental revenue from the Villa
- Simplify the rate structure by reducing the number of user rate categories from five to three – Resident, Non-Resident, and Non-Profit / Government / School
 - The City of Healdsburg needs to better define a non-resident to eliminate locals who reserve weddings for friends to bypass the non-resident rate. PROS suggest that the City use the IRS resident definition as criteria. Increase prices to non-residents to market rates when the improvements are made to the Villa and provide the same when they are completed at the Annex
- Optimize pricing opportunities with day of week, user, group sizes, and peak / off-peak categories. Peak rates should be applied April thru Oct & Dec. Off-peak rates should be applied during the less utilized months of January through March, and November to stimulate demand
- A comprehensive list of Additional Support Services for Weddings / Events and Meetings should be developed along with respective fees to recover costs of providing the support
- One standard kitchen use fee should be applied to all user categories (not caterers). Remove the current pricing applied to different groups and different time periods. Maintain Annex kitchen-use pricing to offset changes in the Villa pricing.
- Improve business relationships and subsequent revenue. Encourage caterers to use and recommend the facility by removing the \$150 annual catering use fee being charged to caterers
- Maintain Main Villa minimum rental of 4 hours
- Maintain Annex minimum rental of 2 hours
- Remove BBQ area and replace with more attractive entryway, as well as enhance the entrance to Wedding Garden, circular drive and fountain area. Use space to create a holding / waiting area for the bride and attendants.
- Allow customers to provide their own bar service for a fixed bar service fee
- Standardize bar service fee using current drink pricing and remove the corking fee

- Establish bar rental fee which is for the space rental not bar service fee. The Villa provides a unique bar area which warrants a user fee. Bar service should be priced separately.
- Leverage usage and rental price of the Wedding Garden in conjunction with Main Villa pricing
- Develop Wedding / Event Price Packages with various options to accommodate different needs and budgets. Move away from a la carte pricing and attract quality conscious clientele who are willing to pay a premium for service provided.
 - Package #1 (The Ultimate Wedding Package) – Develop a price package which includes Villa Main, Kitchen, Garden, Premium Table Settings, Bar and Service, Valet Parking Service
 - Package #2 (The Wedding on a budget Package) – Develop a price package which includes Villa Main, Kitchen, Standard table settings, Tables and Standard Chairs
- A price sheet by Function Type (Wedding/Event and Meeting) needs to identify what is included in the price and what is not included. For example: Tables and chairs set-up, standard table setting (glassware, linens, seat covers), 8 hours; 5 hours for event, 2 hour set-up and 1 hour take-down are included in price
- Meeting pricing should be per room
- Avoid providing discount rates to non-discount groups
- Increase overtime rate
- Wedding Garden rate should be one rate for all users
- Remove American Legion as the exclusive bar service provider from the Main Villa; allow Legion to serve Annex exclusively. Bar service should be competitively bid every five years
- Remove on-site “Caretaker” and replace with professional event specialist
- Event specialist should be on duty during scheduled events; maintaining an established relationship, as well as working to ensure the Villa is providing premium service levels
- Need to be more responsive to user groups. Calls should be returned within 24-hours. Automated reply should be sent to online inquiries with a 24-hour call back.
- Build relationships with Event Planners, Caterers, Wedding Planners, Corp. Event and Meeting Planners, and Hoteliers
- Simplify scheduling and booking process; in-person and online.
 - Create attractive sales kits with step sheets
 - Make contract available as PDF for downloading and mailing in with check
 - Develop contract with user-friendly contract language.
 - Create a photo book for people to see examples of various Weddings / Events and Meetings at various price ranges

- The Villa Chanticleer brand name should be positioned at front entryway in European script with illustrious “Rooster”
- Leverage and promote Villa Chanticleer’s French heritage with “European Elegance, Country Charm” throughout architectural design and landscaping
- Position Villa as a retreat within the meeting market space
- Simplify insurance liability coverage fee. Provide insurance for a stated fee
- Contract Valet Parking Service to alleviate parking space shortage and enhance the Villa’s position as being a premium hospitality provider
- Strategically place large ornamental container pots and plants throughout facility to promote European theme
- Improve the Main Villa’s Friday and Sunday utilization with greater price differentials between the two days. Limit discounts on Friday’s and Sunday’s. See Friday, Saturday, and Sunday Utilization Table Attachment
- Increase Sunday utilization by focusing on four-day holiday weekends.
- Allow Weddings to be scheduled prior to 3 p.m.
- Remove the three day cancellation with full-refund for Wedding Garden from contract language. Allow a 1-month cancellation window with 50% refund and a 4 month cancellation with full refund
- Remove 14 hour time span for discount rental groups
- Remove fee for outdoor chair rental and set-up
 - Cost should be recovered in base price
- Positioning strategy for pricing should be from the standpoint of improving the user’s experience from entry to exit at the Villa Chanticleer
- After improvements, leverage the Villa’s ability to accommodate small, medium, and large size groups

Section 5 – Financial Plan

5.1 Financial Plan

The Financial Plan for the Villa will be developed as part of the master plan process. A detailed pro forma was created to project the financial ramifications resulting from the improvements and recommended pricing schedule proposed for the complex.

Operating in a competitive market requires flexibility and an entrepreneurial approach by all management and staff as it pertains to all facets of the Villa operations. Along with the key management and staff, PROS established a list of operating guidelines and assumptions that must be met in their entirety for the projections to be representative of the actual operations. These assumptions outline how the facility will be operated and maintained, as well as how the services will be priced to cover each core businesses. A summary of the five-year pro forma is presented below. Detailed revenues and expenditures are presented in the Appendix.

Based on all operating assumptions and recommendations set forth within this report, projected operational modifications, and excluding any unforeseen circumstances, the Villa Chanticleer is projected to recover all operational costs of the facility as well as the debt service. Operational efficiencies are gained through pricing of the peak rental periods – weekends – at a market driven price. The biggest shift in pricing of these peak periods is found in the resident rate; by incorporating merely an average of approximately 30% discount for residential use of the facilities during the peak periods only (weekday rates remained relatively unchanged), the Villa is more capable of recovering costs.

Five Year Pro Forma; Villa Chanticleer Complex	Operating Year 1	Operating Year 2	Operating Year 3	Operating Year 4	Operating Year 5
Operating Expenses					
Staffing	132,759	137,787	143,029	148,494	154,194
Contractuals	111,068	114,400	117,832	121,367	125,008
Commodities	18,643	19,052	19,474	19,908	20,355
Total Operating Expenses	\$ 262,470	\$ 271,240	\$ 280,335	\$ 289,770	\$ 299,558
Revenues					
Villa Chanticleer, Full Day Rentals	243,978	242,904	252,801	259,041	268,938
Villa Chanticleer, Hourly Rentals	43,994	47,328	50,996	55,030	59,468
The Annex, Full Day Rentals	21,928	25,018	27,160	27,815	27,815
The Annex, Hourly Rentals	15,456	15,456	15,456	15,456	15,456
Wedding Garden Rentals	46,728	46,728	45,548	47,908	47,908
Ancillary Service Rentals	67,969	69,861	71,114	73,388	74,707
Total Revenues	\$ 440,053	\$ 447,295	\$ 463,075	\$ 478,638	\$ 494,292
Total Revenues Less Total Operating Expenses	\$ 177,583	\$ 176,056	\$ 182,740	\$ 188,868	\$ 194,734
<i>Percentage of Operating Costs Recovered</i>	167.7%	164.9%	165.2%	165.2%	165.0%
Total Annual Capital Maintenance Fund	\$ -				
Annual Debt Service	\$ 84,787	\$ 129,580	\$ 129,580	\$ 129,580	\$ 129,580
Total Net Revenues Over (Under) Expenditures	\$ 92,796	\$ 46,476	\$ 53,160	\$ 59,288	\$ 65,154
<i>Percentage of Total Costs Recovered</i>	126.72%	111.60%	112.97%	114.14%	115.18%

Revenues are projected to increase at a relatively flat rate. With an entrepreneurial approach and aggressive marketing, revenues could increase at a larger percentage than portrayed.

Revenue projections are shown for the first full year of operations. It is projected that the majority of rental revenues will be generated from the Saturday full-day Villa rentals, followed by full-day rentals on Fridays, Weekdays, and Sundays. It is projected that the Villa will be rented a total of 121 full-day rentals and 280 total hours – the equivalent of 35 8-hour days. The Annex revenues are based on a projected total of 97 full-day rentals and 192 hours rented – the equivalent of 24 8-hour days. Percentage of full-day rentals to available days are:

- Villa Rental, Weekday – utilization factor of 24.4% (facility is rented for 51 of the 209 total available days)
- Villa Rental, Friday – utilization factor of 38.5% (facility is rented for 20 of the 52 total available days)
- Villa Rental, Saturday – utilization factor of 73.1% (facility is rented for 38 of the 52 total available days)
- Villa Rental, Sunday – utilization factor of 23.1% (facility is rented for 12 of the 52 total available days)
- Annex Rental, Weekday – utilization factor of 42.0% (facility is rented for 88 of the 209 total available days)
- Annex Rental, Friday – utilization factor of 17.3% (facility is rented for 9 of the 52 total available days)

Complete rental totals along with projected revenues by individual category are presented in the chart adjacent.

Detailed expenditures by line item are presented in the Appendix.

Rental Category	Annual Rentals	Projected Revenues
Villa Rental - Weekday, Full Day	51.0	\$ 26,520
Villa Rental - Friday, Full Day	20.0	\$ 49,152
Villa Rental - Saturday, Full Day	38.0	\$ 138,966
Villa Rental - Sunday, Full Day	12.0	\$ 29,340

Rental Category	Hours Rented	Projected Revenues
Villa Rental - Weekday, Hourly	213.0	\$ 17,814
Villa Rental - Friday, Hourly	47.3	\$ 15,530
Villa Rental - Saturday, Hourly	20.0	\$ 10,650
Villa Rental - Sunday, Hourly	-	\$ -

Rental Category	Annual Rentals	Projected Revenues
Annex Rental - Weekday, Full Day	87.8	\$ 17,660
Annex Rental - Friday, Full Day	9.0	\$ 4,268
Annex Rental - Saturday, Full Day	-	\$ -
Annex Rental - Sunday, Full Day	-	\$ -

Rental Category	Hours Rented	Projected Revenues
Annex Rental - Weekday, Hourly	144.0	\$ 7,956
Annex Rental - Friday, Hourly	48.0	\$ 7,500
Annex Rental - Saturday, Hourly	-	\$ -
Annex Rental - Sunday, Hourly	-	\$ -

Rental Category	Annual Rentals	Projected Revenues
Wedding Garden Rental - Weekday, Full Day	-	\$ -
Wedding Garden Rental - Friday, Full Day	10.0	\$ 9,440
Wedding Garden Rental - Saturday, Full Day	28.0	\$ 33,040
Wedding Garden Rental - Sunday, Full Day	4.0	\$ 4,248

Section 6 – Conclusion

The Villa Chanticleer has an opportunity to be one of the premier facilities in the region; however, the level of success will depend upon the initiative and follow through of the organization on all levels – Council, management, and staff. This Business Plan provides a guide for the decisions facing the operations and service offerings; the overall outcome will be reflected in the initiative and creativeness of the management and support by the governing bodies.

It is the recommendation of PROS that the Villa Chanticleer management and staff be allowed to operate the facility in a pro active manner; the entrepreneurial ability of management and staff to strategize, realign, and implement changes in the dynamic environment of a competitive market, within the parameters of policy established, is imperative. The recommendations include:

- A pricing policy that establishes the cost-recovery goals with the flexibility to allow entrepreneurial practices, ease in communicating fees to patrons, and provides consistency in application in all programs and services
- Pricing strategy should be consistent with cost of services and established subsidy levels; a cost of service model can establish subsidy levels so that management and staff may have flexibility of pricing within the cost recovery percentage parameters. Specifics include:
 - Maintain cost of service model on a continual basis
 - Approved pricing policy by City Council
- All revenues generated within the Villa fund are to remain within the fund
 - All revenues in excess of operating costs and less than or equal to the established limit of the Annual Capital Maintenance Fund are transferred to the Annual Capital Maintenance Fund
 - All revenues in excess of costs and greater than the maximum established limit of the Annual Capital Maintenance Fund are to be carried over into the following years operating budget
 - Three (3) consecutive years of exceeding the maximum established limit of the Annual Capital Maintenance Fund will result in fee schedule revisions

Appendix Items

Appendix A – Competitor Listing by Element

Villa Comparison Elements: Location to Discount

Facility Name	Location	Type	Size	Capacity	Event Pricing	Meeting Pricing	Discount
Villa Chanticleer 1248 N. Fitch Mountain Road Healdsburg, CA 95448 (707) 431-2852 www.villachanticleer.com	Healdsburg	Wedding, Meeting, Private Parties	3,000 Sq. Ft. - Ballroom 3,000 Sq. Ft. - Dining 1,300 Sq. Ft. - Bar 2,300 Sq. Ft. - Annex	500 - Assembly 300/400 - Theater 200 - Classroom 275/320 - Banquet 150 - Meeting	Main Building Sat - \$3,672/\$230hr Sun - \$2,352/\$222hr Fri - \$2,256/\$216 M-TH - \$720/\$71hr	Annex Building Sat - \$865/\$108hr Sun - \$575/\$72hr Fri - \$575/\$71 M-TH - \$290/\$36	Resident - Non-profit - Gov't/School - Multiple Uses
Mary Agatha Furth Center 8400 Old Redwood Highway Windsor, CA 95472 (707) 837-7620 www.furthcenter.com	Windsor	Banquet, Conference, and Event	6,674 Sq. Ft.	1000 - Assembly 650 - Theater 340 - Classroom 360 - Banquet 290 - Wedding	Sat - \$2500 Sun-Fri - \$1,500	Sat - \$200/hr Sun-Fri - \$150/hr	Parishioners & Non-Profits - 20%
Healdsburg Country Gardens 670 Bailhache Ave Healdsburg, CA 95448 (707) 431-8630 www.hcgweddings.com	Healdsburg	Wedding Garden Parties	3,744 Sq. Ft.	150 - Wedding 50 - Meeting	Sat - \$8000 Sun - \$7000	Sun - \$4,500 M-TH - \$4000	
Trentadue Winery 19170 Geyserville Ave Geyserville, CA 95441 (707) 433-3104 www.trentadue.com	Geyserville	Winery & Event Center	6,000 Sq. Ft.	500 - Assembly 250 - Wedding	High/Low Sat: 100 - \$7,000/\$4,500 150 - \$7,500/\$5,000 200 - \$8,000/\$5,500 250 - \$8,500/\$6,000 250+ \$15/per person	Fri - \$6,000 Sat - \$7,000 Sun - \$6,000 M-Th \$4,500	Events - Sun. & Fri. less \$1,000, M-Th less \$1,500, less 36% Off- Peak
Best Western - Dry Creek Inn 198 Dry Creek road Healdsburg, CA 95448 www.drycreekinn.com	Healdsburg	Hotel Conference Center	2,010 Sq. Ft.	181 - Theater 110 - Banquet 107 - Meeting	TBD	TBD	w/Hotel Rooms
Tayman Park Club House 927 S. Fitch Mountain Rd. Healdsburg, CA (707) 433-4275 taymanparkgolfcourse.com	Healdsburg	Golf Course	2,200	150 - Banquet 60 - Meeting 150 - Social	75 - \$2,000 150 - \$2,500 150 - \$1,250	\$100/hr M-Th, \$150/hr F,S,S	\$500 event discount for residents
Santa Rosa Parks & Rec. Finley Community Center 2060 W. College Ave. Santa Rosa, CA 95401 (707) 543-3737 http://ci.santa- rosa.ca.us	Santa Rosa	Banquet, Meeting, Reception, Conference	3,712 Sq. Ft. - Ballroom 3,168 Sq. Ft. - Meeting 1,276 Sq. Ft. - Dining	308/189/90 - Thtr. 250/125/80 - Banq. 126/96/40 - Class	Same	Commercial Hourly \$133/\$67/\$96 Private Hourly \$107/\$77/\$54 Non-Profit Hourly \$89/\$64/\$44	Resident - 20%
Friedman Center 4676 Mayette Ave Santa Rosa, CA (707) 545-5602 friedmaneventcenter.com	Santa Rosa	Banquet, Conference, and Event	6,480 Sq. Ft.	900 - Assembly 700 - Theater 465 - Banquet 320 - Wedding	150 - \$1,950 250 - \$2,400 350 - \$3,500 450 - \$3,950 Over 450 TBD	Same	Up to 50% for Non-profits
Rohnert Park Comm. Center 6750 Commerce Blvd. Rohnert Park, CA 94928 (707) 588-2274 www.rpcity.org	Rohnert Park	Event	4,324 Sq. Ft. - Multi-Use 864 Sq. Ft. - Meeting	350 - Banquet 100 - Meeting	Same	Commercial Hourly \$130/\$70 Private \$105/\$55 Non-Profit \$90/\$50	Resident Private - 18% Resident Non- Profit 27% Govt - 55%
Santa Rosa Veterans Memorial 1351 Maple Ave. Santa Rosa, CA www.sonoma county.org	Santa Rosa	Public Hall	10,000 Sq. Ft. - Aud. 3,080 Sq. Ft. - Dining 3,080 Sq. Ft. - Lodge 972 Sq. Ft. - Meeting	Assembly - 1,200/408/440 Theater - 1,000/250/190 Dining - 653/190/205	Same	Commercial Hourly \$87/\$47/\$47/\$32 Non-Commercial Hourly \$67/\$37/\$37/\$27 Non-Profit Hourly \$47/\$37/\$27/\$22	
Petaluma Veterans Memorial 1094 Petalun Blvd S. Petaluma, CA www.sonoma-county.org	Petaluma	Public Hall	6,984 Sq. Ft. - Aud. 2,394 Sq. Ft. - Banquet 1,089 - Meeting	Assembly - 960/358/158 Seated - 678/200/100 Dining - 450/167/74	Same	Commercial Hourly - \$77/\$47/\$37 Private Hourly - \$57/\$37/\$27 Non-Profit Hourly - \$47/\$27/\$22	

Villa Comparison Elements: Location to Discount

Facility Name	Location	Type	Size	Capacity	Wedding Pricing	Meeting Pricing	Discount
Sonoma Veterans Memorial 126 First St. West Sonoma, CA (707) 565-2041 www.sonoma-county.org	Sonoma	Public Hall	4,400 Sq. Ft. - Aud. 2,079 Sq. Ft. - Dining	Assembly - 700/309 Seated - 500/240 Dining - 300/144	Same	Commercial Hourly - \$67/\$47 Private Hourly - \$57/\$37 Non-Profit - \$42/\$27	
Sebastopol Veterans Memorial 282 High St. Sebastopol, CA (707) 565-2041 www.sonoma-county.org	Sebastopol	Public Hall	4,974 Sq. Ft. - Aud. 1,782 Sq. Ft. - Dining	Assembly - 692/268 Seated - 500/190 Dining - 323/125	Same	Commercial Hourly - \$67/\$37 Private Hourly - \$57/\$32 Non-Profit Hourly - \$42/\$27	
Guerneville Veterans Memorial First & Church St. Guerneville, CA (707) 565-2041 www.sonoma-county.org	Guerneville	Public Hall	2,520 Sq. Ft. - Aud.	Assembly - 359 Seated - 250 Dining - 167	Same	Commercial Hourly - \$47 Private Hourly - \$37 Non-Profit Hourly - \$27	
Cloverdale Veterans Memorial 205 West First St. Cloverdale, CA (707) 894-5505 www.sonoma-county.org	Cloverdale	Public Hall	2,028 Sq. Ft. - Aud. 1,064 Sq. Ft. - Trophy Room w/bar	Assembly -293/143 Seated - 250/80 Dining - 137/67	Same	Commercial Hourly - \$57/\$32 Private Hourly - \$42/\$27 Non-Profit Hourly - \$32/\$22	
Occidental Community Center 3920 Bohemian Hwy Occidental, CA (707) 565-2041 www.sonoma-county.org	Occidental	Public Hall	3,703 Sq. Ft. - Aud.	Assembly - 527 Seated - 360 Dining - 246	Same	Commercial Hourly \$47 Private Hourly \$37 Non-Profit Hourly \$27	

Villa Comparison Elements: Scheduling to Caterer

Facility Name	Scheduling	Add'l Fees	Event Time	O.T.	Insurance	Kitchen	Bar	Parking	Caterer
Villa Chanticleer 1248 N. Fitch Mountain Road Healdsburg, CA 95448 (707) 431-2852 www.villachanticleer.com	12 months, 7 days a week	\$30 - Insurance Processing Fee \$50 - Alcohol Use BBQ Area	8-hours (Private) 14- hours (Non-Profit), Annex 4-Hour Minimum	\$65/hr	\$230 - \$1M	\$200 Non- Res/\$150 Res. Full Use \$50/Annex Min. Use	Provided with Restrictions	Yes	\$150 Fee, Caterer is Customer's Choice
Mary Agatha Furth Center 8400 Old Redwood Highway Windsor, CA 95472 (707) 837-7620 www.furthcenter.com	12 Months, 7 days a week	Courtyard	8-hours / 4-hours	\$200/hr	\$1M Required	\$200 or \$25/hr	Bring Your Own Service, \$500 Refundable Dep.	Yes	Bring Your Own Licensed & Insured / Onsite Avail.
Healdsburg Country Gardens 670 Bailhache Ave Healdsburg, CA 95448 (707) 431-8630 www.hcgweddings.com	May thru Oct Only, 7 days a week		6-hours, unlimited set up & clean up	None	\$1M Required	Prep Only	Bring Your Own Bar & Service, No Restrictions	Yes with 2 parking attendants included	Bring Your Own Licensed & Insured
Trentadue Winery 19170 Geyserville Ave Geyserville, CA 95441 (707) 433-3104 www.trentadue.com	12 months, 7 days a week, 11 am - 10 pm (No Holidays)	Ceremony \$400	8-hours	\$400/hr	\$500K Required	Caterer pays \$2 per person	Provided, Bring Your Own Service, Trentadue Wine & (Beer) only	Yes, Open to Public	Must choose 1 of 3 from list.
Best Western - Dry Creek Inn 198 Dry Creek road Healdsburg, CA 95448 www.drycreekinn.com	12 months, 7- days a week	Patio - TBD				No	No	Yes	Preferred List
Tayman Park Club House 927 S. Fitch Mountain Rd. Healdsburg, CA (707) 433-4275 taymanparkgolfcourse.com	12 Months, 7 days a week	Bar Service	5 hours - Event 8 - hours - Social Hourly - Meeting	\$150/hr	No	Included	Yes, Additional fees	Yes	Yes

Villa Comparison Elements: Scheduling to Caterer

Santa Rosa Parks & Rec. Finley Community Center 2060 W. College Ave. Santa Rosa, CA 95401 (707) 543-3737 http://ci.santa-rosa.ca.us	12 Months, 7 days a week	Courtyard Stage & Lights Beverage Service Custodial Fees			\$500K - \$1M Required	Commercial \$67/hr Private \$54/hr Non-Profit \$44/hr plus custodial fee \$60/\$30/\$35		Yes	No
Friedman Center 4676 Mayette Ave Santa Rosa, CA (707) 545-5602 friedmaneventcenter.com	12 Months, 7 days a week, 11am - 11pm	Dance floor, Stage, Patio, Piano, Video Proj	12 hours	\$200/hr	\$1M Required	\$200/licensed caterer \$350/non- licensed caterer	Yes	Yes	No
Rohnert Park Comm. Center 6750 Commerce Blvd. Rohnert Park, CA 94928 (707) 588-2274 www.rpocity.org	12 Months, 7 days a week	Lobby, Japanese Garden, Piano, Coffee Pot, VCR			\$550K Required	\$80 flat rate	No	Yes	No
Santa Rosa Veterans Memorial 1351 Maple Ave. Santa Rosa, CA www.sonoma-county.org	12 Months, 7 days a week		Aud. 8-Hour Minimum Fri-Sun, 4-Hour Minimum M-TH, Dining Room & Lodge 2-Hour Minimum			Commercial - \$20/hr Private - \$17/hr Non-Profit - \$14/hr			
Petaluma Veterans Memorial 1094 Petalum Blvd S. Petaluma, CA www.sonoma-county.org	12 Months, 7 days a week		Aud.& Kitchen 4-Hour Minimum			Commercial - \$20/hr Private - \$17/hr Non-Profit - \$14/hr			
Sonoma Veterans Memorial 126 First St. West Sonoma, CA (707) 565-2041 www.sonoma-county.org	12 Months, 7 days a week		Aud.& Kitchen 4-Hour Minimum			Commercial - \$20/hr Private - \$17/hr Non-Profit - \$14/hr			
Sebastopol Veterans Memorial 282 High St. Sebastopol, CA (707) 565-2041 www.sonoma-county.org	12 Months, 7 days a week		Aud. & Kitch. 4-Hour Minimum, Dining Room 2-Hour Minimum			Commercial - \$20/hr Non-Commercial - \$17/hr Non-Profit - \$14/hr			
Guerneville Veterans Memorial First & Church St. Guerneville, CA (707) 565-2041 www.sonoma-county.org	12 Months, 7 days a week		4 - Hour Minimum			Commercial - \$14/hr Non-Commercial - \$12/hr Non- Profit - \$10/hr			
Cloverdale Veterans Memorial 205 West First St. Cloverdale, CA (707) 894-5505 www.sonoma-county.org	12 Months, 7 days a week		Aud. & Kitch. 4 - Hour Minimum, Trophy Room 2-Hour Minimum			Commercial - \$14/hr Private - \$12/hr Non-Profit - \$10/hr	Yes in Trophy Room		
Occidental Community Center 3920 Bohemian Hwy Occidental, CA (707) 565-2041 www.sonoma-county.org	12 Months, 7 days a week		Aud.& Kitchen 4-Hour Minimum			Commercial - \$14/hr Private - \$12/hr Non-Profit - \$10/hr			

Villa Comparison Elements: Event Staff to Networked

Facility Name	Event Staff	Security	Brides Room	Rehearsal Time	Extra Lighting	AV Equipment	Tables & Chairs	Tablesettings	Set-Up	Clean-Up	Net-worked
Villa Chanticleer 1248 N. Fitch Mountain Road Healdsburg, CA 95448 (707) 431-2852 www.villachanticleer.com	Yes, Daytime Only	Renter must provide if alcohol, 1/75	Yes	\$65/hr - Two hour minimum	No	\$100 - Sound System	Wedding - Yes Garden - \$2/Chair	Kitchenware included, linens not included	Yes, Main Room Only	Yes, Unless spills	Yes
Mary Agatha Furth Center 8400 Old Redwood Highway Windsor, CA 95472 (707) 837-7620 www.furthcenter.com	\$200 - \$25/hr	Renter must provide if alcohol, 1/100	\$20/hr	Included	Included	Included	Wedding - Yes Meeting - \$5/Table, \$2/Chair	Standard settings included with onsite caterer use	Not Included	Not Included	Included
Healdsburg Country Gardens 670 Bailhache Ave Healdsburg, CA 95448 (707) 431-8630 www.hcgweddings.com	Yes - 8 hours	No	Yes	Included	Outdoors	None	Yes, + 18 Market Umbrellas	Bring Your Own	Not Included	Not Included	No
Trentadue Winery 19170 Geyserville Ave Geyserville, CA 95441 (707) 433-3104 www.trentadue.com	Yes - 8 hours	No	Yes	Yes, 1 hr	No	None	Wedding - Yes	Bring Your Own	Not Included	Not Included	
Best Western - Dry Creek Inn 198 Dry Creek road Healdsburg, CA 95448 www.drycreekinn.com	No	No	No	No	Yes	Yes	Yes	Caterer provides			Yes
Tayman Park Club House 927 S. Fitch Mountain Rd. Healdsburg, CA (707) 433-4275 taymanparkgolfcourse.com	Yes	No	No	No, additional fee \$150/hr	No	None	Yes	No	Included	Included	
Santa Rosa Parks & Rec. Finley Community Center 2060 W. College Ave. Santa Rosa, CA 95401 (707) 543-3737 http://ci.santa-rosa.ca.us	\$22/hr	If over 100 people			Yes, extra	Yes, extra	Yes, extra	Yes, extra	Not Included	Not Included	Yes
Friedman Center 4676 Mayette Ave Santa Rosa, CA (707) 545-5602 friedmaneventcenter.com	No	No	No	Add'l 8am-5pm/\$35hr 5-10pm/\$150hr	Yes	Yes	Yes	No	Not Included	Yes, Included	Yes
Rohnert Park Comm. Center 6750 Commerce Blvd. Rohnert Park, CA 94928 (707) 588-2274 www.rpccity.org	No	\$30 above 175 people and if after midnight	No	No	No	None	Yes	No	No	\$80 flat rate	No

Appendix B – Stakeholder Interview Comments

Tell me about your use of the Villa?

- He is a full service caterer.
- He uses their kitchen, dining room and reception area.
- He has been catering for four years and used the Villa for that long.
- He does mostly weddings and some corporate events.
- He is on a preferred caterer lists.
- Her clients don't use a park and recreation facilities but prefer to use a wineries.
- The advertising is not that good for the Villa.
- Their targeted customer is local residents which is good.
- It is a pleasing looking site, dated, and there needs to be a second look for the courtyard which also needs to be enhanced.
- She doesn't do events any longer at the Villa.
- She doesn't use it because it is dated.
- She works with more of an upscale clientele.
- They use it for weddings and corporate events.
- They refer people there now.
- They are up there a lot less than in the past; it was 12 to 15 times a year - now only eight times, some of their clients won't go there because it is outdated.
- They left because of the bar situation up there.
- The pricing is not out of line but people want things that are not realistic for this area.
- They would be up there up six times a year but have not received referrals from the preferred caterer list.
- The bar does a good job but it is very restrictive and does not allow choices. People like to have a choice.
- They are not happy being charged to be on a referred list. No one else does that in the area.
- The Villa is reasonably priced and for the money it is worth it.
- The Villa is strict with their rules and what is available in the kitchen that they can use.
- They have to have additional insurance policy for just the Villa. Not worth it.
- As a small guy he doesn't get referrals from staff at the Villa.
- Petra likes to work with people she likes. The staff needs to present a list of approved caterers only.
- These folks feel that staff, only push local caterers.

- Why does a caterer have to pay, the city should charge caterers every time someone rents there not to be on the list?
- She has been on the catering list but has only received a couple of referrals from it over the years.
- She got one job off the list
- Bad parking.
- Need better lighting.
- Dark walls need to be lightened up.
- Need technology for corporate outings and events.
- They don't use it because it is outdated.
- They need drapes on the windows.
- It is too inconvenient for business.
- It is not upscale enough and it should just be used for weddings.
- 90% of their use is for weddings.
- They have used it three or four times a year.

What works well at the Villa for you?

- Everything works well.
- The staff is very accommodating.
- One of best places around and is very clean.
- She likes the ambiance.
- She doesn't like to deal with red necks at the Villa.
- A seconding wall that blocks the views of the kitchen on both side of the Kitchen is needed.
- It is charming in a small town kind of way.
- It is the face of the community.
- People who are looking for a wine country event want something more polished.
- The lighting needs help and improvement.
- They have a lot of equipment such as dishes, and glass wares which is good but. need to be replaced and updated.
- They need to update their dishes and glass ware.
- The equipment is very cafeteria style and it needs updating.
- They don't have any kitchen equipment and we have to bring in our own stuff.
- The coffee maker is good.
- The ice machine is excellent.

- The kitchen set up is very nice and clean-up is very easy.
- They have a nice bar and lobby.
- The ambiance of the place is very nice.
- A lot of the local kids don't want to get married there because it is used for everything.
- Every event in the city happens at the Villa.
- The pricing structure is good for a resident.
- The price for the building is excellent.
- The city should not have to subsidize the facility and the prices are low for the value of the site.
- The property is over whelming and not conducive to smaller groups.
- The city should look at some portable screening to divide the room.
- The draping of the site needs to be addressed.
- More competition for space in the areas is coming online which will make it difficult to compete unless it is updated soon.
- The acoustics are bad.
- The lighting fixtures need to be updated such as what has occurred at Hummingbird Gardens
- The light fixtures are like a cabin and they don't have a dimmer.
- The building is fine from his perspective.
- The kitchen is great.
- Scott is accommodating.
- They lock the doors and take an inventory of what you have. When more people show up they have to chase staff down to open the doors in a timely manner.
- Only have a hour and a half to set up for 150 is unreasonable
- The set up and the front doors are excellent, can easily move people to set up and clean up.
- Everything up there is good.
- They keep a very tight ship on the kitchen. It is clean and accountable and very acceptable.
- The staff is great up there.
- It is the nicest and largest facility in Sonoma Co.
- It is nice and clean.
- I can have 400 people and it works great.
- I think it sets up for meetings well.

- It could be a mid priced conference center.
- The ambiance works well.
- The lay out is excellent.
- The wedding outdoor area is good.
 - The parking is excellent.

What does not work for you at the Villa?

- He has no complaints about the Villa.
- They tend to do things like Christmas lights at low level.
- Better doors and French doors versus industrial doors.
- She thinks the acoustics are fine.
- The fire place needs to be able to be used and it needs to be available or removed.
- It needs to be a level of class that a winery has and it is not in the middle of a vineyard.
- The way it is split up is difficult as well.
- Most people do not even know about the place and the staff needs to work with the hotels on the square and invite them into the process and seek their input on how to make the Villa work for them.
- Having to rent additional chairs for outside weddings is a drag plus put them up and take them down.
- A client was charged for a sheet pan and she wasn't called which was embarrassing to her.
- The American Legion does a nice job for the most part.
- Local events like crab food events work well at the Villa.
- Heating and ventilation is poor.
- The parking is the worst and needs to be redesigned.
- The dishes and water glasses are lousy.
- The flatware is bad.
- Manuel can be hard to work with.
- The issue is the city is 8 to 5 and brides are 24/7.
- The American Legion can be difficult to work with and Frank can be difficult at times.

How do your customers feel about the use of the Villa?

- Customers love it and the setting is great.
- The lighting is not too good and needs to be enhanced.
- The Villa rents their own dishes and sometimes the dishes are splotchy and some times there is not enough.

- The chairs and tables seem ok and they could use some more round tables for both the dining room and the reception area.
- The clients are very happy with the aesthetics.
- The price is very good and it is a community gem.
- Wireless site is needed.
- Lighting needs to be enhanced.
- We need to add good furniture.
- They put a lot on the caterers, too much.
- Dimming the lights is difficult.
- Drapes - cleanliness, color, length, needs to be improved.
- It needs to be made warmer looking.
- The Christmas decorations are "cheesy" and need to be improved tremendously.
- White lights that are classy.
- Need a winter and summer site theme.
- White draping and white lights would be excellent.
- The sound system needs improvement.
- The chairs need to be replaced and improved.
- They pick functional things versus looking at the whole.
- The glassware at the bar needs to be improved.
- The American Legion bar costs for wine are too expensive.
- The management of liquor needs to be addressed.
- American Legion has only one uniform and it does not have a standard of quality.
- The client feels that they can never get their calls returned from them.
- They don't know who is doing what with the caterers.
- The American Legion over opens the wine which many times wine has to be thrown out.
- They have a high lack of communication and the business is too big for them.
- If they want the revenue they need to improve their service with the caterers.
- This has been going on for a long time at least 15 years.
- They used to have a package available to clients. The American Legion doesn't even talk to the caterers now.
- The caterers will take their business elsewhere.
- They complained about the food and service so they have not sent anyone there.
- Most people are pretty pleased with the exception of the insurance issues.

- The city should provide a group of people with where to get the insurance they are looking for.
- The clients feel they are “nickel and dimed” versus one true fee.
- The corkage fee seems unreasonable and a wrong rub because the staff is already there.
- The paved parking in the lower section was good.
- Affordability is excellent.
- The history of the place needs to be available for people.
- She has never had a complaint with working with the Villa
- People have never vocalized a complaint except with the bar and what is clear with them.
- The staff has been excellent.
- The price is dirt cheap and people love it because they feel they get a lot more than they paid for.
- As long as it is not more than 200 you can have an indoor outdoor wedding opportunity.
- The American Legion will not bring alcohol out to the upper area of the wedding garden and this limits the use of this facility.
- The back and forth rooms work well in the facility and can be marketed well.
- Anyone living in Sonoma County can easily get to the facility and use the facility.

What would you like to see changed at the Villa to be more client or user-friendly?

- The lady that runs the place is very anal and forces you to leave everything in good condition.
- The location of our catering truck and its location to the entrance should have some covering because it looks tacky.
- At the event, if something goes wrong, there is not staff available,
- The bar service needs to be improved and the bar people are not polished to execute the event. Haircuts and look is not appropriate
- The American Legion is great but they have to have standards which they don't follow.
- Tip jars are unacceptable.
- They need uniforms and consistent looks.
- They need to be quest ready 20 minutes before the event.
- Black pants and white shirts. Need to have a collared shirt and pressed with a tie
- It needs to be remodeled and updated.
- Leave the bar and two rooms as is.
- It is a good site for off site meetings.

- It is not for one large event.
- Remodel new floors, new paint, and new walls.
- The ovens need to be cleaned.
- Cleaning the oven prior to the event needs to be taken care of by staff and should not be the responsibility of the caterer.
- Cleaning the grill by caterers is an issue.
- The dishwasher needs to be updated and a water softener needs to be installed.
- The time frame to get in is ridiculously short.
- Should not be a charge just to get into the kitchen.
- The overtime fee clients have to pay is ridiculous.
- It is detrimental for the caterers and it is hard to clean the kitchen at that time.
- The city should add 200 dollars and have the staff clean the kitchen.
- The rules for the site need to be updated.
- They should only have licensed caterers only, not non-professionals.
- Need better communication with staff members, people who are able to provide tours of the site, a general manager who is readily available.
- Option on bartending is needed
- She doesn't know how the list gets out and how her firm is promoted by staff.
- Need to fix it up for weddings.
- The building is not marketed well and needs to get updated a lot more.
- He doesn't think people will not drive up there for meetings and it is not convenient.
- Weddings and family reunions or celebrations are their core business.
- It only works well for weddings.
- The weekends are very reasonable for renting the facility.
- In its current condition it is pricing.
- It is too dark and the lighting is poor and the key is to upscale the building.
- It is 50/50 in if the community to let it become more
- The American Legion is a poor deal.
- There would be a vocal group that would push back if it is privatized.
- The availability of showing it needs to change so it's more accessible.
- The web site needs to be up-to-dated.
- The web site needs to be the best in the area.
- They did a virtual tour of the facility.

- The Villa web site might be too hard to find.
- We get a lot of web hits because we have a great web site with a great link

How do you feel about how the Villa is permitted?

- He has not heard anything about this except the insurance process is restrictive.
- The proper language is not always appropriate for the city and he does not really know how it works.
- The insurance should be covered by the caterer versus the user.
- The staff is very good and easy to work with.
- She has never held a event there
- The preferred caterers list does not have criteria for standards and quality and many people don't follow the same standards.
- Most other venues choose ones that they trust and create three or four levels of caterers based on quality and price.
- The list of 250 caterers is obscure
- The barbecue areas are very reasonable in cost
- The annex is very reasonable
- The prices for use need to be updated and more market driven
- No issues here with her
- The 250 dollars she pays but does not pay any where else
- There should be three to four price ranges with three to four caterers listed in each level

How do you feel about the pricing in place?

- He has not heard any complaints about the price from users.
- Most of his clients are from Sonoma Co and some from Sacramento.
- He pays for his permit with the city since he lives outside of the city
- He is willing to book the site if given the opportunity
- They should sell a lighting package for people as optional package
- The pricing of the facility seems to be ok and acceptable
- It is priced reasonable but the pricing structure is very confusing
- The price could be increased some
- It is very reasonable
- It should just be one price versus sliding things around
- The 10 hour window is too short
- The city loses money with people who cook everything there versus only allowing caterers to be onsite

- They should only have licensed caterers on the site
- Too many entitled groups are on the site
- He does not feel the pricing is unreasonable but is not about the price it is about the quality of the service
- She thinks the Villa is priced very reasonable and very fair
- No one ever complains about price to her
- The bar is never staffed enough to manage it right
- It should be managed as a wedding venue only
- The catering industry is changing and it is becoming more professional
- We are not a fly by night caterer
- We are now a catering society for everything type of function
- The building has to support the change in the industry
- It has to have the reputation of have a quality facility and quality caterers
- The city should quit doing proms because brides from this area don't want to go back to there because of it
- It needs to have three or four business strategies for this building and promote in business related magazines

How do you feel about the personnel on site who help support your event?

- The personnel are very accommodating and supportive when on site. He would like to make sure someone is there in case of a problem like a fuse or accident occurs etc.
- The staff are great and very accommodating except the American Legion guys
- Lori Moore is fabulous
- She has not worked with Elizabeth
- He has not met any person their and would like to have a chance to connect with them and use for their own use versus just the hotel
- The staff communicate well with her and the staff is very honest

Do you book other sites like the Villa in the area? If so which ones are doing it right?

- He books a lot of halls and other sites and the Villa is the best
- The cars and building need a hedge separation from the courtyard and patio area
- The annex is not appealing and needs updated
- Provide some filler to look out and give the Annex a separation space and courtyard with the hedge
- Make a separation between the lower gate at the courtyard and separate the cars
- There is a lack of event facilities in Healdsburg

- Small conference would be Hotel Healdsburg
- Wineries do a good job
- There is not a good outside event place
- The outside courtyard is very nice
- The staff is over worked and are not available during the entire event
- The staff have other agendas and they get rushed
- Sometimes staff have another priority
- The staff is very maltimated
- It is uncomfortable for having people living up there.
- They have many unhappy people that talk to the caterers and complain about the city which we don't care to hear.
- The staff is to closely following the caterers which makes them uncomfortable.
- The staff locks up everything and it makes caterers feel like a criminal.
- There needs to be consistent standards for staff who work there.
- The staff needs to have customer service skills.
- The Villa is the best place. It is consistently clean. This is the best place in the area.
- The dish washer needs to clean dishes and glasses better.
- Aqatha Center in Windsor is doing a good job and sets up well for a caterer
- The Villa does a good job an should be compared as the best in the area
- She sees it like more of a community building than anything
- Quirky but good. Petra is straight forward and hard to work with at times.
- Everyone who is not the core people are excellent
- The people are warm and friendly

Of all the amenities at the Villa in order of priority which is most important to you.

- The Villa does not have items to rent to the client like lighting which needs to be available
- The acoustics are not too bad but need to be improved
- They could have a nicer china and flat wear which people would pay for
- He uses the gazebo sometimes but not much
- Bar tending is an important element
- The visual improvements are good but more is needed
- Add some flag stone patios and fire pits
- Make it more visual appealing for people. Take out the Barbecue Area.

- Add brick pizza ovens and a nice sitting area and serve hardorvs
- Set it up like a retreat facility
- She likes to move people around and not just sit on one side
- Outdoor dining would be good
- Take away the ugly views
- The picnic site is unsightly
- Digital data is needed on the site
- Lighting improvements are needed
- They bring in lighting contractors to increase the ambiance feel
- Get a inset fire place and with inset candles and make it look great
- The most important amenities are location, location, location
- Kitchen facilities are important
- AV and internet are very important with a wireless facility is needed
- There is a awe factor that is lovely not just a Wow factor
- The acoustics are very important
- Indoor outdoor space is important which is nice
- A nice courtyard would be good
- Updating it would be good and charming like it has been there for a long time
- The way it laid out it is difficult and it lends itself to just certain types of events
- Parking is a issue and needs to be looked out in the plan and it is difficult to do two weddings at once
- The city doesn't need to outsource the site, but it needs a lot more advertising and promotion
- It is a good local facility but she would like to see it used more
- They like the wedding garden and it is a nice addition
- The wedding garden was a good move
- A positive working relationship with the staff
- They just need to do their job better up there
- The personality of staff needs to be improved
- The city employees need training on what the catering service industry is all about
- Having Elizabeth at the site is good and needs to continue
- They need to have a sales person on site at all times
- Product and service standards for the American Legion is needed

- Need more flexibility at the site, it is too stringent
- Let the Caterers do their job and event professionals with out staff interference
- Clear definitions of everyone responsibilities is needed for the caterers
- They need a business process to fall back to versus managing the site with so much entitlement
- Define guidelines for everyone, staff, caterers, American legion and planners
- A business process needs to be outlined for their caterers to allow the caterers to have a real expectations for using the site
- He feels uncomfortable talking about concerns because he does not know. He would be willing to give them advice and comments. He would like to create a partnership with the city and make it work a lot better. Hire a chef to consult and manage the food.
- Equipment such as a stove, refrigeration, cleanliness
- The dishes sometime are not clean
- Space and unloading space is good
- Storage availability to roll out tables
- Next to the kitchen for caterer trucks is good
- Hot water out the back side is good
- They would like to see who is on the preferred list and if you don't get any business that the city give back to them their two hundred fifty dollars
- The insurance requirements need improvement
- Each caterer should provide a 25 word or less on a promotional piece and a link to their web site should be made available
- The ovens and the refrigeration is really important
- The carts that are there is good
- The coffee pot
- The Dish washer
- The garden needs to be better managed and hire a landscape architect to redesign and improve on it
- The Annex is in very poor condition and needs updated
- The Healdsburg buses should be used to move people from the lower parking lots
- The parking lots are scary and poorly lighted
- The building needs to be restored more appropriately for the next ten years
- The 1993 improvements were a joke
- They need to hire an appropriate architect to do the update right
- The building is not marketed enough

- Take out the picnicking area and create more lawn and hire a great landscape architect to make the site beautiful
- Market as a country site
- It needs to be privatized on a 6% gross level
- The city does not have the marketing capability to do promotion right
- Cleanliness
- Availability
- Kitchen
- Stove
- Refrigeration
- The lighting is good in the kitchen
- The facility has to be the Sonoma level for quality
- Stay true to itself
- Warm and a rustic sheik look is needed
- Don't sell what you don't want to buy
- The site used for corporate conferences would be a great

Appendix D – The Villa Chanticleer Design Option Preliminary Descriptions and Costs

Option A

- **Description:** Relocate trash enclosure. Remove existing trash enclosure walls. Construct new concrete retaining wall, footings and concrete paving to extend drive surface and conform to existing grades / drainage patterns. Construct new enclosure of wood similar to existing conditions. Reuse existing steel framework as applies. Recontour existing sloping AC paving as necessary for maneuvering of trash bins and to promote recycling.
 - **Benefit:** Relocated trash enclosure and paving allows for continued use of the loading area with the new Storage addition in place. Also, it replaces the aging enclosure.
 - **Probable Cost:** \$29,900
- **Description:** Add Storage at north end of Ballroom and reduce storage at loading dock. Remove existing concrete ramp and stairs. Construct new concrete retaining wall and floor slab, exterior walls and roof structure to match existing conditions. Remove existing windows and replace with interior door pairs. Provide new finishes inside and outside. Reduce existing Storage at north end of Loading Dock as described above. Relocate existing door pair and restore / match all finishes. Include new concrete stairs and interior lighting.
 - **Benefit:** There will be a net gain in Storage area. The new Storage area will be located directly adjacent to the area of use. The view to the exterior is lost, but the view is the trash enclosure area.
 - **Probable Cost:** \$21,900
- **Description:** New lighting in Entry, Dining and Ballroom. Remove existing fixtures, design new layout or supplement existing fixture layout of suspended and sconce fixtures.
 - **Benefit:** New and attractive fixtures, improved lighting layout and quality, optimize light levels, distribution and minimize energy use. Determine efficient, effective lighting controls.
 - **Probable Cost:** \$54,000
- **Description:** New Vestibules into Kitchen. Use a portion of the existing Kitchen space to create two new Vestibules between the Kitchen and each of the Assembly areas. Reconfigure equipment at one wall of the Kitchen. Adjust finishes, HVAC distribution and lighting at added rooms.
 - **Benefit:** Improved sight and sound isolation between Kitchen and Assembly areas, and between Assembly areas.
 - **Probable Cost:** \$16,000

- **Description:** Added acoustical treatment at Assembly areas. Provide new acoustical treatment at the ceiling of the Entry, the Ballroom and the Dining Room.
 - **Benefit:** Reduce the existing high reverberation time to improve room acoustics; improve sound quality and make more effective audio communication.
 - **Probable Cost:** \$28,900
- **Description:** Add window covering at the Ballroom and the Dining Room. Provide blinds and electrically-operated Mechoshades at exterior windows. Consider all probable scenarios to determine control of shade devices.
 - **Benefit:** Provides control of the light levels and views to meet the needs of the occasion; from full view and maximum natural light to no view and no natural light for presentations.
 - **Probable Cost:** \$40,800
- **Description:** New lighting in the Bar. Remove existing fixtures; design new layout for concealed and sconce fixtures.
 - **Benefits:** New and attractive fixtures, improved lighting layout and quality, optimize light levels, distribution and minimize energy use. Determine efficient, effective lighting controls.
 - **Probable Cost:** \$9,000
- **Description:** Remove booths in the Bar, provide storage for portable bar. Remove booths, restore finishes at exposed areas, provide new flooring throughout. Provide small free-standing tables and chairs.
 - **Benefits:** Provides a fresh look and greater flexibility in the use of the bar space.
 - **Probable Cost:** \$11,700
- **Description:** A/V Improvements at Dining Room. Renovate and enhance existing sound-system to provide the capability for voice and music amplification, playback of prerecorded program material, including audio for portable video projectors and background music. Includes assistive listening system, motorized projection screen, and touch screen control system.
 - **Benefit:** Improved performance, reliability, automation and ease of configuration.
 - **Probable Cost:** \$47,000
- **Description:** Add a security gate at the property entrance. Gate shall be simple, maintenance-free operation and shall be accompanied by a rapid-entry keybox for emergency purposes.
 - **Benefit:** Greater security, improved reputation, minimize risk and losses.
 - **Probable Cost:** \$14,000 - \$21,000 (manual gate)
- **Description:** Add a fountain feature at the parking lot. Center the fountain along the centerline axis of the building entry.

- **Benefit:** Site beautification, traffic control.
- **Probable Cost:** \$26,200 (\$12k precast unit)
- **Description:** Remove BBQ and Exterior Seating / Add parking. Add a total of 16 – 20 parking stalls near the building entrance. Design AC pavement around the existing mature trees and fire hydrant. Store BBQ equipment for future reinstallation.
 - **Benefit:** Additional parking near building entrance.
 - **Probable Cost:** \$80,500 (includes \$20k for planting)

Total Probable Cost of Option A: \$386,900

The proposed design for Option A is provided on the next page.

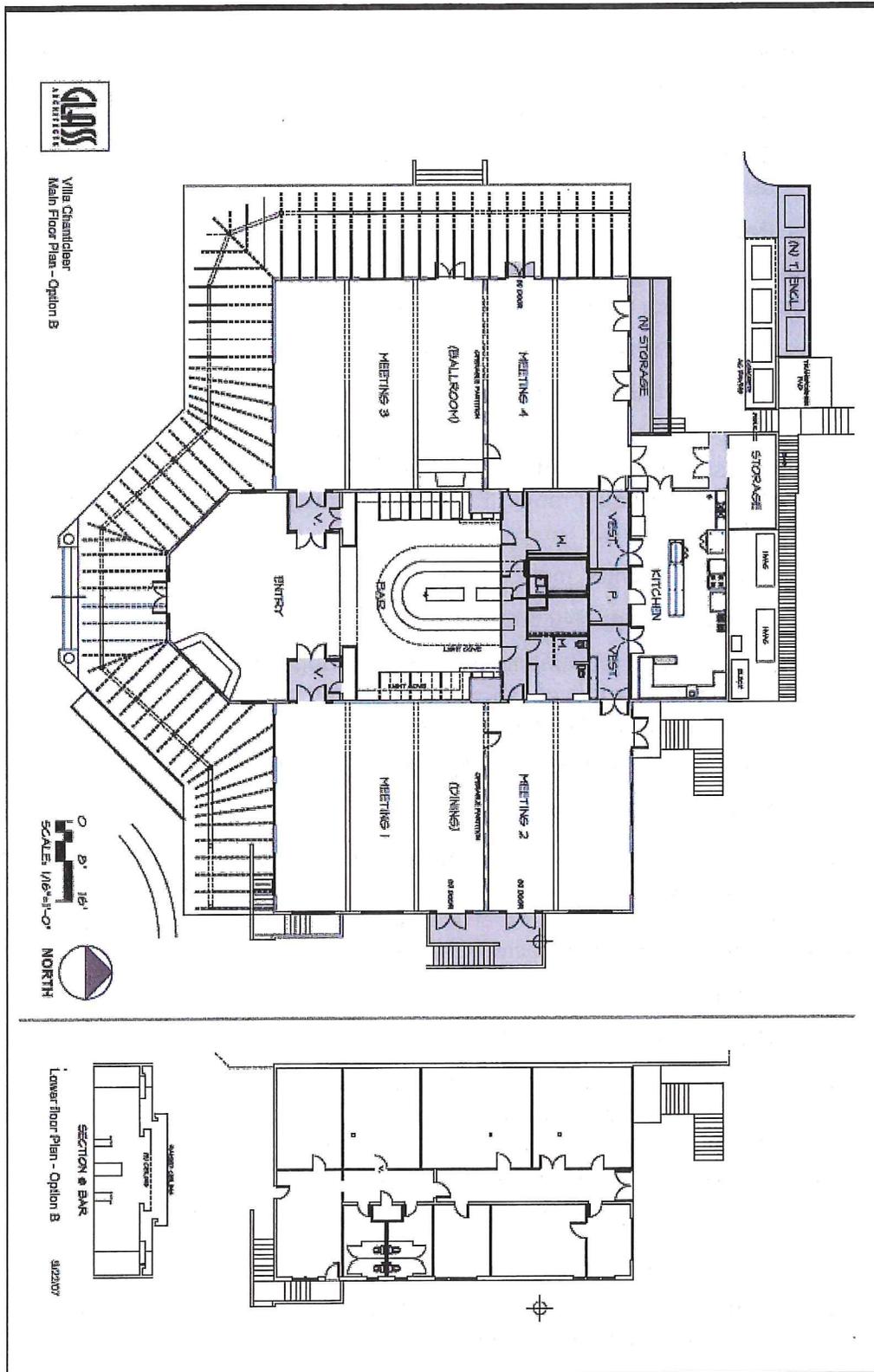
Option B

- **Description:** Divider partition and Recess at Dining and Ballroom. Partition to be electrically operated and have an STC rating of 50 – 55. Include power and structural modifications to support the new partition system.
 - **Benefit:** Flexibility to further subdivide the spaces into smaller units for meetings and conferences.
 - **Probable Cost:** \$110,300
- **Description:** Add cross-over Vestibule / Hall between Ballroom and Dining Room. Adjust finishes, HVAC distribution, power and lighting at the added rooms.
 - **Benefit:** Provides private entrances into Toilet Rooms, better access between various spaces.
 - **Probable Cost:** \$18,000
- **Description:** Add Vestibules at Entry to Ballroom and Dining. Use a portion of the existing Entry space to create two new Vestibules between the Entry and each of the Assembly areas. Adjust finishes, HVAC distribution and lighting at added rooms.
 - **Benefit:** Improved sight and sound isolation between Entry and Assembly areas, and between Assembly areas.
 - **Probable Cost:** \$14,000
- **Description:** Raised ceiling at Bar with cove uplight. Remove existing ceiling. Reframe and finish a higher ceiling with an additional run of concealed cove lighting.
 - **Benefit:** Brighter, more dramatic space, more inviting.
 - **Probable Cost:** \$20,300
- **Description:** Add exit doors at Meeting Rooms. Add exit doors from Ballroom to existing deck area. Add exit doors from Dining Room to new raised wood deck with stairs to grade and possible exterior gathering area (see item 27).
 - **Benefit:** Additional exits are required if rooms are subdivided. Provides an access to grade.
 - **Probable Cost:** \$40,100
- **Description:** Reconfigure / enlarge Toilet Rooms. The number of plumbing fixtures on the main level do not meet current code requirements. The lower level Toilet Rooms are not readily accessible to the primary occupants.
 - **Benefit:** Bring the building into interpreted compliance with the CBC and be more convenient to the occupants.
 - **Probable Cost:** \$80,000
- **Description:** A/V Improvements at Ballroom. Provide similar system as in Dining Room, but also include control for configuring the room as separate or as combined meeting. Motorized projection screen in one room only with portable screen for the other.

- **Benefit:** Flexibility for scheduling Meeting Rooms 3 and 4 individually or combined.
- **Probable Cost:** \$54,000
- **Description:** Added acoustical treatment at Assembly areas. Provide new acoustical treatment at one long wall of the Ballroom and the Dining Room. Remove existing wood paneling, install rigid insulation board and black scrim, replace boards with uniform spaces.
 - **Benefit:** Reduce the existing high reverberation time to improve room acoustics; improve sound quality and make more effective audio communication.
 - **Probable Cost:** \$22,000

Total Probable Cost of Options A and B: \$745,600

The proposed design for Option B is provided on the next page.



Villa Chanticleer
Main Floor Plan - Option B

0' 2' 4' 8' 16'
SCALE: 1/8"=1'-0"



SECTION # BAR
Lower Floor Plan - Option B

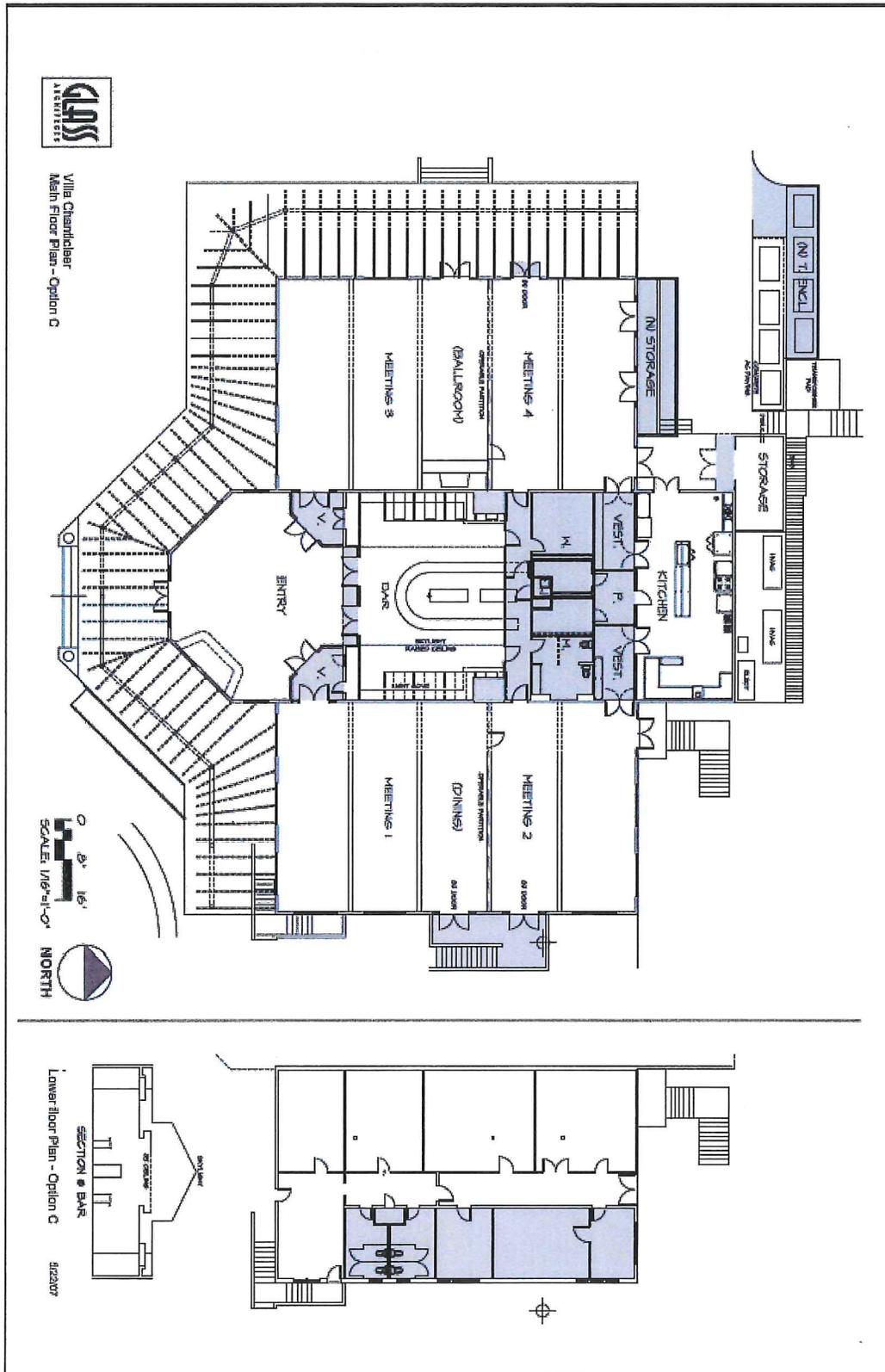
Option C

- **Description:** Add larger / offset Vestibules to Ballroom and Dining. Use a portion of the existing Entry space to create two new Vestibules between the Entry and each of the Assembly areas. Adjust finishes, HVAC distribution and lighting at added rooms.
 - **Benefit:** Improved sight and sound isolation between Entry and Assembly areas, and between Assembly areas.
 - **Probable Cost:** \$1,000 add
- **Description:** Add glass entry wall to Bar. Add glass doors and sidelights, consistent with existing interior doors, for a full, unified 'glass wall' appearance.
 - **Benefit:** Division of space, sound isolation between spaces.
 - **Probable Cost:** \$14,000
- **Description:** Add raised ceiling at Bar with skylight / atrium. Remove existing ceiling. Reframe to structural roof rafters, incorporate large skylight or Kalwall translucent panels for a naturally illuminated room. Finish the new higher ceiling with an additional run of concealed cove lighting.
 - **Benefit:** Brighter, more dramatic space, more inviting.
 - **Probable Cost:** \$40,800
- **Description:** A/V Improvements at Ballroom. Upgrade Dining Room system in Option A to be similar to Ballroom of Option B. Motorized projection screens and portable LCD projector carts in all four Meeting Rooms.
 - **Benefit:** Flexibility for scheduling all Meeting Rooms individually or combined.
 - **Probable Cost:** \$22,400
- **Description:** Reconfigure / improve lower floor rooms. Shuffle room contents and miscellaneous construction to create two Offices and a Brides Room. Also, enlarge / modernize 2 Toilet Rooms for access by the disabled. This will probable require relocation of the Shop space across the Hall.
 - **Benefit:** Upgraded facilities.
 - **Probable Cost:** \$47,000
- **Description:** Remove three building north of the Main Building, develop as BBQ area. Provide a ramp system down approximately 10 feet to an area within the trees. The current BBQ area provides for about 225 people. This will require restoration of landscape, grading, paving and retaining walls.
 - **Benefit:** Relocated BBQ area away from the parking lot.
 - **Probable Cost:** \$199,500
- **Description:** Develop an outdoor gathering area between buildings, rework ramp system. This will require low retaining walls at top and bottom of cut.
 - **Benefit:** Provision of a new exterior feature for assembly functions.

- o **Probable Cost:** \$64,000

Total Probable Cost of Options A, B and C: \$1,133,900

The proposed design for Option C is provided on the next page.



The Annex

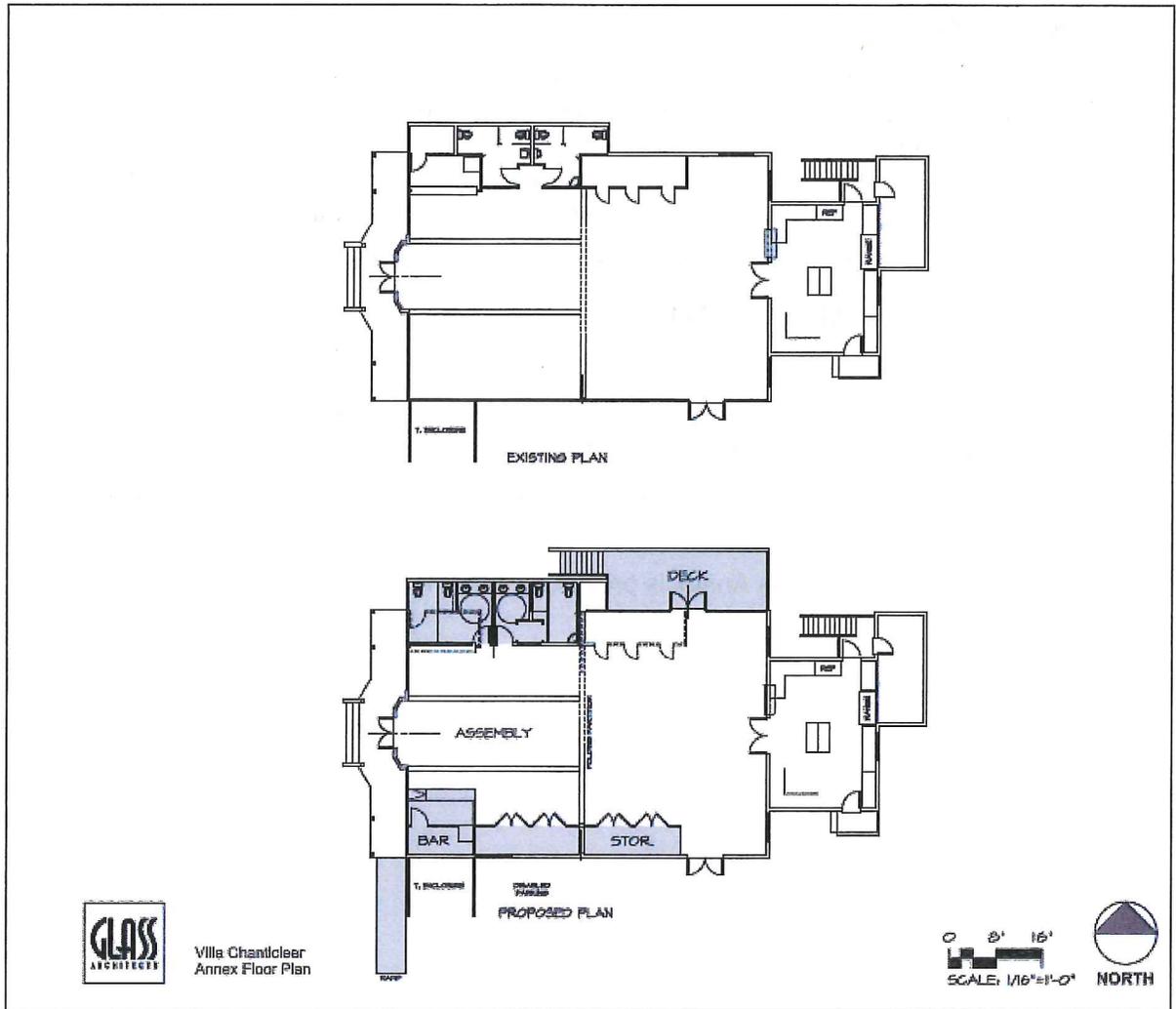
- Description: Reconfigure / enlarge Toilet Rooms for modernization and disabled access. Relocate the Bar and the Bar Storage rooms. Relocate the Storage Room and restore all finishes. Remove and replace the existing accordion partition. Provide new elevated deck and stairs to the North side exterior gathering area, along with new exterior windows and door pair. Provide new ramp to building entry for the disabled.
 - **Benefit:** Modernize / update facility and enhance disabled access.
 - **Probable Cost:** \$112,000

Notes:

- Probable costs are based on an afternoon site visit and Drawing Option / Description review with a local Contractor / Cost Estimator 6 June 2007.

Items highlighted in yellow are A/V in nature and should be reviewed by others for description, benefits and probable cost.

The proposed design for the Annex is provided on the next page.



Appendix E – Pricing Recommendations

Pricing strategy should be to maximize rental and revenue opportunities, avoid displacing profitable customer segments, and increase utilization of the Main Villa while serving its local community. Additionally, the Villa needs to establish and maintain rate integrity with a simplified pricing structure and reduced discounting. The following pricing initiatives support achieving long-term profitability goals:

- Reduce discount percentages offered to local, non-profit, and government/school groups for rental of the Villa Chanticleer Main Building
- Simplify the rate structure by to three categories – Resident, Non-Resident, and Non-Profit/Government/School
- Optimize pricing opportunities with day of week, user, group sizes, and peak/off-peak categories to stimulate demand
 - Peak rates should be applied April through October and December
 - Off-Peak rates should be applied during the less utilized months of January through March, and November
- Annex should only be available Monday through Thursday to avoid direct competition with the premium venue of the Villa
- A comprehensive list of Additional Support Service for Weddings/Events and Meetings should be developed along with respective fees so as to provide premium services desired and recover costs of providing such service
- Standardize kitchen-use fee to apply to all user categories whom are non caterers
 - Maintain Annex kitchen-use pricing to allow for a lower tier of service
- Remove annual catering use fee to improve business relationships and encourage caterers use and recommendations
- Maintain Main Villa minimum rental of four (4) hours
 - Maintain Annex minimum rental of two (2) hours
- Remove BBQ area and replace with more attractive entryway for the Wedding Garden
 - Include circular drive and fountain area with additional space to create a holding/waiting area for the bride and attendants
- Allow users to provide their own bar service for a fixed fee
 - Standardize bar service fee using current drink pricing; remove corkage fee
- Establish a standalone bar rental fee independent of the bar service fee
 - The Villa provides a unique bar area which warrants a user fee; bar service should be priced separately
- Leverage usage and rental price of Wedding Garden in conjunction with Main Villa pricing based on level of service and exclusivity received
- Develop Wedding/Event Price Packages with options to accommodate all users

- Transition from a la carte pricing to attract quality conscious clientele who are willing to pay a premium for service provided
 - Premium packages may include all areas and services, premium furnishings, and valet service
 - Lesser packages may include limited use of facility and standard furnishings
- A price sheet by Function Type (Wedding/Event/Meeting) needs to identify components and services included
 - i.e. Eight hour rental including table, chairs and set-up; standard table setting (glassware, linens, seat covers) – Five (5) hours for event, two (2) hour set-up and one (1) hour take-down
- Rental pricing should be per room
- Avoid providing discount rate to non-discount groups
- Increase Over-time rate
- Remove American Legion as bar service provider from Main Villa
 - Allow Legion to serve Annex
- Remove on-site “Caretaker” and replace with professional event specialist
 - Event specialist duties should include:
 - On duty during scheduled events
 - Maintain and establish relationship; respond to user groups
 - Ensure Villa is providing premium service levels
 - Relationships should be cultivated with Event Planners, Caterers, Wedding Planners, Corp. Event and Meeting Planners, Hoteliers.
- All inquiries should be returned within twenty-four (24) hours
 - Automated reply should be sent to online inquiries with a call back within 24-hours
- Simplify scheduling and booking process in-person and online
- Create attractive sales kits with step sheets
- Make contract available as PDF for downloading and mailing in with deposit
- Develop contract with user-friendly contract language
- Create a photo book of examples of various Weddings/Events/Meetings at various levels of service
- The Villa Chanticleer brand name should be positioned at front entryway in European script with illustrious “Rooster”
- Leverage and promote Villa Chanticleer’s French heritage with “European Elegance, Country Charm” throughout architectural design and landscaping
 - Strategically place large ornamental container pots and plants throughout facility to promote European theme

- Position Villa as an executive retreat within the meeting market space
- Simplify insurance liability coverage fee by providing insurance for a stated fee within the listed prices
- Contract valet parking service to alleviate parking space shortage and enhance the Villa's position as being a premium hospitality provider
- Improve Main Villa's Friday and Sunday utilization with greater price differentials between the two days
- Increase Sunday utilization by focusing on four-day holiday weekends
- Allow Weddings to be scheduled prior to three (3:00) p.m.
- Remove three day cancellation with full-refund for Wedding Garden from contract language
 - Allow one (1) month cancellation window with 50% refund
- Remove fourteen (14) hour time span for discount rental groups
- Place outdoor chair rental and set-up fee into listed price of rental
- Positioning strategy for pricing should be from standpoint of improving the user's experience from entry to exit at the Villa Chanticleer
- After improvements, leverage Villa's ability to accommodate small, medium, and large size groups

Appendix F – Detailed Line Item Expenditures

Description	Operating Year 1	Operating Year 2	Operating Year 3	Operating Year 4	Operating Year 5
Building Maintenance	2,589	2,667	2,747	2,829	2,914
Office Equipment	1,585	1,633	1,682	1,732	1,784
Total 3001-413	\$ 4,174	\$ 4,299	\$ 4,428	\$ 4,561	\$ 4,698
Regular Pay	84,000	86,520	89,116	91,789	94,543
Overtime Pay	1,575	1,622	1,671	1,721	1,773
PERS Employer Share	19,802	20,990	22,249	23,584	24,999
City PD Health Insurance	8,331	8,830	9,360	9,922	10,517
Meidcare Insurance	1,605	1,701	1,803	1,912	2,026
Long Term Disability Insurance	401	425	451	478	507
State Unemployment Insurance	749	794	842	892	946
REMIF Workers Comp Insuran	3,531	3,743	3,967	4,205	4,458
Life Insurance	428	454	481	510	540
Workers Comp Leave	788	811	835	861	886
Holiday Leave	3,465	3,569	3,676	3,786	3,900
Vacation Leave	5,145	5,299	5,458	5,622	5,791
Sick Leave	2,205	2,271	2,339	2,409	2,482
Management Leave	735	757	780	803	827
Utilities	18,000	18,540	19,096	19,669	20,259
Service Contracts	5,434	5,597	5,765	5,938	6,116
Professional and Technical	8,726	8,988	9,257	9,535	9,821
Repair and Maintenance	2,560	2,637	2,716	2,798	2,882
Miscellaneous	183	188	194	200	206
Equipment and Vehicles	-	-	-	-	-
Vehicle	4,467	4,601	4,739	4,882	5,028
Building Maintenance	36,575	37,672	38,802	39,966	41,165
Liability/Property	6,270	6,458	6,652	6,851	7,057
Vehicle Replacement	7,524	7,750	7,982	8,222	8,468
Telephone Service	888	915	942	971	1,000
Cellular Phone Servcie	418	431	443	457	470
Miscellaneous	6,270	6,458	6,652	6,851	7,057
Miscellaneous	470	484	499	514	529
General Office Supplies	466	480	494	509	524
General Maintenance Supplies	10,350	10,661	10,980	11,310	11,649
Postage	52	53	55	57	58
Bottled Water	155	160	165	170	175
Replacement/Breakage	1,035	1,066	1,098	1,131	1,165
Other Equipment (<5,000)	5,000	5,000	5,000	5,000	5,000
Machinery/Tools	10,694	11,014	11,345	11,685	12,036
Total 3007-441	\$ 258,296	\$ 266,940	\$ 275,907	\$ 285,208	\$ 294,860
Total Fund 580	\$ 262,470	\$ 271,240	\$ 280,335	\$ 289,770	\$ 299,558