

FILED
OFFICE OF THE CITY CLERK
OAKLAND

CITY OF OAKLAND
AGENDA REPORT

2011 MAR 10 PM 6:11

TO: Office of the City Administrator
ATTN: Dan Lindheim
FROM: Office of Parks & Recreation
DATE: March 22, 2011
RE: Informational Report on the Status of the Operations and Management of the 50-Acre Dunsmuir Hellman Historic Estate by the City of Oakland Office of Parks and Recreation, as of May 3, 2010

SUMMARY

At the Life Enrichment Committee meeting of January 25, 2011, City Council requested staff return to a future meeting of the Committee with the Dunsmuir Hellman Historic Estate (Estate) Business and Marketing plan in order to engage in a more detailed discussion of the revenue projections and strategies for reaching the projections. In response, the Office of Parks and Recreation (OPR) has provided the attached Business and Marketing plan for the Estate for Council's review. In addition, this informational report provides details regarding the Estate's operations and performance to-date since OPR took control of the operations in May of 2010.

FISCAL IMPACT

This is an informational report; there is not fiscal impact as a result of this report. The Estate has generated about \$207,862 in revenue from July 1, 2010 to January 31, 2011. The revenue achieved is nearly 52 percent of projected revenue for fiscal year 2010-11. Because spring is the peak season for weddings, receptions and special events at the Estate, OPR anticipates generating a greater percentage of annual revenues in the coming months. The expenses to-date for staffing, materials and supplies are estimated at \$195,684. The Estate is currently estimated to operate with a small surplus of \$12,178, which is anticipated to be reinvested into the Estate's operations and grounds improvements.

OPR is forecasting revenue increases after the first full year of operations. OPR conservatively estimates that revenues will reach only 85 percent of sales potential during the first year (FY 2010-11) of operating the Estate. The full sales potential of the Estate will be reached during the second year (FY 2011-12) of operations with enhanced marketing activities. Conservative revenue estimates for FY 2011-12 are \$402,900 with an operational budget \$402,900.

BACKGROUND

In June 1989, an agreement was executed between the City of Oakland and the non-profit, Dunsmuir House and Gardens, Inc., whereby the City gave the non-profit full responsibility for funding, operating, promoting, preserving, restoring, developing and improving the Dunsmuir House and Gardens Historic Estate. The 50-acre estate was to be used as an educational, historical, cultural and horticultural resource.

Item: _____
Life Enrichment Committee
March 22, 2011

The contract between the City and Dunsmuir Hellman Historic Estate, Inc. (NPO), formally known as Dunsmuir House and Garden Inc., expired in 2005 and the agreement remained in place on a month-to-month basis. For four years, OPR and the NPO attempted to reach an agreement on a new contract, but the two entities were unable to resolve the following:

- a) The need to diversify the Dunsmuir Hellman Historic Estate Board of Directors
- b) The Board's demand for a significant subsidy from the City
- c) The City's expectation that a certain percentage of the Board Members are Oakland residents

In December 2009, the Board of Directors of the Estate wrote to the City expressing its doubt that it could continue to operate and manage the facility due to lack of funds and requested an annual subsidy of \$200,000 from the City for the operations of the Estate. In light of the current budget restraints and after review of the Board's finances, OPR deemed the best course of action would be to resume control of the Estate to ensure its operational integrity and appropriate maintenance.

On May 3, 2010, the City of Oakland Office of Parks and Recreation (OPR) resumed control of the operations and management of the Estate due to the inability of the NPO to continue its operation without a significant subsidy from the City.

KEY ISSUES AND IMPACTS

Upgrades:

OPR, in partnership with the Public Works Agency (PWA), Oakland Fire Department's Vegetation Management Program, and Volunteers and Friends of Oakland Parks and Recreation have been very successful in making improvements to the Estate to return it to its original state as a quality, premier rental facility. Upgrades have been completed in the covered outdoor canopy tent area, including new carpet and electricity, and in the adjacent restrooms. These improvements enhance our abilities to rent this space for weddings, parties and other special events. Restoration of the gazebo, a facelift to the Dinkelspiel House, including upgrades to the tile and interior painting of the first floor, and major improvements in the landscaping of the entire Estate have been completed.

Improvement Needs:

The Mansion is designated as a National Historic site, and today, it serves as a museum providing tours for local schools and residents. OPR intends to generate additional revenue at the mansion by hosting intimate weddings, receptions and private corporate events.. Note: The City must invest in roof repairs, restroom, plumbing, and sewer upgrades.

Item: _____
Life Enrichment Committee
March 22, 2011

The Dinkelspiel House has the potential to serve as a visitor center, and host to business retreats, meetings, intimate tea parties and small weddings. The upper floor serves as staff office space. The house is in need of an upgraded heating system and energy efficient windows.

The Pavilion can be used as a Conference Center (the original intent for the site) and has the capacity to hold 300 visitors for a major conference, dinner party or reception. To fully realize its potential and increase revenue opportunities, the City must improve the heating and ventilation system and install an air conditioning unit, IT and WiFi connections, and energy efficient lighting.

The Carriage House is designated as a local landmark by the City of Oakland. It is a perfect venue for small receptions, birthday parties, meetings and other special events. To maximize the space and increase the revenue potential, several windows must be replaced and an overall kitchen upgrade must be completed, including countertops, appliances and plumbing. The restrooms also need to be upgraded.

Marketing Strategy:

OPR continues to be optimistic as we move forward and remains focused on the three-fold strategy to expand programs and services, and to increase revenue and become self-sustaining. The three strategies include: rebuilding a steady base of revenue through targeted marketing, initiating unique events and programming to increase awareness of the venue, and particularly focusing on increasing the number of retreats and conferences held at the Estate.

OPR intends to reach our targeted market segments through cost-effective marketing campaigns. Ongoing processes will be geared to promote the Estate and to keep the venue at the forefront of the minds of event planners and our target populations who will attend public events. Our marketing efforts will focus on the following channels for reaching new and repeat customers:

- Website and Social Media-(<http://www.dunsmuir-hellman.com> & Facebook)
- Print
- Community Marketing and Community Relations
- Radio
- Television
- Email/Newsletter
- Promotions

We will continue to initiate regular local radio, TV, and print campaigns to create awareness of the Estate. OPR will continue to make presentations to the business community and community-based organizations, in addition to exhibiting at local fairs, markets, community events and providing on-site presentations.

Estate Bookings and Revenue Realized:

In the past six months there have been a total of 27 weddings, eight private events, seven special events, thirty two mansion tours and two receptions booked at the Estate. OPR is continuously booking events at the Estate and we anticipate meeting the revenue projections stated in the Business and Marketing plan for each of our revenue streams. The attached Business and Marketing plan shows revenue projections in five separate areas. The information for venue revenue rentals is repeated here in this report. While the financial model of each of the revenue streams shows full sales potential, OPR is taking a very conservative approach during the first year of operations and assuming that we will actually reach only about 85% of those potential first-year revenues during that time. By the second year, we will reach the full sales potential and our third year model assumes a 3 % revenue growth over the second year.

Potential venue rental revenues are based on the following:

- **Weddings and Receptions:** Book a minimum of 30 weddings and receptions at an average of \$3,500 each, for a total of \$105,000. *Status: We have booked 27 weddings and receptions since July 2010, generating \$84,260, and are on target to meet this goal.*
- **Private Events:** Book a minimum of 18 Private Events in the pavilion, carriage house, covered tent area and/or Dinkelspiel House, including anniversaries, birthday parties, and dinners at an average of \$3,500 each, for a total of \$63,000. *Status: The Estate has booked 9 Private events since July 2010, generating \$25,650,. We are on target to meet this goal.*
- **Receptions:** Book a minimum of three receptions at the Mansion at an average of \$2,500 each, for a total of \$7,500. *Status: The Estate has booked two receptions since July 2010, generating \$5,000. We are on target to meet this goal.*
- **Concerts/Large Events:** Book a minimum of four large events on the Great Meadow for a total of \$36,000. *Status: The Estate has booked three large events including concerts and special events since July 2010, generating \$21,635. We are on target to meet this goal.*
- **Fundraisers:** Host a minimum of three major fundraisers including: Holiday Tradition, Intimate Evening and one Concert or Black Tie Affair, generating a minimum of \$190,000 total. *Status: The Estate has conducted two large events since July 2010, generating \$71,317; we are on target to meet this goal.*

Activities: Provide ongoing revenue generating activities and programs at Dunsmuir to include: camps, Family Sundays, movie nights in the meadow, mansion tours, adult game nights and family camp-outs.

Calendar of Events: 2011 Dunsmuir Hellman Historic Estate Events

April 23 rd	Great Easter Egg Hunt
May 8 th	Mother's Day High Tea at the Cottage
June 3 rd & 4 th	Annual Blue Grass Alliance
July – August	Family Sundays (every first Sunday of each month)
July 5 th	The Wilderness Summer Day Camp & Family Camp-out Night
July 23 rd -24 th	Pete Escovedo Art Show and Sale
July 29 th	Intimate Evening
August 13 th	Keb Mo Concert
August 27 th	Relay for Life
September 11 th	Art Deco, Gatsby Summer Afternoon
December 3 rd	Holiday Tradition
December 31 st	New Years at the Estate

The other five revenue streams include:

- Education programs- *Status: To-date Estate has hosted 32 educational tours and a summer camp.*
- Catering *Status: To-date OPR has created a revenue stream based on the commission from 24 events from the preferred caterers since July 2010.*
- Retail Merchandise *Status: To-date the Estate has generated \$11,256 from the gift shop since July 2010*
- Membership Fees *Status: To-date this stream is in its infancy stage of revival. The Estate has 10 active members.*

SUSTAINABLE OPPORTUNITIES

Economic: The Dunsmuir Hellman Historic Estate has the potential to become a destination venue for the City and region. With a properly implemented marketing strategy; restoration and upgrades, the property will far exceed its revenue projections. The Estate will maintain its own funding stream that will lead to self-sustainability and will provide job opportunities for Oakland residents.

Environmental: The Dunsmuir Hellman Historic Estate sits on 50 acres of open space, creeks and ponds that are home to wildlife and serve as a great outdoor classroom for school-aged children.

Social Equity: OPR provides programs and services at the Estate that increase usage and make the facility more accessible to all Oakland residents.

Item: _____
Life Enrichment Committee
March 22, 2011

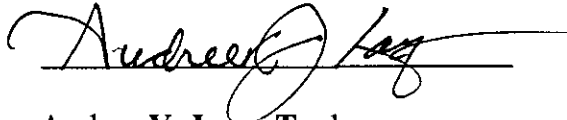
DISABILITY AND SENIOR CITIZEN ACCESS

Dunsmuir Hellman Historic Estate conforms to the requirements of the Americans with Disabilities Act, the Older American Act, and other applicable laws.

RECOMMENDATION

Staff recommends that the Committee receive and file this informational report regarding the status of the operations and management of the 50-acre Dunsmuir Hellman Historic Estate by the City of Oakland, Office of Parks and Recreation.

Respectfully submitted,



Audree V. Jones-Taylor
Director, Office of Parks and Recreation

FORWARDED TO THE
LIFE ENRICHMENT COMMITTEE


OFFICE OF THE CITY ADMINISTRATOR

Attachments: Exhibit A – Dunsmuir Hellman Historic Estate
Business and Marketing Plan FY 2010-2011

Item: _____
Life Enrichment Committee
March 22, 2011

Exhibit A

Dunsmuir
Hellman
Historic
Estate

**Business and
Marketing Plan
FY 2010-2011**

City of Oakland
Office of Parks & Recreation

1.0 Executive Summary

The City of Oakland, Office of Parks and Recreation (OPR) has prepared a two year business and marketing plan for the Dunsmuir Hellman Historical Estate (Estate). The City of Oakland recognizes the beauty of the Estate and wishes to restore the property to a sustainable venue in the region.

OPR is excited to have the opportunity to breathe life back into the Estate. We are committed to ensuring the property remains accessible to the public and will continue to demonstrate its commitment through financial contributions of minor repairs, capital improvement, landscaping, and basic park maintenance.

OPR assumed operations of the Estate in May 2010. The purpose of this business plan is to estimate start-up and ongoing costs and identify revenue streams. OPR's Director, Audree V. Jones-Taylor, has extensive experience in managing public facilities. The staffing team at the Estate is headed by Deborah Cooper, who comes to the City of Oakland with a strong background in non-profit, fundraising, and special events management.

The Estate is a unique, beautiful and historical venue. Its facilities and grounds afford a wide range of events and programs that will have mass appeal. The venue will be equipped with state-of-the-art technology, serving the needs of special events and corporate meetings. The general appearance will be clean, beautiful, well-maintained and pleasing to visitors.

The Estate will generate sales through five revenue streams that comprise the Estate's products and services:

- Venue Rental
- Education programs
- Catering
- Retail Merchandise
- Membership Fees

Managing five separate revenue streams requires ramping up each one individually and ensuring that all perform well before developing the next revenue stream. In order of importance, Venue Rental, Education Programs and Catering are expected to provide the most stable revenue streams.

The Estate's unique facilities and grounds, the ability to create individualized and memorable events and the ability for OPR to manage the facility with low overhead costs, are major advantages for the success of the venture.

OPR continues to be optimistic as we move forward and remains focused on the three-fold strategy to expand programs and services and to increase revenue and become self-sustaining. The three strategies include: rebuilding a steady base of revenue through targeted marketing, initiating unique events and programming to increase awareness of the venue, and particularly focusing on increasing the number of retreats and conferences held at the Estate.

We believe that the Estate exemplifies the mission and vision of OPR. Our purpose is to expose, enlighten, empower and encourage educational excellence through recreational services. We encourage everyone to “Come Out and Play the OPR Way”.

1.1 Mission

The mission of the Dunsmuir Hellman Historic Estate is to connect with communities in meaningful ways by preserving, showcasing and providing access to the historic facility and grounds. Through events and education programs, people of all ages and backgrounds will enjoy the historical significance of this asset and connect to Oakland’s past, present and future.

1.2 Keys to Success

The Dunsmuir Hellman Historic Estate has three keys to success:

- **Maintaining the Grounds and Facilities** – Increasing revenue to the Estate and ensuring that the Estate is a sustainable venture is determined by OPR’s ability to create meaningful, positive experiences for visitors. The outward appearance of the grounds and facilities are critical to ensuring that visitors enjoy their time at the Estate and choose to return. OPR will use funds strategically to ensure that the buildings and grounds are maintained at a high standard.
- **Low Operating Costs** – The Estate will be managed specifically to maintain low overhead and allow for maximum net profits. Capital improvement costs will be kept to a minimum and will be covered by donations wherever possible. Revenues and expenses will be reviewed monthly to ensure that goals are met.
- **Marketing and Creating Excellent Events and Services** – OPR will focus its resources on raising public awareness of this venue in ways that reach its target audiences. OPR will provide excellent customer service and will create and deliver high quality events and programs. The objective is to spread the word about this unique venue, bring as many visitors and events to the grounds as possible, and maximize the revenue derived from each event.

1.3 Objectives

The purpose of this business plan is to estimate start-up and ongoing costs, identify revenue streams, and describe the marketing strategy for the venue. The Estate's operating costs will be funded solely through OPR's Self-Sustaining Fund.

The concept of the Dunsmuir Hellman Historic Estate is to provide an historical destination venue in Oakland that showcases the arts and culture of Oakland's past, present and future. The venue includes a historic mansion, Carriage House, Dinkelspiel House, pond, landscaped gardens, meadow and pavilion that are all available for rent to the public. The retail shop will offer arts-based and historical merchandise. The objectives are to:

- Make capital improvements and maintain the facilities and grounds in such a way that all visitors enjoy a clean, well-maintained and beautiful venue.
- Deliver events and programs that meet and/or exceed the needs and desires of the Estate's visitors.
- Achieve revenues that cover all costs in the first year of operation.
- Target annual growth of revenues at 3% each year.

2.0 Estate Summary

Oakland's Dunsmuir Hellman Historic Estate, built in 1899, features a 37-room Neoclassical Revival mansion set upon 50 acres of beautifully landscaped grounds. The estate includes a quaint, old-fashioned carriage house and an elegant pavilion overlooking a picturesque pond and gazebo. The mansion and its surrounding meadows create a spectacular backdrop for a variety of educational, cultural, and recreational special events throughout the year.

The Estate is rich with history and encompasses a character and uniqueness that provides a window into the region's past, present and future. It is home to many unique venues that can accommodate a wide variety of special events, including:

- A **Mansion** that is designated as a National Historic site serves as a museum and is primed for rentals and tours, seven days per week. The Annual Holiday Tradition at the Estate celebrated its 41st year in 2010. Volunteers spent over 5,000 hours transforming the 16,224 square foot mansion into a breathtaking holiday masterpiece.
- A **Carriage House** that is designated as a local landmark by the City of Oakland and is perfect for intimate and customized events.

- **Beautiful** grounds with gardens that are rumored to have once been designed by Golden Gate Park's designer, John McLaren. The Gardens are exceptional venues for wedding and concerts.
- There are two lawn settings that are perfect for weddings, corporate outings or intimate gatherings. The South Pond and gazebo area is a sanctuary for migrating mallards and creates its own special ambiance for an intimate reception or private event. The expansive meadow, which can accommodate more than 4,500 guests, is reminiscent of an English country estate, providing a tranquil setting for events. The meadow is perfect for concerts, shows and elegant parties, as well as children's play dates, picnics, birthday parties, family reunions, and corporate gatherings.
- The **Dinkelspiel House** serves as staff office space on the upper floor. This facility has the potential to be a venue for business retreats, meetings, art shows, intimate tea parties and events. It could also serve as a visitor center. High teas are served here for children and adults during the Holiday Tradition.
- The **Garden Pavilion** sits on a wooded hillside overlooking the duck pond. It is the perfect location for a Conference Center and for adult classes in dance, art and music. The pavilion has the capacity to hold 300 visitors for conferences, dinner parties and receptions. It is surrounded by windows, beamed ceilings, red oak paneling, patina flooring and a beautiful terrace.
- In addition, there are four other locations on the grounds that can accommodate smaller weddings and events. This makes the Estate affordable and accessible for all economic levels.

2.1 Estate Ownership and Management

The estate was purchased by the City of Oakland in the early 1960s with the intent of using the grounds and mansion as a conference center. The latter did not prove feasible and a non-profit organization was formed in 1971 to preserve and restore the estate for the public benefit. For many years, the non-profit group and the City jointly operated the estate.

In June 1989, an agreement was executed between the City of Oakland and the non-profit Dunsmuir House and Gardens, Inc., whereby, the City gave the non-profit full responsibility for funding, operating, promoting, preserving, restoring, developing and improving Dunsmuir House and Gardens Historic Estate. The 50-acre estate is to be used as an educational, historical, cultural, and horticultural resource.

In December 2009, the **Board of Directors of Dunsmuir House and Gardens Inc.** expressed concern regarding their ability to operate and manage the facility due to lack of

funds. The Board requested an annual subsidy of \$200,000 for the operations and maintenance of the Estate. In light of the budget constraints facing the City of Oakland, and after review of the Board's finances, OPR decided to resume control of the Estate to ensure its profitability and proper maintenance. On May 3, 2010, the City of Oakland resumed management of the Dunsmuir Hellman Historical Estate.

2.2 Start-up Summary

OPR intends to operate the Estate as an enterprise facility aligned with its Central Reservations unit, which is a self-sufficient unit of OPR. It is a goal and an expectation that the Estate will become cost-covering and fully operational through public/private partnerships. OPR estimates that the costs to operate the Estate will be approximately \$402,900 annually (see Attachment A).

3.0 Products and Services

The Estate will generate sales through five revenue streams that comprise the venue's products and services. The revenue streams have been developed with the goal of maximizing revenue contribution.

The following five revenue streams represent the Estate's products and services:

- Venue Rental
- Education programs
- Food and Beverage
- Retail Merchandise
- Membership Fees

The promotion of cultural diversity through festivals, music and exhibits will continue and will be enhanced. OPR's intent is to increase educational, arts and cultural events opportunities at the Estate through receptions, special events and other community gatherings, while retaining the rich traditions of holiday gatherings and family celebrations.

Venue Rental:

The Estate will be available as a unique venue for weddings, private parties and corporate events. The Estate has many amenities to offer to potential clients that cannot be matched in the Bay Area. Additional services will be provided, as requested, with individualized pricing for each service. The Estate will profit from admission tickets sold to live musical performances and special events, focusing on themes with mass appeal.

Education Programs:

The Estate has a unique beauty and brilliance and will be re-established as a highly desirable location for a variety of education programs. OPR will operate the site as an educational retreat where history can be recreated for school groups, after-school and summer programs, families and other groups. Additionally, the restoration of the existing gardens into a show garden and exhibit will support the growth and sustainability of the Estate. The Estate will become an outdoor classroom with instruction on watersheds, streams, ecology and environmental protection of natural resources. The creation of a community garden for self-sufficiency and promotion of healthy lifestyles will be an important aspect of this program.

Catering:

The Estate has established relationships with 12 preferred catering companies. The Estate receives 10% of food and beverage sales during catered events from the preferred caterers. Clients can choose to use a catering vendor who is not on the preferred list for an additional fee.

Retail Merchandise:

The Estate will ensure the gift shop is fully stocked and open during special events for the retail sale of merchandise including, arts and culture and historically-focused items.

Membership Fees:

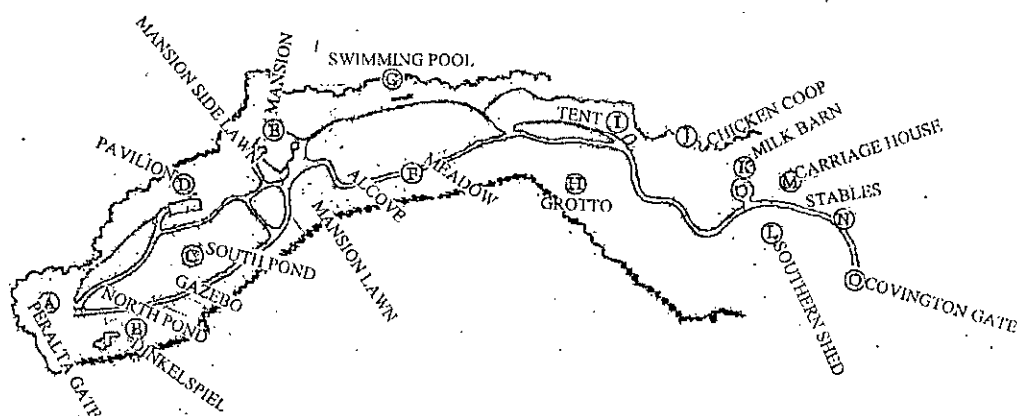
The Estate will sell four types of annual memberships. Members will receive a benefits package including discounts on Dunsmuir-sponsored events, programs, products and services.

3.1 Technology

The Estate's cash systems are becoming fully automated, using a centralized software platform for processing cash and credit card purchases. Membership cards will be bar-coded to maintain a customer database.

OPR will maintain a website for the Estate, offering entertainment calendars for upcoming shows and public events and will provide online registration for community courses.

3.2 Estate Map



Dunsmuir-Hellman Historic Estate

4.0 Market Analysis Summary

Oakland is the eighth-largest city in the state of California. It is a major West Coast port, located on San Francisco Bay. Oakland is a central hub city for the East Bay and it is the county seat of Alameda County. Based on U.S. Census Bureau estimates for 2010, Oakland is the 41st largest city in the U.S., with a population of 446,901. Oakland offers excellent transportation, recreational activities, arts and cultural entertainment, food and wine, and lodging for tourists and business travelers.

4.1 Market Segmentation

Programming and event rentals will be targeted to the following market segments:

- **Wedding, special events and corporate events planners** – OPR will focus in on this lucrative market and ensure that Dunsmuir is considered a premiere venue for weddings, special events and corporate events.
- **Schools, organizations and families with young children** – OPR will design education programs that appeal to groups serving young children and families with young children.
- **Single adults and couples** – OPR will ensure that special events appeal to single adults and couples seeking to interact through the cultural arts and socializing. Special events customers will primarily range in age from 21 to 61.

- **Tourists and Business Travelers** – OPR will partner with the Chamber of Commerce and local hotels to ensure that its events appear on local event calendars and tickets are made available and are easily accessible to visitors from out-of-town.
- **Music promoters** – The meadow is a beautiful location for a summer and fall concerts. OPR will reach out to the music community to encourage music promoters to use the Estate as a music venue.

4.3 Competition

OPR will establish pricing that is competitive, yet makes the facility accessible to Oakland residents and visitors. The Estate’s direct competition includes the following:

Facility	Facilities / Offerings	Annual Event Type	Rate Ranges
Dunsmuir Hellman Historical Estate	Banquet Room (4-8 hour time period), Tables, Chairs, Attendant, Parking, Rehearsal time, Gift table, (Preferred Catering available)	Weddings, Receptions, Parties, Meetings, Concerts, Birthdays (Adults/Teens/Children), Religious Celebrations, Meetings (Focus Groups, Town hall, Advisory), Retreats, Baby Showers, Graduation Ceremonies/Parties, Youth Camps, Anniversaries, Fundraising events, Concerts	\$500-\$8,000
Wedgewood Wedding & Banquet Center	Banquet Room(s) Tables, Chairs, Linens, Rehearsal, Ballroom, Hosted Bar, Invitations, Response Cards, Guest Book & Pen, Customized Music, Flowers (Banquet Room Meals Included)	Weddings, Receptions, Parties, Meetings	\$2350-\$27,000
Claremont Hotel	Banquet Room(s) Tables, Chairs, Linens, Rehearsal, Ballroom, Guest Book, Gift table, isle runner (Banquet Room Meals Included)	Weddings, Receptions, Parties, Meetings	\$2950-\$7450

Preservation Park	Banquet Room(s), Tables, Chairs, Linens, Rehearsal (Preferred Catering available)	Weddings, Receptions, Parties, Meetings	\$625 (5hrs min) - \$1875 (9 hrs min)
Bellevue Club	Banquet Room(s), Tables, Chairs, Linens, China, Grand Piano,	Weddings, Receptions, Parties, Meetings	\$120 - \$1500 (5 hr min)
Snow Building – Oakland Zoo	Banquet Room, Tables, Chairs	Weddings, Receptions, Parties, Meetings	\$400-1500 (5 hr min)
Jack London Aquatic Center	Banquet Room, Two Small Breakout Rooms, Kitchen, Tables, Chairs, Bride Dressing Room (Preferred Catering available. Outside catering fee is \$400.)	Receptions, Meetings, Parties	\$500-\$1040 (8 hr lime block)
Grandview Pavilion (Alameda)	Banquet Room, Tables, Chairs	Weddings, Receptions, Parties, Meetings	\$300 (4 hr min) - \$1600 (6 hr min)
Hillside Club Middle (Berkeley)	Banquet Room, Tables, Chairs	Weddings, Receptions, Parties, Meetings	\$500 - \$1150 (5 hr min)
OPR Enterprise Facilities	Room Rental, Kitchen, Tables, Chairs, Attendant Available for additional fee: Linens, Flatware, Glassware, China	Weddings, Birthdays (Adults/Teens/Children), Religious Celebrations, Meetings (Focus Groups, Town hall, Advisory), Retreats, Baby Showers, Graduation Ceremonies/Parties, Anniversaries, Fundraising events	\$620 – \$1060 (4hr min)
Lakeside Park Bandstand	Raised Gazebo with Marble Pillars Electrical outlets available, Attendant Rentals available for additional fee; Tables, Chairs, Linens, Flatware, Glassware, China	Weddings, Birthdays (Adults/Teens/Children), Religious Celebrations, Meetings (Focus Groups, Town hall, Advisory), Retreats, Baby Showers, Graduation Ceremonies/Parties, Anniversaries, Fundraising events	\$230 (2hr min) - \$1150 (up to 10 hrs) \$55 each additional hr
Japanese Gardens with Garden Room	Banquet Room, Tables, Chairs with direct access to the Gardens, Attendant	Weddings, Birthdays (Aduhs/Teens/Children), Religious Celebrations, Meetings (Focus Groups, Town hall, Advisory), Retreats, Baby Showers,	\$230 - \$1725 (2hr min)

	Available for additional fee: Linens, Glassware, China, Flatware	Graduation Ceremonies/Parties, Anniversaries, Fundraising events	
Joaquin Miller Cascade	Park Space, Cascading Waterfalls, Attendant Available for additional fee: Tables, Chairs, Linens, Flatware, Glassware, China	Weddings, Birthdays (Adults/Teens/Children), Religious Celebrations, Meetings (Focus Groups, Town Hall, Advisory), Retreats, Baby Showers, Graduation Ceremonies/Parties, Anniversaries, Fundraising events	\$200 (2hr min) - \$700 \$50 for each additional hr.
Morcom Rose Garden	Park Space, Cascading Waterfalls, Attendant Available for additional fee: Tables, Chairs, Linens, Flatware, Glassware, China	Weddings, Birthdays (Adults/Teens/Children), Religious Celebrations, Baby Showers, Graduation Ceremonies/Parties, Anniversaries, Fundraising events	\$230 - \$1150 (2hr min)
Oakland Parks (OPR) (Special Events)	Park Space, BBQ Areas Rentals available for additional fee; Tables, Chairs, Linens, Flatware, Glassware, China,	Weddings, Birthdays (Adults/Teens/Children), Religious Celebrations, Meetings (Focus Groups, Town hall, Advisory) Retreats, Baby Showers, Graduation Ceremonies/Parties, Anniversaries, Fundraising events	\$100 - \$500 (1 – 599 Guests) \$150 each additional 250 guests
Ira Jinkins Community Center	Room Rental, Tables, Chairs, Attendant Available for additional fee: Linens, Flatware, Glassware, China	Weddings, Birthdays (Adults/Teens/Children), Religious Celebrations, Meetings(Focus Groups, Town hall, Advisory), Baby Showers, Graduation Ceremonies/Parties, Anniversaries	\$120 - \$500 (2hr min)
deFremery Recreation Center	Room Rental, Tables, Chairs, Attendant Available for additional fee: Linens, Flatware, Glassware, China	Weddings, Birthdays (Adults/Teens/Children), Religious Celebrations, Meetings (Focus Groups, Town hall, Advisory), Baby Showers, Graduation Ceremonies/Parties, Anniversaries	\$120-\$500 (2hr min)

5.0 Strategy and Implementation Summary

The Estate offers a unique setting, with programming that will go beyond traditional events. The site will serve as a location to celebrate holiday traditions, host mansion tours, educational tours and programming. It will also provide opportunities for summer and after-school camps for elementary children. OPR will deliver programs that are

affordable for individuals who are on a limited budget, yet want a quality space and experience.

There are 16 locations within the Estate that can generate rental and programming revenue and can be designed to meet the needs of any budget, ranging from high-end packages to intimate, customized packages for smaller events. In comparison to the region, the fees charged at the Estate will be set to attract individuals looking for a great venue with character, elegance and space that can accommodate custom needs and demands.

The Estate is also an attractive location for corporate events. Corporate event planners can host intimate meetings and retreats in the Dinkelspiel House, and alternatively can host up to 300 employees in the state-of-the-art pavilion that will provide DSL and wireless access.

5.1 The Message

To reach our audiences and communicate a message that the Estate is a unique, high-quality venue, OPR will engage in the following:

Emphasize Exceptional Service – OPR provides attentive and friendly service and invests in ongoing training of its employees to ensure that customers and visitors receive excellent customer service at the Estate.

Emphasize a High Quality Experience – OPR ensures that the facilities and grounds are maintained to a high standard and delivers programming that meets or exceeds the needs and desires of our visitors.

Focus on Target Markets – OPR will focus on our identified target markets to ensure that we are maximizing the numbers of events and programs delivered at the Estate. Our marketing and our themes of mass appeal and music, arts and culture-based entertainment will attract our target market segments.

5.2 Marketing Strategy

OPR intends to reach our targeted market segments through cost-effective marketing campaigns. Ongoing processes will be geared to promote the Estate and keep the venue at the forefront of the minds of events planners and our target populations who will attend public events. Our marketing efforts will focus on the following channels for reaching new and repeat customers:

- Website and Social Media
- Print
- Community Marketing and Community Relations

- Radio
- Television
- Email List
- Promotions

We will continue to initiate regular local radio, TV, and print campaigns to create exposure for Estate.

Website

The new website (<http://www.dunsmuir-hellman.com>) is an important component of our advertising and marketing campaign, allowing us to stay in contact with our customers and visitors and provide up-to-date information regarding all of our programs. We will continue to develop the website's content over the next six months. The site will include upcoming entertainment schedules, virtual tours, along with program descriptions and online registration for our education programs.

OPR will develop social media opportunities to connect to the community and to potential advertisers, such as the bridal and conference networks.

Local TV, Radio and Print Advertising

We will maximize our exposure with local newspapers, television and radio through launching regular campaigns and generating press releases to announce special public events.

OPR will pursue advertisements and stories about the Estate in the following media outlets: Eye on the Bay, Oakland Tribune, Oakland Magazine, Here Comes the Guide, San Francisco Chronicle, Pink pages, Chamber newsletters, East Bay Business Times, Oakland Post, Parent Magazine, Bridal magazines, and Mocha Brides.

Community Marketing and Community Relations

OPR will continue to make presentations to the business community and community-based organizations, in addition to exhibiting at local fairs, markets and community events, and providing on-site presentations.

OPR will establish a new Friends of Dunsmuir-Hellman Historic Estate Advisory Board with a minimum of six members. The Board members will support the vision of the Estate Manager and the OPR Director and will assist in raising funds for the operations and repairs at the Estate. The Board will also advise on improvements pertaining to customer services and public relations.

OPR will create an internal marketing team consisting of volunteers and members from the new Friends Board of the Dunsmuir-Hellman Historic Estate, to bring awareness and to encourage word-of-mouth advertising.

OPR will enhance and reinvigorate the volunteer program at the Estate. We will ensure that the volunteer program is integrated into the organization through communication, training, evaluation and clear expectations.

We will advertise directly to local hotel guests and business districts to attract business travelers, tourists and Oakland residents. Through the use of fliers and table tents placed in hotel rooms and neighborhood businesses, we will create awareness of our location and event promotion.

Retail Store Promotions

Promotional materials bearing the Estate logo will be marketed, as well as given away as prizes to spread brand awareness.

Email List

Loyal, repeat customers and visitors are vital to our success. To encourage repeat business revenue, we will maintain an 'opt-in' database of customers and visitors. This valuable database will be used as a vehicle to announce our upcoming programs and events. Customers on our email list will receive timely information regarding entertainment schedules, educational program offerings, and special Members announcements.

5.3 Marketing Plan

OPR will build TV, radio and print advertising in the first year of operation and develop these relationships prior to spring events and programs. Website content development will be ongoing, with an events calendar and email/newsletter campaign beginning in March. We anticipate beginning a neighborhood marketing campaign in April.

5.4 Competitive Edge

The Estate's competitive advantage is derived from several factors. The following differentiate it from its competitors.

- **Unique Venue** – The Estate enjoys breathtaking facilities and grounds that are unmatched by its competitors. It has an historical relevance and presence that makes it a venue that people want to visit again and again.
- **Quality Service** – OPR will provide a wide range of events, programming, catering, and community education services, and we will strive to maintain high service quality that will help us to develop loyal customers and visitors.
- **Low Operating Costs** – The Estate will be managed specifically to maintain a low overhead and allow for maximum net profits. Capital improvement costs will be kept to a minimum and will be covered through donations wherever possible.

Revenues and expenses will be reviewed monthly to ensure that goals are met. Operating the Estate in this way, allows OPR staff to be creative with event planners to ensure that we can meet individual budgetary needs.

5.5 Revenue Generating Strategy

Sales revenue for the Estate will be generated through five separate product and service areas:

- Venue Rental
- Education programs
- Catering
- Retail Merchandise
- Membership Fees

Managing five separate revenue streams requires ramping up each one individually, ensuring that each area performs well before developing the next revenue stream. In order of importance, Venue Rental, Education Programs and Catering are expected to provide the most stable revenue streams. These revenue streams will be developed first, followed by Membership Fees, Education Programs, and Retail Merchandise.

Revenue Model

Each of these areas is detailed as a component of a revenue model. While the financial model of each of the revenue streams shows full sales potential, we are taking a very conservative approach during the first year of operations and assuming that we will actually reach only about 85% of those potential first-year revenues during that time. By the second year, we will reach the full sales potential and our third year model assumes a 3 % revenue growth over the second year.

Venue Rental Revenue Model

Venue Rental revenues are based on the following:

- **Weddings and Receptions:** Book a minimum of 30 weddings and receptions at an average of \$4,500 each, for a total of \$135,000.
- **Private Events:** Book a minimum of 18 Private Events in the pavilion, carriage house, covered tent area and/or Dinkelspiel House, to include anniversaries, birthday parties, and dinners at an average of \$3,500 each, for a total of \$63,000.
- **Receptions:** Book a minimum of three receptions at the Mansion at an average of \$2,500 each, for a total of \$7,500.
- **Concerts/Large Events:** Book a minimum of four large events on the Great Meadow for a total of \$36,000.

- **Fundraisers:** Host a minimum of three major fundraisers to include: Holiday Tradition, Intimate Evening and one Concert or Black Tie Affair, generating a minimum of \$160,000 total.
- **Activities:** Sponsor ongoing revenue generating activities and programs at Dunsmuir to include: camps, Family Sundays, movie night in the meadow, mansion tours, adult game nights and family camp-outs.

Education Programs Revenue Model

Education programs will be offered to the general community to include arts, music, summer camps and environmental/gardening offerings. OPR is projecting revenue of \$36,000 in the first year, summer 2011, based on a Wilderness Summer Camp program for 25 children at \$160 per week for nine weeks.

Catering Revenue Model

Catering services are provided for most of the weddings, receptions and private events scheduled at the Estate. Clients have the option of using one of the 12 preferred caterers, for which OPR receives 10% of the total food and beverage bill or to hire a caterer of their choice that is not on the preferred list. Clients are charged a flat fee of \$1,500 to use a caterer that is not on the preferred list. It is estimated that we will receive \$16,500 in catering revenue in the first year.

Retail Merchandise Model

Retail Merchandise revenue is based on a range of merchandise pricing and the number of anticipated units sold annually. The model allows for flexibility within the range of merchandise. Initially, lower priced products are expected to sell at a higher volume than higher priced merchandise. Based on our initial assumptions, we anticipate that retail merchandise will provide \$15,000 in sales revenue for our first year and will steadily increase as the merchandise selection is improved and targeted directly to visitors.

Membership Fee Model

Membership fees are based on the assumption that the Estate will have thousands of customer visits annually. The Estate currently offers the following Membership levels:

- Hellman Club – \$1,000
- Dunsmuir Club – \$500
- Peralta Club – \$250
- Century Club – \$100
- Family Annual Membership – \$70
- Individual Annual Membership – \$50

- Senior Citizen Discount Family Membership – \$50
- Student Discount Membership – \$25

Members will receive discounts on Estate products and services. Member benefits include:

- \$3 off any OPR-sponsored public event
- \$3 off any OPR educational programs
- Monthly drawing for free admission to an OPR-sponsored event for two people
- 10% Discount on rental rates for special events
- 15% Discount on Merchandise

Revenue projections for the first year are set conservatively at \$5,000.

Cumulative Revenue

Our combined revenue streams reflect a potential gross annual income of \$474,000; however we conservatively estimate that we will reach only approximately 85% of our annual sales potential during the first year due to the ramp-up period. OPR estimates that the full potential revenue will be realized in year two and will grow by 3% in year three.

Revenue Forecast

OPR will generate revenue through five revenue streams that comprise the Estate's products and services:

- Venue Rental
- Education programs
- Catering
- Retail Merchandise
- Membership Fees

OPR is forecasting a conservative revenue ramp-up period while marketing and word-of-mouth advertising efforts are established during the first year. As mentioned above, our conservative assumptions estimate that we'll reach only 85% of our revenue potential during the first year. The full revenue potential of the Estate will be reached during the second year of operations. This allows for a more conservative cash flow forecast and allows OPR to better manage revenue expectations. Revenue is expected to reach \$402,900 in the first year.

In the second year, revenue is expected to reach \$474,000. This increase includes twelve months of 100% of projections, as we assume our ramp-up period is over and we are

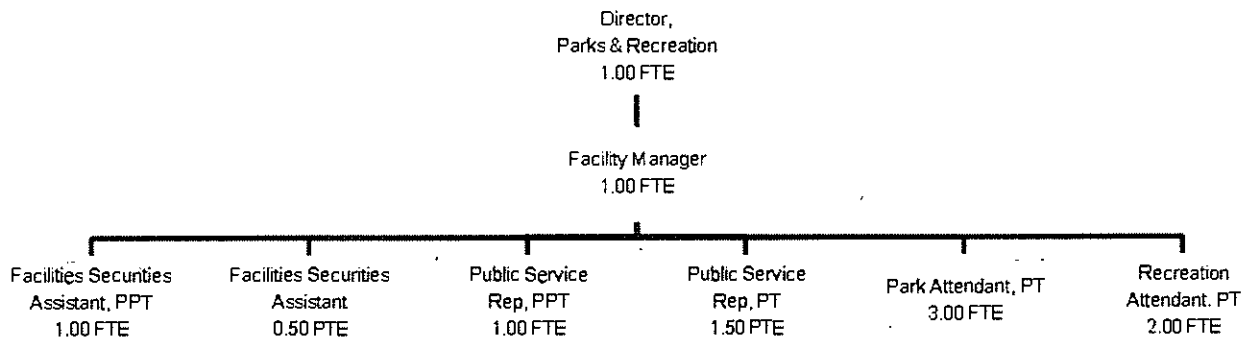
operating at full potential. The third year shows an increase in revenue to \$488,220, assuming a 3% growth rate.

6.0 Management Team

Administration and Operations

The Facility Manager is responsible for the overall management of the Estate, staff and volunteers, as well as ensuring that the Estate is revenue-generating and self-sustaining.

The ideal staffing scenario at the Estate is shown in the organization chart below.



Finance

The Estate's bookkeeping, payroll, and tax reporting will be handled by OPR's fiscal and accounting unit.

Employee Recruitment and Development

OPR will employ the highest caliber employee in every position at the Estate. We will retain high-quality employees and ensure the highest levels of employee satisfaction. OPR will customize and implement customer service training programs to ensure customers receive the best service possible.

7.0 Measurement

OPR believes that to realize the Estate's full potential, there must be a focus on measurements of success that can be tracked over time and reviewed by staff and management on a regular basis. The Estate manager and staff will use the following measures to gauge their success by setting an annual goal and reviewing progress made toward the goal on a quarterly basis.

Success Measures:

- 1) Fiscal sustainability

- 2) Positive Press Coverage
- 3) Feedback from visitors, rental customers and the community provided through feedback cards and online surveys.
- 4) Usage statistics: rentals by event type; Number of programs; Number of events; Numbers of overall attendees
- 5) Number of youth registered and enrolled in the summer camps and programs.
- 6) Number of referrals
- 7) Number of community outreach events attended and tours presented to potential clients.
- 8) Number of cost-recovering and fundraising, City-sponsored events
- 9) Number of volunteer hours
- 10) Employee recognition program
- 11) Employee productivity measures

Attachment A

City of Oakland
Dunsmuir-Hellman Estate
Annual Operating Budget
July 1, 2010 to June 30, 2011

	Budget
Revenue (85% of Assumption)	402,900
Personnel Cost	
Facility Manager	110,388
Program Director	78,234
Facility Security Assistant, PPT	56,564
Park Attendant, PPT	42,008
Recreation Attendant, PT	35,186
Total Personnel Cost	322,380
Expenses	
Utilities	30,000
Office Supplies	4,500
Advertising	12,000
Telephone/Internet/Alarm	6,000
Travel and Entertainment	2,000
Repairs & Maintenance	6,500
Merchandise - Gift Shop	19,520
Total Operating Expenses	80,520
Total Expenses	402,900

