



MCPB Agenda Item 12 B
 June 28, 2007

MEMORANDUM

TO: Montgomery County Planning Board
VIA: Mary Bradford, Director of Parks *Mary Bradford*
 John E. Hench, Acting Chief, Park Planning and Stewardship Division *J. Hench*
FROM: Lyn Coleman, Park and Trail Planning Supervisor, PPS Division
 Mark S. Wallis, Senior Park Planner, PPS Division *MSW*
 Joe B. Davis, Natural Resources Specialist, PPS Division *JBD*
DATE: July 21, 2007
**SUBJECT: Functional Plan for Recreation and Ancillary Buildings:
 PRELIMINARY STAFF RECOMMENDATIONS**

STAFF RECOMMENDATIONS:

Park Recreation Buildings

Place 31 recreation buildings in one of the following categories (Table 1):

- Continue and Improve - Seven Buildings
- Evaluate and Market - Eighteen Buildings
- Transfer or Demolish - Five Buildings
- Assess Historical Priority - One Building.

Initiate a three-year marketing campaign to increase community use of recreation buildings to a minimum of 30 percent yearly capacity utilization.

Evaluate the recreation buildings after the three-year marketing period using the Recreation Building Decision Matrix (see Figure 2).

Approve staff's community outreach approach to seek public comment on staff recommendations.

Park Ancillary Buildings

Establish a uniform rent setting policy of 100% cost recovery or market rate rent whichever is higher for all for tenant benefit buildings.

Establish uniform policy that all maintenance for all tenant benefit buildings is the responsibility of the Property Management Office.

Work with other government entities to transfer operations of 3 selected ancillary buildings (with details to be determined).

BACKGROUND

In the FY 2006 budget, the County Council funded one functional plan for recreation buildings. The budget language said:

“ Park and Planning staff have indicated that an assessment of the level of use of different recreation centers (and the costs to maintain and renovate them) could lead to a decision to close some centers or change operations. Since it appears likely that this functional plan would result in decisions that would save M-NCPPC money in the long term, staff believes it should be funded at this time ”

The Functional Plan process consisted of three steps:

- *Infrastructure Inventory and Assessment of Park Components* (M-NCPPC, 2007). This assessment documents the physical condition of all thirty-one Recreation Buildings and the nine sample Ancillary Buildings.
- *The Catalogue of Recreation and Ancillary Buildings* (M-NCPPC, 2007) documents use and operations data. The catalogue provides: A statement of general location facts, capacity and usage analysis, Profit and Loss statement for FY 2006, Customer Service area map, Park map, and an oblique aerial photography. For FY 2006, the buildings were used at 26% of their capacity and lost \$214,830.
- Development of Staff Recommendations for Future Use and Operations.

The first two park facilities addressed in the *Infrastructure Inventory and Assessment of Park Components* were Recreation Buildings and a sampling of Ancillary Buildings.

“Recreation Buildings” are operated for the benefit of the general public, rented by the hour with Fees set by the Park Commission, reserved through Park Permits, and maintained by the Department of Parks Central Maintenance Division. Operating costs for Recreation Buildings may be subsidized as per the Park Commission’s Park Fee Policy.

“Ancillary Buildings” are operated for the exclusive benefit of the tenant. Monthly rents are based on tenant proposals from the early 1990’s and many of the leases have expired. Both the Property Management Office and Central Maintenance Division maintain Ancillary Buildings.

Given the age and condition of many of the recreational buildings and given the operational issues related to the leasing of ancillary buildings, an overall planning and management approach to these buildings is needed. Herein, staff presents recommendations for future operations of the 31 park recreation buildings and key management changes for the 9 ancillary buildings. Management changes for the ancillary buildings relate to how leases are structured and responsibilities for building maintenance are assigned.

PARK RECREATION BUILDINGS

Overview of Buildings

Generalized Location of Recreation Buildings

There is a total of 31 Recreation Buildings geographically distributed as shown in Figure 1: *M-NCPPC Recreation Buildings*.

Characteristics of Recreation Buildings

Of the 31 Recreation Buildings, 25 are designed and used as recreation buildings and 6 are designed for something else and being used as recreation buildings. The buildings are rented hourly at a fee set by the Planning Board and are reserved through park permits. The Department of Parks' Central Maintenance Division performs the maintenance.

Condition of Recreation Buildings

Of the 31 Recreation Buildings assessed, six were in good condition, sixteen in fair condition, six in poor condition and three in very poor condition. The buildings are of a simple enough construction that all could be fixed if enough money is appropriated.

Another factor in the equation is the level of public need. An assessment of the level of public use has been performed to determine which specific buildings are worth fixing.

The preliminary staff recommendations are discussed in detail below. Staff proposes that these recommendations be offered for community review and input over the next several months. We will return to the Planning Board with final recommendations after the public and affected public agencies have had an opportunity to review them.

Staff Recommended Planning Board Actions for Recreation Buildings

Place 31 recreation buildings in one of the following categories (Table 1)

- Continue and Improve - Seven Buildings
- Evaluate and Market - Eighteen Buildings
- Transfer or Demolish - Five Buildings
- Assess Historical Priority - One Building

To determine the appropriate category for each building, staff balanced the public use or demand for a particular recreation building (Public Need) against the costs of maintaining the building (Total Cost of Ownership).

“Public need” is measured as a percentage of the yearly available rent-able time that is sold. The current average across all recreation buildings for FY 06 is 26%. For purposes of this analysis, staff has considered 30% as an indicator of “public need.”

The industry benchmarks for “Total Cost of Ownership” to determine whether operating expenses are reasonable was calculated at \$13.50 cents per square foot.

Based on our analysis using these two benchmarks, staff concludes:

“We have too many buildings with too much unused time; we are losing money and have too large a future maintenance liability.”

The results of the analysis are summarized in Table 1 and discussed further below:

Continue and Improve – Seven recreation buildings achieving 30% or greater capacity utilization (that is, 30% or more of the yearly available hours at a center are rented). These centers have above-average use by the community and usually recoup 100% of their operating cost. These buildings will continue to be operated, maintained and marketed.

Evaluate and Market – Eighteen recreation buildings not currently meeting the 30% capacity utilization rate and initiate a Three (3)-year marketing campaign to boost community use. During the 3-year marketing period, only routine and life safety maintenance will be performed. After 3 years, the building will be re-evaluated in terms of Capacity Utilization and Total Cost of ownership. The recreation building decision matrix, summarized in Figure 2: “*Recreation Building Decision Matrix*” will be used to guide decisions about the future of each building.

Transfer or Demolish – Five recreation buildings will be removed from M-NCPPC ownership and management either by demolition if building conditions warrants or transfer to other public agencies that could incorporate them into their programs.

Assess Historical Priority - One Bureau of Animal Industry Building identified in “*The Strategic Plan for Cultural Resources in Parks (December 2005)*.” This Plan identifies 20 sites in the park system that helps tell the story of Montgomery County’s history. The Bureau of Animal Industry Building in Norwood Local Park is one of these. Before making a final decision as to the future of this building, more study is needed to rank the importance of this building in relation to other park historic resources.

Initiate a three-year marketing campaign to increase community use of recreation buildings to a minimum of 30 percent yearly capacity utilization.

This recommendation applies to all the buildings not included in the “transfer or demolish” category. The marketing campaign, to be managed by the Department of Parks’ Parks Information and Customer Service and would consist of the following elements outlined below and detailed as (Attachment A):

- Develop professional marketing materials;
- Simplify website to provide clear information and facilitate online reservations;
- Distribute materials through libraries, civic and community groups, park facilities, community fairs, and other venues;
- Create online photo gallery/virtual tours for each building and surrounding amenities;
- Implement internet advertising campaign;

- Integrate promotion with existing “No Matter the Who, What or When, We Have the Where” campaign;
- Promote rentals in the Montgomery County Guide to Recreation and Park Programs;
- Develop customer data collection and analysis process;
- Explore keyless entry systems and/or weekend/evening hours for key drop off and pick up;
- Offer added services for a fee, such as rentals of recreation or electronic equipment;
- Develop promotional partnerships with party stores;
- Explore discount pricing for repeat customers;
- Explore development of a referral program;
- Promote rentals through existing Park databases and email listservs (InfoShare, ParkPASS)

Evaluate the recreation buildings after the three-year marketing period using the Recreation Building Decision Matrix (see Figure 2)

As noted earlier, the evaluation of recreation buildings must be done on a regular basis to help determine whether substantive improvements should be made or whether the use of a building does not justify such expenditures. The Building Decision Matrix shown in Figure 2 is the basis for such an evaluation. Staff expects this will not be the only consideration as a given recreation center might have unique characteristics or use that justify its continuation despite a “negative” assessment. This table and the process outlined above, however, will provide a uniform approach to decision-making.

Approve the following community outreach approach to seek public comment on staff recommendations:

Staff to seek public comment on these recommendations between July and October, 2007. Staff to return to the Planning Board in early November with FINAL recommendations, modified in response to public testimony and further meetings with other public agencies, including Montgomery County Recreation Department (MCRD) and the Montgomery County Public Schools (MCPS).

The Garrett Park Estates Local Park potential land transfer with (MCPS) will require a Fall 2007 public meeting due to the schedule of the proposed reconstruction of the Garrett Park Elementary School.

PARK ANCILLARY BUILDINGS

Overview of Buildings

Generalized Location of Recreation Buildings

The nine park ancillary buildings that are part of this analysis are shown in Figure 3: *Location of Park Ancillary Buildings*. The nine buildings were only a sample of the ancillary buildings. Any recommendation subject to the sample nine buildings will apply consistently to all ancillary buildings.

Characteristics of Ancillary Buildings

Of the nine ancillary buildings, three were former recreation buildings, two were former nature centers, one building is operated by the MCRD as a Community Center, one is operated by the City of Takoma Park as a Community Center, one is a pre-school, and one is a house used as an office. The buildings are rented monthly with expired leases at a rental fee set by tenant proposals from the early 1990's. The rents range from \$1 dollar per year to \$3,600 per year. Rents due not reflect the costs to operate and maintain the buildings. The maintenance performed is by either Central Maintenance or Property Management.

Condition of Ancillary Buildings

Of the nine Ancillary Buildings assessed, two are in fair condition and seven are in poor condition. . As 100% tenant benefit buildings, utilities may be tenant paid and attendance data may not be available.

Ancillary Buildings Study Process

- *The Infrastructure Inventory and Assessment of Park Components* consistent with the method used for Recreation Buildings.
- *The Catalogue of Recreation and Ancillary Buildings* with documenting use and expenses where such data was available,
- Development of Staff Recommendations for a Uniform Rent Setting and Maintenance Policy.

Staff Recommended Planning Board Actions for Ancillary Buildings:

Establish uniform rent setting policy of 100% cost recovery or market rate rent whichever is higher for all tenant benefit buildings.

Establish uniform policy that all maintenance for tenant benefit buildings is the responsibility of the Property Management Office.

At the present time, there is no uniform lease agreement or criteria for setting rent levels of ancillary buildings. The Building Condition Assessment now gives staff what

conditions the buildings are in, the costs of repairs, and the year in which such repairs should be made. There is now a business model basis to establish rent levels consistent with the cost to operate and properly maintain the building when such building's reason for existence is solely for the 100% benefit of the tenant.

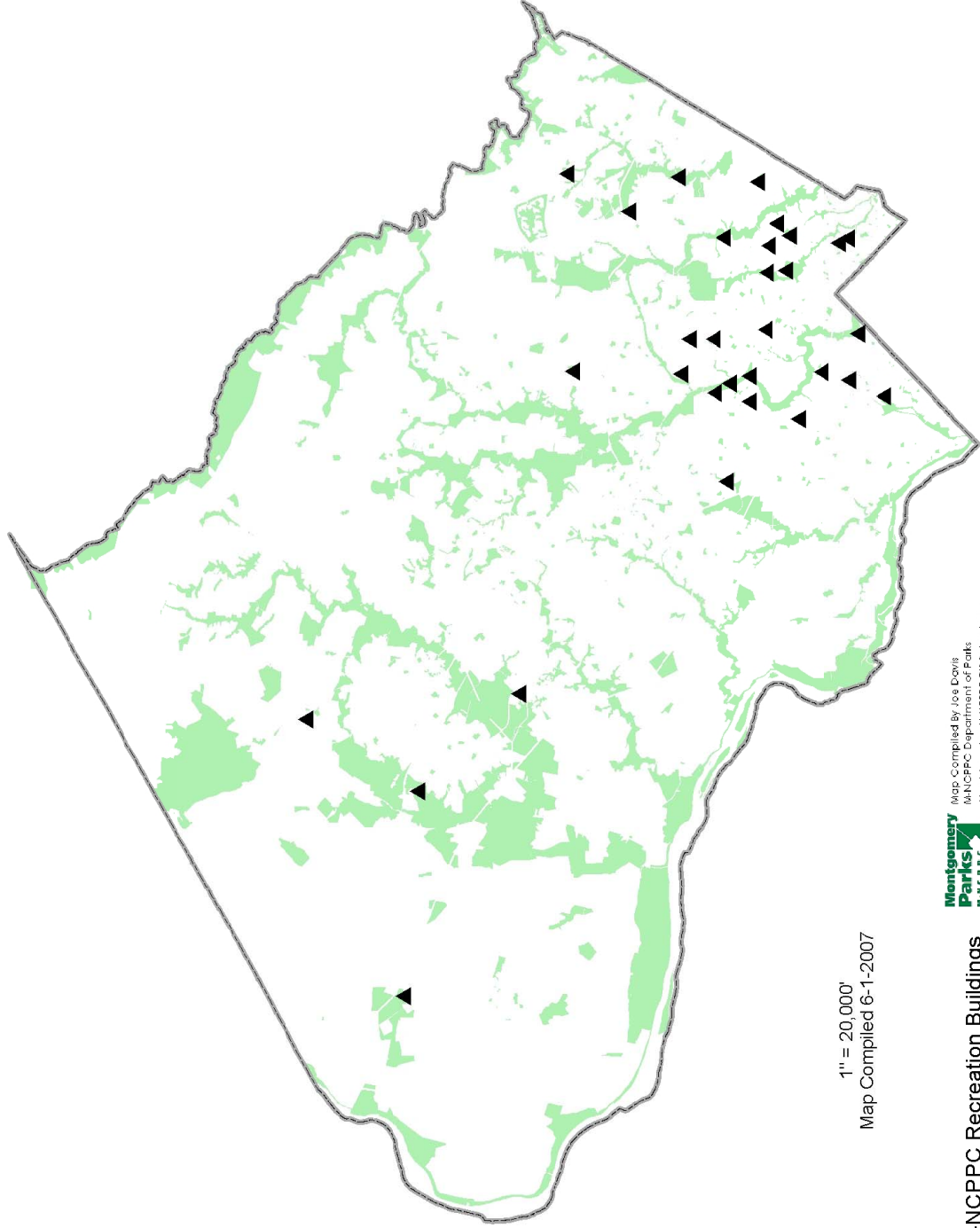
These recommendations will guide preparation of standard leasing agreements that will be developed by the Property Management Office over the next six months. The new lease agreements should be used for 6 of the 9 buildings studied as shown in Table 2.

Work with other government entities to transfer operations of 3 selected ancillary buildings (with details to be determined).

This recommendation applies to 3 Ancillary Buildings as shown in Table 2.

cc: Mike Riley
Gordon Rosenthal
Steve Chandlee
Al Astorga
Brian Woodward
Jerry Bush
Mary Ellen Venzke
Carrye Palleschi
Mitra Pedoeem
Kate Stookey
Robin Riley, Montgomery County Recreation Department
Jeff Bourne, Montgomery County Recreation Department
Barb Gaffney, Montgomery County Recreation Department

Figure 1
MNCPPC Recreation Buildings



1" = 20,000'
Map Compiled 6-1-2007



Map Compiled By Joe Davis
MNCPPC Department of Parks
Map is based on MNCPPC GIS System Layers
1109 Spring St. Suite 602 Silver Spring, MD 20910

▲ M-NCPCC Recreation Buildings



**Table 1.
SUMMARY OF PRELIMINARY STAFF RECOMMENDATIONS FOR PARK RECREATION BUILDINGS**

MANAGEMENT CATEGORY	CENTERS AFFECTED	RATIONALE	RECOMMENDED MANAGEMENT STRATEGY
CONTINUE AND IMPROVE	<p>Glenmont Indian Springs Kemp Mill Estates Meadowbrook Norbeck-Muncaster Tilden Woods</p>	<p>These centers meet or exceed the target capacity utilization rate of 30%</p>	<p>Fund routine and recurring maintenance Market to general public</p>
EVALUATE AND MARKET	<p>Capitol View-Homewood Local Park Colesville Local Park Ken-Gar Palisades Local Park Lynnbrook Local Park Maplewood-Alta Vista Local Park Nolte Local Park North Chevy Chase Local Park North Four Corners Local Park Owens Local Park Pilgrim Hill Local Park Pinecrest Local Park Quince Orchard Valley Neighborhood Park Sligo Avenue Neighborhood Park Sligo-Dennis Avenue Local Park Spencerville Local Park Stoneybrook Local Park Veirs Mill Local Park Wheaton-Clairidge Local Park</p>	<p>These centers fail to meet the target capacity utilization rate of 30% but community use may increase with better marketing. These centers can continue operating for 3 years with routine maintenance.</p>	<p>Establish 3-year marketing period to actively promote use of the centers. Provide only routine and safety maintenance during this period. At end of 3 year marketing period, re-evaluate building in relation to building decision matrix.</p>

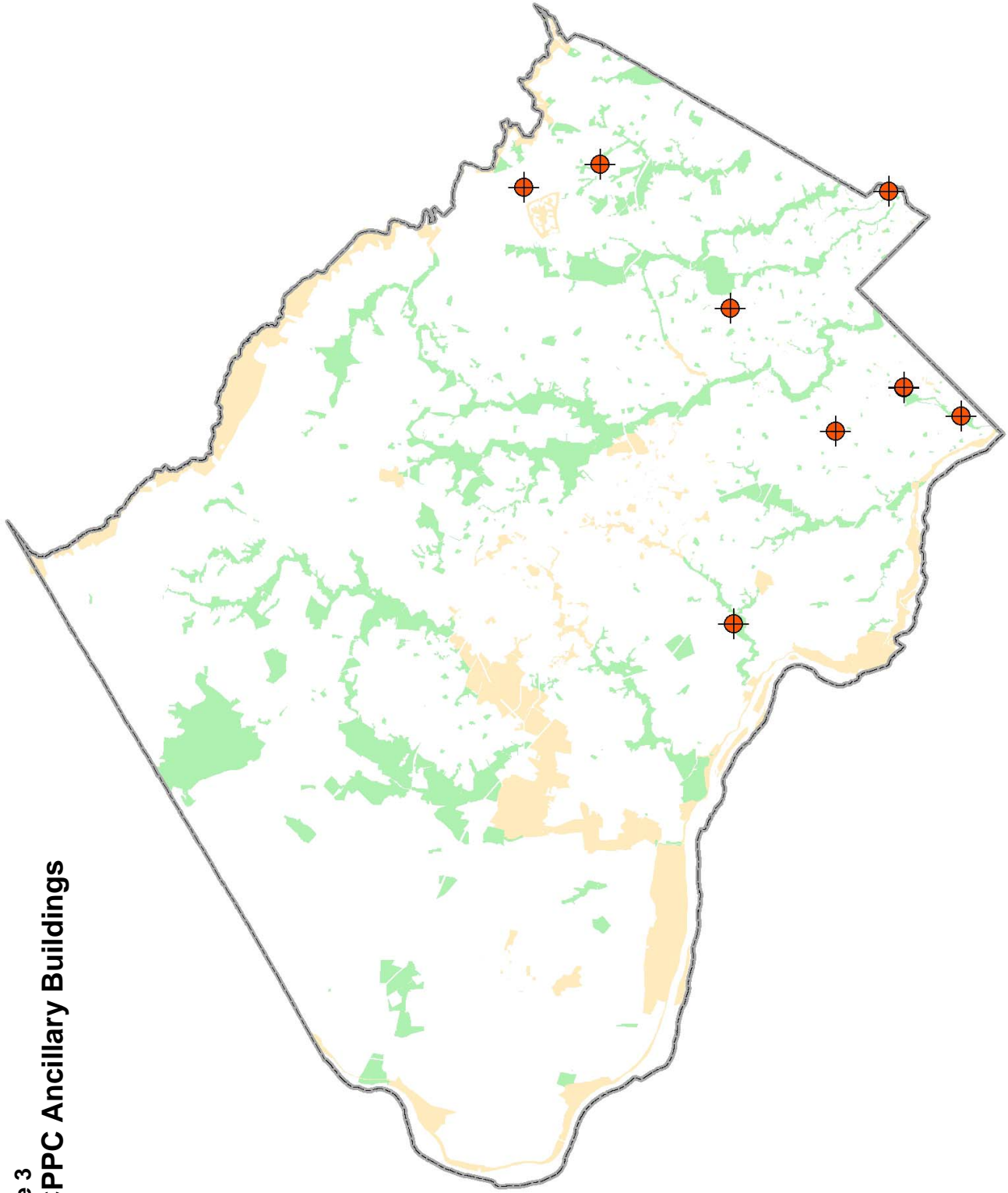
MANAGEMENT CATEGORY	CENTERS AFFECTED	RATIONALE	RECOMMENDED MANAGEMENT STRATEGY
TRANSFER OR DEMOLISH	Hillandale	FAILED SEPTIC SYSTEM; PROVIDING PUBLIC SEWER SERVICE WOULD EXCEED BUILDING'S VALUE.	DEMOLISH
	Randolph Hills	1995 Randolph Hills Building Evaluation Study found rotting sill plates at foundation.	Once findings of 1995 study are verified, demolish building. Relocate current users to Veirs Mill Recreation Center
	Garrett Park Estates	Center has water, roof, and façade damage. Center is located on property that adjoins Garrett Park Elementary School. This property could provide a larger site for development of the new Garrett Park Estates Elementary School.	Explore transfer of property to Montgomery County Public Schools. Relocate current tenants to more suitable building.
	Clarksburg	Clarksburg Rec. Center built in 1969; adjoins new Clarksburg high school.	Explore property transfer to MCDR for possible new 33,000 sq ft recreation center to serve Clarksburg community.
	Camp Seneca	Park residence on top floor; hourly community use rental on main level; summer use by camp Seneca.	Demolish building and work with MCDR to relocate Camp Seneca functions to ground floor of nearby Seneca Lodge.
	ASSESS HISTORICAL PRIORITY	Bureau of Animal Industry Building (Norwood Local Park)	From Artifact to Attraction (M-NCPPC, 2006) recommends "rehabilitate the building either for continued use as a community center or for a new use that also serves community needs."

Figure 2

RECREATION BUILDING DECISION MATRIX

	High Use >30% Capacity Used	Low Use <30% Capacity Used
Low Cost of Operating (Good Shape) <13.50 \$/SF	Keep Open as M-NCPPC Recreation Building	<ul style="list-style-type: none"> ▪ Close as Recreation Building ▪ Offer building to other Park units ▪ Move to Property Management and offer building to tenants at 100% Cost Recovery or Market Rate which ever is higher ▪ Demolition (less likely)
High Cost of Operating (Poor Shape) >13.50 \$/SF	Keep Open as M-NCPPC Recreation Building	<ul style="list-style-type: none"> ▪ Close as Recreation Building ▪ Offer building to other park units ▪ Demolition (more likely)

Figure 3
MNCPPC Ancillary Buildings



 MNCPPC Ancillary Buildings

**TABLE 2
SUMMARY OF PRELIMINARY STAFF RECOMMENDATIONS FOR PARK ANCILLARY BUILDINGS**

MANAGEMENT CATEGORY	CENTERS AFFECTED	RATIONALE	RECOMMENDED MANAGEMENT STRATEGY
CONTINUE OPERATIONS	Adventure Ednor Maydale Norwood Pre School Norwood Over 60's Westmoreland Hills	Buildings operation for the benefit of the tenant	Set uniform rental policy for all tenant benefit buildings
CHANGE IN OPERATIONS	Arylawn Takoma Langley Wheaton Community Center	Tenants more easily coordinated with closed North Bethesda Elementary School - property owned by Montgomery County Government, not M-NCPPC Optimal service delivery with other like kind recreation buildings serving the City of Takoma Park Operational consistency with other Montgomery County Recreation Department buildings on park property	Transfer building operations to DPW&T Transfer building operations to the City of Takoma Park Transfer building operations to the (MCRD)

Attachment A

MARKETING STRATEGY FOR RECREATION BUILDINGS

1.1 Department Mission

A well-run park system is the heartbeat of the community it serves. Our mission is to provide Montgomery County residents with a park system that offers safe, accessible and green places to gather, protects and interprets our valuable natural resources and historic sites, promotes a stronger sense of community through shared spaces and experiences, and encourages healthy lifestyles through a variety of recreational activities.

1.2 Goals, Objectives and Tactics

Goal:

Increase community use of recreation buildings to a minimum of 30% capacity annually.

Objectives:

- Raise awareness of the recreation buildings among residents and visitors;
- Attract new customers;
- Encourage repeat use among existing customers;
- Improve access to information about recreation buildings;
- Make reservation systems and processes more customer-friendly;
- Establish feedback mechanism to gauge customer satisfaction and needs;
- Identify customer price thresholds.

Tactics:

- Develop professional marketing materials;
- Simplify website to provide clear information and facilitate online reservations;
- Distribute materials through libraries, civic and community groups, park facilities, community fairs, and other venues;
- Create online photo gallery/virtual tours for each building and surrounding amenities;
- Implement internet advertising campaign;
- Integrate promotion with existing “No Matter the Who, What or When, We Have the Where” campaign;
- Promote rentals in the Montgomery County Guide to Recreation and Park Programs;
- Develop customer data collection and analysis process;
- Explore keyless entry systems and extended hours for key drop off and pick up;
- Offer added services for a fee (e.g., rentals of recreation/electronic equipment);
- Develop promotional partnerships with party stores;
- Explore discount pricing for repeat customers;
- Explore development of a referral program;
- Promote rentals through existing Park databases and email listservs (InfoShare, ParkPASS).

1.3 Implementation Overview and Timeline

The information below provides more detailed information about the tactics outlined above. The following table maps out a preliminary timeline for the implementation of activities planned for FY08-FY10. Please note that this implementation plan assumes the approval of the proposed budgets for each of the fiscal years referenced and is subject to change according to variations in our available financial and human resources.

Develop professional marketing materials.

Currently there are no professional materials that promote the recreation buildings. We propose to develop an “evergreen” accordion-style brochure that highlights each building and provides details on the rental process. An insert with pricing would be produced separately to allow for annual fee changes.

Modify website to provide clear information and facilitate online reservations.

The web site will be reformatted to provide virtual tour capacity for each building as well as more descriptive information on amenities available at each location. Furthermore, the planned upgrade to the current reservation software (coming this summer) will allow customers to view availability online and make paying with a credit card easier. A merger with the current ParkPASS system is planned for Fall 2007; this will provide improved “one-stop shopping” for customers interested in everything the park system has to offer and facilitate cross-promotion.

Distribute materials through libraries, civic and community groups, park facilities, community fairs, and other venues.

If people aren’t aware of our recreation buildings, they can’t use them. We will place the new materials at park facilities in addition to distributing them at community events and heavily trafficked venues, such as libraries.

Create online photo gallery/virtual tours for each building and surrounding amenities.

The website will be updated with virtual tour capacity for each recreation building so customers can see the interior and exterior space of these locations. Information and photos of the surrounding amenities will also be included.

Implement an Internet advertising campaign.

In addition to placing web “buttons” on the parks home page, we will purchase advertising on the most popular search engines to ensure that our rental properties appear should users search for related key words, such as “rental buildings,” “Maryland,” “Montgomery County,” or “party places.”

Integrate promotion with existing “No Matter the Who, What or When, We Have the Where” campaign.

The current marketing campaign supporting our five event centers provides an ideal umbrella for marketing all properties the park system has to offer for parties, meetings, workshops, classes or other events. Though it is likely that printed materials will remain separate, the website will tie in both categories of rental facility to take advantage of cross-promotional opportunities.

Promote rentals in the Guide to Recreation and Park Programs.

The current Guide is mailed to 85,000 homes four times a year, and the County Executive has indicated interest in sending this publication to all homes in the county. One page in each quarterly Guide would be dedicated to promoting our recreation buildings and other rental facilities.

Develop customer data collection and analysis process.

A front-end customer survey will be sent to the entire permits database before the rest of this plan is implemented. This survey will identify customer needs and priorities and establish benchmarks against which to compare future data. It will also help us to determine what services, renovations or replacements are needed to make our buildings more attractive to consumers and support the campaign's message.

A self-mailing survey card will be developed to encourage customers to provide us with feedback. The data from these cards will be entered into a centralized database that will provide regular reports and allow us to keep up with customer demands, address problem areas more efficiently, and identify the appropriate price threshold for our properties.

Explore keyless entry systems and extended hours for key drop off and pick up.

Currently, customers can only pick up and drop off keys to our recreation buildings on weekdays during business hours. It is unknown how much this inhibits potential customers from renting our buildings, but we do know that many of our current customers find this very inconvenient. If we were able to provide keyless entry (like the ZipCar company) or extended weekday hours (7:00am-7:00pm, for example) and added hours on Saturday, this would greatly improve our service and accessibility to new and existing customers.

Offer added services for a fee (e.g., rentals of electronic/recreation equipment).

Additional revenue could be generated through the rental of recreation equipment. Currently, items such as bats, footballs, horseshoes, and volleyballs are furnished at no cost to the customer. A replacement fee is assessed if the user does not return these items, but old or worn out equipment is replaced at our expense. Rentals of electronic equipment could be explored as well, for groups interested in hosting workshops or other presentation-type functions.

Develop promotional partnerships with party stores.

We will explore distributing our materials through the many party stores in the area, perhaps in exchange for placing their materials in our buildings for customers to pick up during their event. Additional opportunities will be explored, such as a possible vendor expo at one of our buildings or reciprocal website links.

Explore discount pricing for frequency and repeat customers.

As a way of encouraging customer loyalty, discounts for those interested in booking multiple days or locations with us should be considered. Competitive research will be conducted to learn what kinds of loyalty programs are offered in our area.

Explore the development of a referral program.

Rewards for customers who bring us more business will be explored. As with discount pricing, competitive research will be conducted to learn what kinds of referral programs are being offered.

Promote rentals through existing Park databases and email listservs (InfoShare, ParkPASS).
 Promotional mailings will be sent to park users currently contained within our databases.
 These may be via email or regular mail, or piggyback on an existing Department mailing going out to other users.

PROPOSED IMPLEMENTATION SCHEDULE				
Tactic	Action Item	FY08	FY09	FY10
Develop marketing materials				
	Brochure	X		
	Web presence	X		
Modify website				
	Software upgrade	X		
Distribute materials	<i>ONGOING</i>			
	Libraries	X	X	X
	Civic/community groups	X	X	X
	Fairs, trade shows, etc.	X	X	X
Create online photo gallery/virtual tours		X		
Implement internet advertising campaign	<i>ONGOING</i>			
	Web banners on Park site	X	X	X
	Search engine banners	X	X	X
Integrate with "We Have the Where" promotion	<i>ONGOING</i>			
	Web presence	X	X	X
	Ads	X	X	X
	Marketing materials	X	X	X
Promote rentals in the Guide	<i>ONGOING</i>	X	X	X
Develop customer data collection and analysis process				
	Front-end survey	X		
	Survey/database development	X		
	Regular reporting	X	X	X
Explore keyless entry systems/extended hours		X		
Create added services				
	Recreation equipment	X		
	A/V equipment	X		
Develop promotional partnerships	<i>ONGOING</i>			
	Party stores	X	X	X
	Others	X	X	X
Explore discount pricing		X		
Explore referral program		X		
Promote rentals through existing databases/listservs		X	X	X