

Attachment C

M E M O R A N D U M

TO: MONTGOMERY COUNTY PLANNING BOARD

VIA: STANTON G. ERNST, PARKS DIRECTOR *sg Ernst*
ROBERT L. YOUNG, ASSOC. DIRECTOR OF PARKS *rl Young*

FROM: CARL D. PALZONE, CHIEF, ENTERPRISE DIV. *CD Palzone*

DATE: JUNE 19, 1981

SUBJECT: Rockwood Manor

Introduction

The information provided within the following material is a composite effort of several individuals. The information is as specific as possible at this point in time. We have attempted to achieve two objectives within this information: first, to outline a general program approach toward the utilization of Rockwood Manor; and second, to provide a dollar figure regarding both "start-up" expenses and operating expenses over a two-year period. The items and associated expenses are the best judgment of Commission staff members.

It should be noted that the Friends of Rockwood have been very helpful throughout these efforts. While we do not agree with all of their concerns, we observe no problems that cannot be resolved to the satisfaction of all. We have also attempted to establish a dialogue with the Girl Scout Council of the Nation's Capital. However, repeated efforts to communicate have produced minimal results. Therefore, we have contacted the Girl Scouts National President. Hopefully, this action will promote a positive relationship.

Management Approach

It is our intent to self-manage Rockwood Manor. We believe that the overall public service would be best accommodated in this manner. We do not feel that a concessionaire arrangement would be in the best public interest at this point in time. The Park Department has demonstrated a capability to manage various types of parks in the past. In fact, the Enterprise Division is specifically designed to administer a revenue producing facility of this type. The Division is experienced in the coordination of various administrative and supervisory requirements with several other divisions and sections, i.e. Finance, Personnel, Interpretation and Conservation, Horticulture and Forestry, and Maintenance and Development. This approach should accommodate both the general public as well as special interest groups.

Area

Rockwood Manor is located at 11001 MacArthur Boulevard, Potomac, Maryland. Approximately seventeen (17) acres of property are to be dedicated to the

Commission. Within the confines of this acreage exist a lodge, group camping building, two caretaker houses, counselor house, and maintenance building. With these structures and the additional parking area the land will have achieved its carrying capacity. Therefore, we do not propose to relocate either the "Oaks" or "Skyview" buildings within the seventeen (17) acre confines. It is our belief that should this relocation occur, the original objective of maintaining Rockwood Manor's natural environment would be violated. Since the existing environment is essential to the success of the lodge operation and individual or group camping, the environment should remain in its present state.

Programs

The program development at Rockwood Manor must stress public service. Upon renovation of the lodge, it should become a multiple use facility. Several potential programs and uses already identified include:

- o Development of an outdoor education program in conjunction with the existing environmental education programs sponsored through the Board of Education.
- o Park naturalist programs on a seasonal basis in conjunction with the present Commission Interpretation and Conservation Division staff.
- o Camping center encouraging organized group camping as well as individual camping and hostelling.
- o Training center for camping leadership.
- o Daytime meeting facility for such groups as garden clubs, art leagues, local civic groups, stamp clubs, recreation classes, etc.
- o Seminar and conference center with either Commission promoted offerings or private organization activities.
- o Special events facility accommodating activities such as weddings, receptions, concerts, art exhibits, parties, dances, outdoor theatre, political rallies, luncheons, etc.
- o Local park allowing organized group picnics, individual picnics, nature trails, quiet enjoyment, etc.

The essential element is the multiple use concept. With the appropriate renovation, the lodge will become the focal point of activity. We will begin to promote the public utilization of the lodge. The active lodge promotion will be a key departure from the past. The upstairs portion of the lodge would be renovated to accommodate overnight guests. In addition, the counselor house and one caretaker house should also be upgraded to accommodate overnight guests. These changes will enable overnight conference programs.

One must remember that the lodge operation is only a portion of the facility. We intend to upgrade the "Timbers" group camping building to enable its continued active use. The "Timbers" area would be available to all camping groups.

Until this point discussion has focused upon facility and structure use at Rockwood Manor. However, it is imperative that development of the grounds area take place to insure active public use. Organized groups and individuals would definitely be encouraged to enjoy the park. The area would be appropriate for weddings, outdoor receptions, senior picnics, special events, individual picnics, art exhibits, environmental programs, etc. The most severe limitation upon Rockwood Manor will be a minimal parking area. However, with the correct schedule coordination, this will be a minimized concern.

Fees

The development of a specific fee schedule is premature at this point. However, it is prudent to discuss a general direction concerning fees. When appropriate specific fees will be developed consistent with existing fees at comparable facilities. The fee schedule would detail rates for such services as: room use, group camping, individual camping, hostelling, special event fees, outdoor area fees, etc. These fees should be applied equitably to all groups and individuals. However, we feel a fee schedule at lesser expense should be available to non-profit camping organizations. These lesser fees would be applied equally to all qualifying organizations. The lesser fee schedule would apply to Girl Scouts, Boy Scouts, Campfire Girls, etc. This approach will continue to foster the utilization of the area for camping. Since the camping experience is critical to the development of an individual, special efforts should be made to continue the promotion of the camping movement. This is only one such effort. Similar special efforts have been made in other program areas. One example is our school ice skating lesson program at Wheaton and Cabin John Ice Rinks.

Start-Up Expenses

The information concerning necessary major improvements for Rockwood Manor is an outline of those items which should be addressed within the initial and second year. The total cost estimate for the improvements is \$356,235.00. These improvements should be well under way or completed prior to operation. The major repairs and renovation to the existing structures will be necessary so that the active promotion of a revenue producing program will be successful. In addition, many of the repairs and renovations are necessary to conform to the county regulations. The improvement costs reflect our best estimates at this time.

Major Improvements

<u>Structure</u>	<u>Maintenance/Development Renovation</u>	<u>Expense</u>
Lodge	Bathroom/Shower Relocation and Renovation Roof Repair Exterior Brickwork Interior Painting Kitchen Floor Replacement Plaster Repair and Replacement Siding Repair and Replacement Chimney Brickwork	\$ 29,750.00
Timbers	Bathroom/Showers Installation Electrical Renovation Heat Renovation Roof Repair and Replacement	28,000.00
Maintenance Building	Roof Replacement Gutter Replacement Restroom Renovation Electrical Renovation	7,200.00
Caretaker House #1	Furnace Replacement Gutter Repair and Replacement Exterior/Interior Painting Electrical Renovation Plumbing Repair	5,100.00
Caretaker House #2	Roof Repair and Replacement Gutter Replacement Restroom/Shower Renovation Floor Repair Chimney Brickwork General Repairs Exterior and Interior Painting	11,300.00
Counselor House	Roof Repair Gutter Repair and Replace Steps Replacement Bathroom/Shower Renovation Interior Painting	4,000.00
Water and Sewer Requirements	WSSC Water TAPS 8" Sewer TAPS 4" Sewer TAPS Fire Hydrants Man Holes Excavation and Labor	162,500.00
Electrical Service	General Area Work	6,000.00

<u>Structure</u>	<u>Maintenance/Development Renovation</u>	<u>Expense</u>
Parking Area	Fifty Space Area	\$ 50,000.00
Structure Renovation	Lodge Interior Redesign Counselor House Interior Redesign Caretaker House Interior Redesign	20,000.00
		<u>\$323,850.00</u>
	Engineer/Consultant/Contractural Fees (10%)	<u>32,385.00</u>
		<u>\$356,235.00</u>

Projected Revenue

The projected revenue is difficult to estimate for this operation. We reviewed revenue information from two comparable facilities, i.e. the Silver Spring Armory and the Rockville Civic Center. Although every facet of these two facilities is not identical to Rockwood Manor, individual segments of each are similar in nature. Therefore, we felt comfortable with the comparison. In a seven month period during the initial year of operation the Armory generated \$27,400 in revenue. In FY '80 the Civic Center generated \$72,281 in revenue. Since all three facilities will realize revenue from such activities as business luncheons, weddings, receptions, parties, large meetings, seminars, conferences, exhibits, etc., these revenue figures are a logical guide to the potential revenue one might generate at Rockwood Manor. The Armory is perhaps a logical guide for a beginning program. The Civic Center is perhaps a logical guide for an established program. With this in mind, the \$40,000.00 estimate is a realistic expectation of Rockwood Manor during its initial year of operation. One should remember, however, that this projection assumes an active promotion of the lodge. The lodge will need to become a major revenue generator.

Since the Armory and Civic Center were utilized as comparables with regards to revenue potential, one must also indicate the expense history of these two operations. The actual operating expenses for FY '81 at the Armory (through 5-31-81) are \$87,700 excluding capital outlay and depreciation. The loss after depreciation for this same period approximates \$86,000. The actual operating expenses for FY '80 at the Rockville Civic Center were \$280,417. Therefore the Civic Center had a loss of \$208,136 during FY '80. Although more than \$90,000 of the expense at the Civic Center was for a grounds maintenance program which will not be comparable to Rockwood, it is still obvious that expenses for these types of facilities are quite high. One cannot be certain of recovering operating expenses each year. The projected operating expenses for the second year of operation at Rockwood Manor is \$145,500.00. This is a realistic estimate. The attached projected revenue and expense statement and line item budget details the expected operating expenses. These estimates are premised upon past experience with comparable facilities and programs.

Conclusion

Rockwood Manor is an excellent opportunity to develop a camping and lodge operation. However, as indicated earlier, it is expensive to operate such programs. Both the Armory and the Civic Center provide excellent examples of the large "start-up" and operating expenses involved with similar facilities. Both the Armory and the Civic Center also reveal the uncertainty of recovering program expenses each year. Therefore, the advantages and disadvantages should be carefully considered during the decision process.

ROCKWOOD MANOR

Estimated Revenue and Expense

	<u>1st Year</u>	<u>2nd Year</u>
Revenue:		
Fees & Charges	-	\$ 40,000
	<hr/>	<hr/>
Expense:		
Personal Services	\$ 34,000	\$ 81,000
Supplies & Materials	3,500	4,500
Other Services & Charges	18,300	35,000
	<hr/> \$ 55,800	<hr/> \$120,500
Major Improvements	\$356,235	-
Equipment & Vehicle	-	\$ 25,000
	<hr/> \$356,235*	<hr/> \$ 25,000**

* See detailed list on preceding page.

**The proposed Capital Outlay expenditure includes such necessary items as: beds, chest of drawers, typewriter, copier, draperies, blinds, vehicle, projector, projector screen, slide projector, tables, chairs, vacuums, scrubber.

Estimated Personnel Requirements (Man Years)

	<u>1st Year</u>	<u>2nd Year</u>
Full-Time	1.00	2.00
Part-Time (Non-Career)	<u>1.50</u>	<u>3.50</u>
	2.50	5.50

The projected personnel requirements for the first year include one full-time Park Maintenance Leader III, Grade H12 and 1.50 man years for Program Facility Aides. In addition to these positions, the second year projection includes one full-time Enterprise Manager II and 2.00 man years for part-time non-career (1.00 man year for a Program/Facility Manager Aide and 1.00 man year for an additional Program/Facility Aide position.) The personal services expense projections are based on the assumption that the property acquisition will occur during FY 1982 and that the major improvement will be completed and the facilities operational during FY 1983.