

**PARKS AND RECREATION COMMISSION
STAFF REPORT**

DATE: May 12, 2005

TO: Albany Parks and Recreation Commission

FROM: Melinda Chinn, Recreation & Community Services Director

SUBJECT: Albany Veterans Memorial Building Status Report

INTRODUCTION

On October 18, 2004, the Albany City Council adopted the Parks, Recreation and Open Space Master Plan. The Master Plan was intended to be a five to ten year plan for the enhancement of the City's park system, open space, recreation facilities, programs and services. The process was intended to create a clear set of goals, policies and objectives based on Albany's unique circumstances that would provide direction to City staff, the Parks and Recreation Commission and the City Council.

A component of the plan was a needs assessment for park and open space land, indoor and outdoor facilities and recreation programs. One of the outcomes of the needs assessment process indicated that an additional indoor recreation center would considerably expand the number of recreation activities that could be offered for a variety of ages. The Master Plan identified the Albany Veterans Memorial Building as an existing facility that could meet this need. The City Council directed the staff and Commission to explore the feasibility and financial obligations resulting from obtaining this building from Alameda County for use as a recreation center.

This report is intended to identify some of the issues and benefits associated with acquisition of the building based on the limited information obtained to date. Revenue and costs estimates are truly staff's best guess only.

The following topics covered in this report include (not listed in priority order)

- Expanded opportunities for recreation programming and facility rentals
- Revenue potential
- Use by Veterans and community groups
- Renovation re-use report and structural analysis of the building
- Next steps
- Conclusion

Expanded opportunities for recreation programming:

For the last few years it has become more and more difficult for program staff to find sufficient activity space needed to provide the numerous activities that the community would like to see offered. In many instances classes and activities are held in rooms that are designed for other purposes or activities such as the employee lunchroom or the Emergency Operations Center. Occasionally, activities must be scheduled on days and times that may be available but are not desirable or convenient to the public, such as Friday and Sunday nights.

The Veterans Building totals 13,600 square feet and contains six rooms ranging in size from 370 square feet to 1,200 square feet that would be appropriate for recreation programs. Provided that the Veterans agree to the activities that may be proposed, each of these rooms could be used in their current state for various recreational activities, meetings, events, and rentals. If all rooms could be utilized as hoped, we would be able to expand program opportunities to include high school teen programs, theatre and performing arts, fitness programs, special interest classes and also provide space for local historical memorabilia as proposed in the Master Plan.

Facility Rentals:

Often times large group activities, receptions, or town hall meetings cannot be accommodated at the Community Center due to the seating limit of 160 persons in the large hall. Because of the capacity limit, various city meetings have been held in other locations including school multi-purpose rooms. Meetings such as these could be accommodated in the auditorium of the Vet's Building, which has a seating capacity of at least 200 for dining and more for assembly.

On a regular basis, staff must deny requests for rental of the community hall at the Community Center because of its limited capacity. Persons inquiring are often looking for a banquet hall that will accommodate 200 or more. Staff feels that we could market and better utilize the Vet's Building auditorium for rentals, thus providing a better community service and a strong revenue source. Once Memorial Park Phase II is completed, with the anticipated upgrade to the entrance to the building, the venue will be more attractive and more desirable for large receptions. An important consideration for increased use of the building will be the impact from such activities on the neighborhood including parking, noise, nighttime use etc.

Revenue Potential:

Classes and Activities: The potential revenue anticipated with operation of the Veterans Building, as a community recreation center will come from fees and charges for classes, activities and rentals. Staff will schedule fee-based recreation classes and activities into the various rooms in the same fashion as is now done at the Community Center. Expenditures for these activities include payment for class instructors, which range from 60% to 80% of the class fees. The remaining funds help to cover administrative overhead (equipment needs, salaries and benefits, and materials and supplies). The cost recovery for the existing fee class program is approximately 78% with the City subsidizing the remainder. (For fiscal year 2004/2005 the Classes and Activities budget is \$268,517 for expenditures and \$209,502 in

revenues). This operating budget will need to be increased if the Vets Building is to be used for classes and activities.

Facility Rentals: Revenue from rentals of the building will be used to partially offset utilities, building maintenance, equipment maintenance, materials and supplies, and staffing costs. Because revenues will only cover a portion of the operating costs for a building, a subsidy will be required from the city's General Fund. A current example is the Community Center where anticipated revenue from rentals for FY 2005-06 is \$73,000 while expenditures are estimated at \$196,065. This figure does not include janitorial costs, which are an additional \$24,000 per year and are part of the Community Development Department budget for Park and Public Building Maintenance.

Initially, we can expect that rental program at the Veterans Building will require a subsidy for this type of function. The exact amount of a subsidy cannot be determined at this time.

Veterans groups and community usage of the facility:

A key consideration regarding the acquisition of the building from the county is the current use by the various veterans and community organizations. In 2004 staff met with Chuck Bachman and Keith Truax from the Veterans Building regarding regularly scheduled uses of the building by the veterans and other community groups. Note: We have been cautioned by county officials to limit staff interaction with the veterans groups (for the time being) so the following information may not be the most current.

Group	# of meetings per month	Rooms Used	Attendance
American Legion	2 per month Board Meeting Post Meeting	Meeting Room and Lounge	10-45
A.L Ladies Auxiliary	2 nd Wednesday of the Month	Meeting Room, Banquet Hall and Kitchen	
VFW	1 meeting per month, 1 st Tues	Meeting Room and Lounge	
Fleet Reserve	1 meeting per month, 3 rd Thurs	Meeting Room and Lounge	
Cub Scouts	1 st and 2 nd Friday pm	Auditorium	
Boy Scouts	1 meeting per month	Auditorium	
Building Commission (reps of vets groups and county)	On call, usually 3 times per year	Lounge	
American Legion monthly dinners	1 per month	Auditorium, dining room, Kitchen, Lounge and Ladies Lounge	80-150 (220 or more for special or holiday dinners)

Knights of Pythias Lodge	1 meeting per month	Meeting Room	
Yoga Classes	4 weekdays per week	Auditorium	20

In addition, the building is currently available for private group rentals of the auditorium, banquet hall and kitchen; however, it is our feeling that the building is underutilized. Given the current use by the various veterans groups, scouts etc., staff is confident that city programs could be scheduled to accommodate those activities.

Renovation re-use report and structural analysis of the building:

In early 2004 and in conjunction with the work on the Master Plan, staff contracted for some very basic evaluations of the building. These evaluations identified several building deficiencies including lack of ADA compliance in the restrooms, pest infestation that will require structural repair in addition to pest abatement, mechanical ventilation needed for most rooms, and the roof needs seismic strengthening. It is estimated that the costs for these upgrades just to make the building legally habitable would total over \$900,000.

However, there will be between two and three million (\$2-3m) in additional costs to make the building useable for public purposes. These changes/upgrades cover rehabilitation of electrical power, energy efficiency, communications, lighting, floors, walls, woodworking, paint, interior furnishings, and equipment required for community uses ranging from chairs to mats to sound systems.

Staff recommends that a more thorough analysis of the building be undertaken in two phases:

- 1) A renovation/re-use report from an historic building consultant who is familiar with both the renovation and re-use of veterans buildings in Alameda County. There are nine other such buildings in the county, all having been designed by Henry Meyers in the early part of the 20th century, and each is considered to be historic. As such, there are historical attributes that need to be identified and considered as part of the effort to understand the limits and restrictions that may be placed on us if acquisition were to take place. Staff feels it is necessary to work with an historic building consultant who specializes in this area in order to help us determine exactly what uses, activities and programs will be permitted in the Veterans Building. The consultant would assist staff in identifying and prioritizing programmatic uses of the building that are consistent with preserving its historical value to the community
- 2) An architectural and engineering analysis to be performed on the building to provide a better understanding of the physical condition of the building and the estimated costs to provide the necessary repairs and for the additional upgrades that might be necessary to make the building more useable. This is especially important in light of the need to identify costs in advance of a potential upcoming ballot measure to fund the ownership, rehab, and use of the Veterans Bldg. We are proposing to have the consultant that is chosen for this work start with the report that was completed in 1991 by Don Dommer Associates as a foundation for the new analysis.

The costs for the two reports will be approximately \$25,000, which is less than would cost if we did not have the 1991 report to build upon.

Next steps:

Building Reports: The renovation and re-use report and the architectural and engineering report should be conducted as soon as possible. It is also important to begin discussions with staff from Alameda County on the logistics necessary for a potential transfer of ownership.

Ballot Measure: Currently, work is underway with a consultant who will be conducting a phone survey of Albany residents to determine the support for ballot measures to support unfunded capital, operations and maintenance needs.

As reported at the April 18, 2005 City Council meeting, the park and recreation components of the survey questionnaire include new recreational facilities, specifically the purchase and development of the Veterans Building (unstated at the time, but estimated at \$3-4m) and Pierce Street Park. Other recreational improvements, specifically the Waterfront area, the Ohlone Greenway, the Key Route Median; improved maintenance for existing landscaping and facilities; maintenance for the new recreational items listed above, namely Pierce Street Park and the Veterans building, and additional programs for youth, particularly mental health and recreation, including the Veterans Building. Other researched information by the survey includes: What combination of issues above that provide the most broad based level of support and the threshold amount that residents are willing to pay.

If the State holds an election in November 2005 this measure could possible be placed on the ballot at that time, if there is not an election in November than the next election would be June 2006.

Conclusion:

The Albany Veterans Building is a community treasure due to its architectural and historical significance and for its potential as a gathering place for recreational and cultural events and activities. As such it should be obtained and preserved for current and future generations of Albany residents to enjoy.