



## CITY OF BEVERLY HILLS STAFF REPORT

**Meeting Date:** August 3, 2010  
**To:** Honorable Mayor & City Council  
**From:** Steven Zoet, Interim Director of Community Services  
**Subject:** Presentation Regarding Staffing and Operational Management  
Options Associated with the new Greystone Catering Kitchen  
**Attachments:** 1. Report from Consulting Firm Arthur M. Manask  
and Associates

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### INTRODUCTION

The Community Services Department was desirous of retaining a consulting firm that could provide experience and insight into options associated with the use, management and operations of Greystone Mansion's new catering kitchen. Staff did an assessment of vendors and was pleased to retain the services of Arthur M. Manask and Associates, a Burbank based firm which specializes in providing management consultant services to the food services and cultural institution industries. This report provides a summary of some of the more critical recommendations which will be presented in detail by the consultant at the August 3 Study Session.

### DISCUSSION

Staff wished to engage an experienced firm that could provide an independent analysis of additional business and rental opportunities associated with Greystone and provide recommendations on ways to optimize use of the property for rental events and income. Staff wished to assess ways to increase earned income from facility rentals, catering operations and other conceivable sources of income to the city through use of the site. Specifically, staff was interested in assessing the benefits and detriments to operating with an exclusive caterer or utilizing multiple caterers, the differences associated with managing each option, and what revenue generating differences, if any, would likely occur as a result.

Recommendations and considerations will be presented by Art Manask as a result of their surveying efforts, professional experience and practical applications employed elsewhere. Pending City Council direction, staff will work with the consultant on the next phase of work for which they have been retained which is to draft the Request for Proposal (RFP). Catering proposals will be solicited throughout the food service community. Those whom we feel are the best and most suited to serve the needs and interests of the city will be invited to participate in the process.

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In order to increase rental opportunities associated with the mansion, the firm was asked to assess what inhibitors exist and what changes need to occur or should be considered to enhance the use and revenue generating capabilities of the site. Staff wished to share some of the findings for your awareness and consideration in advance of the presentation being provided you. These criteria are important when considering possible future investment in the site and as they relate to your direction on the desired operations of the facility that are being asked of you.

The primary concern about the facility that was voiced to the consultant when surveying the user community was the lack of sufficient and proper restroom facilities at the site. Staff is aware of these concerns and is assessing various options associated with bringing additional facilities to proper locations within and exterior to the mansion. Additionally, the physical condition of the grounds where trip and fall hazards could occur caused by uneven stonework was noted as a concern for patron safety. The consultant also strongly felt that the current hours of operation, calling for events to conclude and the premises cleared by 8pm, is too restrictive to assure long-term success and has to be revised to appeal to a broader spectrum of viable uses.

On occasion, staff has allowed events to go until 10pm or after and, due to the controls imposed during such times, have realized very few complaints from the surrounding residents. Staff and the consultant encourage City Council's consideration of events being allowed to occur until at least 10pm with the understanding that staff would do outreach efforts with surrounding homeowners and assure, as best we reasonably can, that operations would not impose hardships or adverse conditions on their use and enjoyment of their properties. These extended hours could be limited to weekends only.

Mobility within and around the mansion's first floor, as well as the grounds in general, are difficult for those confined to a wheelchair or are otherwise affected by mobility issues. Staff is assessing improvements that can occur to help mitigate these conditions. Investments will also have to be made to upgrade the facility's technology capabilities to ensure interest in its use as a smart venue capable of hosting various business-centered meetings that rely on access to and use of high end technology. Staff has engaged representatives from the IT Department to help assess further needed enhancements and to assure that the site is properly equipped to meet business services comparable to or in excess of those available within surrounding hotel options.

The recommendation for preferred catering services, as cited below, calls for the ability to employ an additional position that is experienced in marketing, catering/facility rental operations and booking facility uses for a variety of functions and needs. Staff does not possess the experience or expertise in this area outside of promoting and hosting wedding events. It is recommended that we retain the coordination of this function within our existing structure and hire a new person having the experience and skills necessary to reach out to and interact with the business and travel/hotel industries. These are the market niches where we lack expertise and have the greatest unmet potentials for new rental and income opportunities for the facility.

Additionally, this position would serve as the city's representative to the caterers, assuring that all uses of and obligations to the facility and the city, as included in any subsequent agreements, are being adhered to. This is a responsibility that is critical to long term success and is again an area of experience that we lack with existing staff. Staff and the consultant feel that the city is best served by this being a position under its employ and control versus being an outsourced or contracted service where loyalties, accountabilities and representations differ.

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### **FISCAL IMPACT**

According to the consultant's estimate for prevailing market compensation associated with this profession and the expected job duties, they are recommending that a newly budgeted position of \$111,000, inclusive of benefit costs, be added to the budget. It is anticipated that it will take this level of funding to attract and retain a qualified individual who would provide the experience, expertise and skill set needed to better assure long term success. The department does not have this position or its associated costs identified within the 2010/11 fiscal year budget. Human Resources will be requested to validate job duties and compensation levels upon receipt of the consultant's research and documents that supported their recommendation.

The position, if ultimately approved, is not foreseen as being needed until the third or fourth quarter due to timelines associated with the RFP process and anticipated work within the mansion that will be occurring for needed heating and ventilation system installation. Cost impacts for the current fiscal year would therefore be substantially less and will allow staff the opportunity to assess operational cost savings at the time of consideration or other circumstances that would allow for us to fund the position without additionally needed dollars.

One option for Council's consideration that would not incur additional expense to the general fund would be to pay for all associated costs out of the Parks and Rec. Facilities Fund (Fund 16) and reimburse the fund from proceeds generated by the facility as a result of the individual's efforts. The consultant's projected that additional income from catering operations should range from \$111,000 to \$144,000 the first full year of operation and \$165,300 to \$214,600 within five years of operation based on anticipated overall business and the negotiated commissions to be retained by the City. Please see Appendix C, Financial Projections in the attached report for further information.

### **RECOMMENDATION**

Based on its own assessments, along with the professional and independent analysis put forth by the consultants, staff supports the recommendation of a non-exclusive catering arrangement. Under this scenario, more than one caterer would be selected to provide for the facility's rental groups who desire a food service component. This arrangement allows for more diverse food selection and price options and more broadly appeals to the rental community for these reasons, thereby translating into a higher number of expected rentals.

This recommendation is conditioned on the ability to have the proper staffing structure in place to successfully market and manage the expanded uses of the facility, including the new kitchen and caterer contacts, and to help assure success for all parties involved. Staff recommends that costs associated with the requested new position be charged against Fund 16 with full restitution being paid back to the fund from revenues generated through new operations and not impose added expense to the city's general fund.

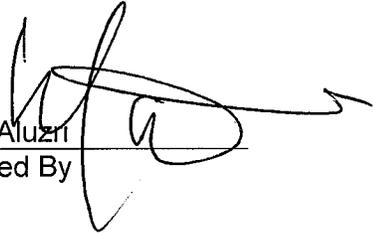
Lastly, staff recommends that hours of operation be revised to allow restricted use of the grounds until 10pm and interior use of the mansion until 11pm. All event or activity support staff would be required to be vacated and off premises no later than 12am midnight. Extended hours could be restricted to weekends or annual allowable occurrences if desired.

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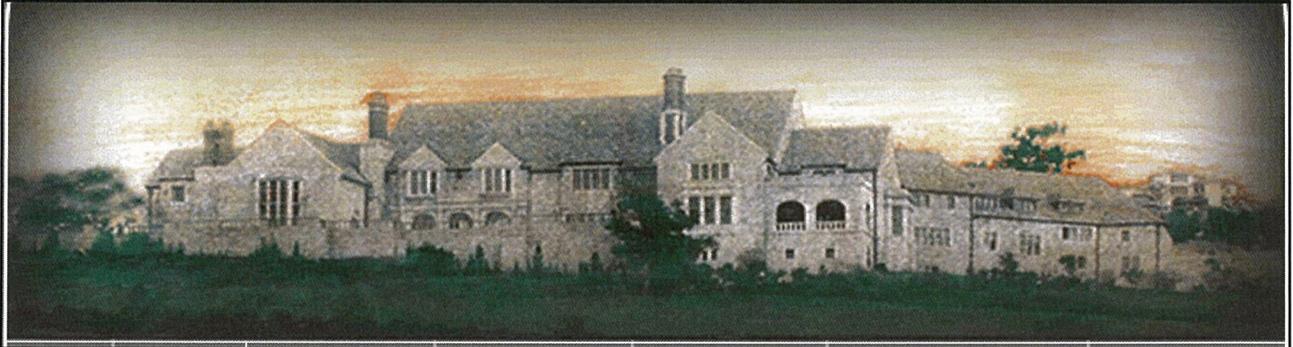
The Recreation and Parks Commission endorsed all three of these recommendations at their regularly scheduled meeting on July 27, 2010.

Staff and the consultant will be prepared to address questions of Council regarding these recommendations and any other recommendations as contained within the attached report.

  
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Scott Miller  
Approved By

  
\_\_\_\_\_  
Mahdi Aluzri  
Approved By

*Welcome to the Friends of  
Greystone Mansion and Park*



**City of Beverly Hills**  
**GREYSTONE FACILITY RENTAL RESEARCH & STUDY**

FINAL REPORT  
JULY 21, 2010

***Confidential***

**MANASK & ASSOCIATES**

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Earned Income Consultants**

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*Greystone Mansion and Park*

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# FINAL REPORT

# **CITY OF BEVERLY HILLS**

## **Greystone Facility Rental Research & Study**

### **I. INTRODUCTION, BACKGROUND, METHODOLOGY AND CLIENT OBJECTIVES**

Purchased by the City of Beverly Hills in 1965, the Greystone Estate sits on 12 acres of property overlooking the city. Dedicated as a public park in 1971, and now recognized as a historic landmark; this 55 room, 46,000 square foot mansion was built as the Doheny family home and was first occupied in 1928. In addition to the mansion itself, the property contains multiple landscaped features.

The City of Beverly Hills ("Client" and "City") has invested several million dollars on upgrades and improvements to the Greystone Mansion ("Mansion" and "Greystone") and its grounds, including a new dedicated catering kitchen and updated HVAC. The City would now like to see if it can get a return on its investment.

Client engaged Manask & Associates ("Consultants") to conduct a study focused on the potential for expanded facility rentals and income from catering at the Mansion to be followed by a caterer selection process (RFP). The City currently receives no income from catering services there. Client would like to increase and optimize the use of the Mansion and grounds for facility rentals, within the limitations and restrictions of the residential neighborhood and historic nature of the Mansion itself.

Before conducting an RFP for one or more approved caterers; Client wants a better understanding of how the Mansion is perceived in the community as a desirable and popular facility rental venue for social and corporate events, as well as for not-for-profit organizational fundraising. The City is willing to consider most types of events provided they are not disruptive to the neighborhood and are respectful of the Mansion as City-owned property.

Currently at Greystone, the Mansion is not open to the public, is only opened and/or used for a few scheduled City and Friends of Greystone ("FOG") functions; and private rental events are held in outdoor areas only. Client indicated they might consider opening the Mansion at some future date/time (not in near future) to the public for daytime tours, similar to most other historic home properties around the U.S. Client wants to know of any demand/interest in outside group/organization events at the mansion. Client also seeks guidance to maximize the future use of the interior space of the first floor, and perhaps at a later date the second floor and lower level spaces, within the approved occupancy limitations for both facility rentals and catering activities.

Client would like to better understand appropriate facility rental rates that will be competitive with other unique venues (museums, botanic gardens, mansions, etc.) in the surrounding Los Angeles areas.

Client would like to know and understand opportunities that may exist in establishing a working relationship with local, high quality hotels related to the Mansion's absorbing hotel event overflow. Client is also interested in exploring the mutual benefits that can arise from such a relationship; in that these hotels would likely have an interest in providing the catering services for such events held at the Mansion.

Client's IT Department will install state-of-the-art infrastructure in the Mansion that is necessary to accommodate internet, audio visual and related needs for the first floor public spaces; but needs some direction as to what equipment may be required for conferences/meetings.

Client would like to undertake an RFP for an exclusive or non-exclusive caterer relationship after reaching an understanding of 1) the market and potential for facility rentals and events at the Mansion 2) which type of caterer relationship will help optimize facility rental activity and catering income for the City and 3) how a new caterer(s) relationship would fit with the City's onsite staffing, operational and logistical considerations.

Consultants requested documents and information from the City for review before an onsite visit, tour and meetings with Client representatives. Consultant principals Art Manask and Rob Schwartz were onsite March 8 & 9, 2010, for interviews with key stakeholders and tours of the Mansion and grounds to gain a better understanding of the project and fine-tune Client goals for this study/evaluation.

During this onsite visit, Consultants met with and interviewed the following people:

- Brad Meyerowitz – Recreation Services Manager, City of Beverly Hills
- Cindy Brynan – Senior Recreation Supervisor, City of Beverly Hills
- Steve Zoet – Assistant Director of Community Services, Recreation & Parks, City of Beverly Hills
- Alan Schneider – Director of Project Administration, City of Beverly Hills
- Mark Hobson – Assistant Chief Information Officer, City of Beverly Hills
- Steven Clark – Senior Park Ranger, City of Beverly Hills
- Susan Rosen – Chair, Friends of Greystone
- Alan Block – Vice Chair, Recreation & Parks Commission, City of Beverly Hills
- Steve Miller – Community Services Director (Retired)
- Jill Tavelman Collins – Chair, Recreation & Parks Commission, City of Beverly Hills
- Barbara Rosenman – Recreation Specialist, City of Beverly Hills
- Daniel Hernandez – Senior Park Ranger, City of Beverly Hills

Interview by phone:

- Christy McAvoy – Managing Principal, HRG

## II. FINDINGS AND OBSERVATIONS

### A. Facility Rentals – Current

1. Available Venues – The Greystone Mansion is not in a physical condition, or up to applicable codes, to allow for public rentals; and is only occasionally open for public tours. Therefore, it is used solely for occasional special programs or a few City and Friends of Greystone (“FOG”) sponsored events during the year. The Estate currently offers only outdoor venues for rentals.



- i. Formal Garden – Popular for weddings and /or receptions and can accommodate up to 300 seated guests, theater style.
  - ii. Cypress Walk / Forecourt – A paved walkway below the Formal Gardens and connected to a nicely landscaped courtyard. This area can accommodate 150 guests for standing receptions.
  - iii. Pool – The original pool has been filled in and the area covered with paving bricks making this a popular site for tented events. Located just behind the Formal Gardens this site can accommodate up to 150 guests for table service dining. The adjacent Pool House offers restrooms and is often used for bride and groom changing rooms.
  - iv. Mansion Courtyard – This space is the original main entrance to the mansion and is flanked by the Mansion and garage. The space is covered in stone paving and features a fountain centerpiece. This space can accommodate up to 225 seated guests for table service and is adjacent to the new kitchen.
  - v. Terrace / Reflecting Pond – This space is a more intimate setting, adjacent to the front of the Mansion offering wonderful views of the city; with seating for 60, or up to 100 for standing receptions.
2. Rentals are currently limited to only one per day due to parking and other physical limitations and acoustics involved.
  3. Programmed Special Events. The City schedules multiple City and FOG sponsored and programmed events that take place in or around the Mansion. These include:
    - High Teas
    - Classical and Chamber music concerts
    - “Haunted Mansion” Halloween events
    - Shakespeare in the Park
    - Greystone Mansion Tours (only by appointment or via scheduled special event)
    - Greystone Mansion Concourse d ‘Elegance (antique/classic car show)
    - Design Showcase House

These events have been popular and demonstrate the interest of the community in this venue and especially the Mansion.

#### 4. Capacities and Limitations

- a. Physical / structural obstacles and accessibility – During tours of the outdoor grounds and rental venues, Consultants noted a number of physical obstacles and structural issues.
  - i. The parking lot is located on top of the City installed/owned water reservoir. The city has restrictive weight limits on this structure and allows only 184 parked cars. However, no trucks of any kind are allowed past the guard house. This requires all deliveries of rented chairs, tables, catering equipment, tents, etc. to be off-loaded

- and transferred by hand to the venue in use. This adds time and labor costs for the catering companies and, ultimately, the host of the event.
- ii. The parking lot is not on the same level as the rental venues, requiring use of multiple stairs to any of the venues.
  - iii. The wheelchair access from the parking lot is available, but ultimate access to any of the venues does involve a barrier of a step or two or more.
  - iv. Access from the Formal Garden to any of the other venues again involves multiple stairs or a rather steep, winding trail that could not be safely navigated alone in a wheelchair.
  - v. The Mansion is not fully accessible by wheelchair. The main, front entrance leads to a landing and stairs up or down with no wheelchair access currently available. Access to the main floor is more available from the side entrance and leads to same floor access to multiple rooms and the grand hallway. However, access is not available to the current restrooms up a short flight of steps.
- b. Restroom issues – Currently, the only public restrooms available to support rental events on the grounds are located along the driveway leading into the Mansion Courtyard. These restrooms, one for Men, one for Women, are in general disrepair, small, present an odor and are more reflective of restrooms found in a city park than what would be expected at a wedding or “estate” event. This was a common source of dissatisfaction among past clients and a “deal killer” for some potential clients. Additional restrooms are located in the Pool House, but one has been closed for several years from water damage and the remaining functioning one is also in disrepair and unattractive. This room is often used as the brides’ changing room making it unusable for most wedding events. The Mansion has two restrooms, up a half-flight from the main floor and a third bathroom off the “Guest Room” which is intended for disabled use. None of these facilities are available to guests at outdoor events. While relatively modern and usable, these are generally in need of upgrades and renovation to accommodate larger crowds on a regular basis. No other restrooms in the mansion are in working order at this time (excluding one added in the new kitchen for staff use).
- c. Safety issues – Consultants noted a significant number of potential guest safety issues during the tour of the outdoor venues. These include:
- i. Lack of proper lighting for walkways and stairs - Events often end after dark and require guests to climb the steps back to parking area. Currently, the Park Rangers offer assistance, using their flashlights as they escort the guests to the parking area.
  - ii. Stairs are in disrepair with cracked, chipped and missing stones/pavers in many areas.
  - iii. Walkways are uneven and steep inclines present challenges.

- iv. The outer courtyard and areas in front of the garages have very uneven stone and brick pavers. This area must be traversed to access the public restrooms and is also poorly lit. Falls, twisted ankles or worse can happen easily here.
  - v. Mansion safety – There are a number of safety issues must be addressed before the Mansion interior can be used for public rentals. These would include fire safety codes, marked exits and emergency lighting. Consultants are not expert in these requirements and Client acknowledges that the structure would need to be brought up to applicable codes before a public rental program can be started.
- d. During the summer months of July and August, the use of outdoor venues at Greystone can be very uncomfortable. High daytime temperatures are absorbed by the stonework of the home and walkways, then radiate out into the evening making the use of the courtyards and terraces very unpleasant. Conversely, some winter months can be unpredictably cold, windy or rainy; making a beautiful outdoor venue unusable, and without reasonable backup options.

Catering challenges – Interviewing several active caterers who regularly provide services at Greystone revealed that the property is a challenging venue. There is no potable water; and all water and ice must be hauled in for every event. The multiple levels of venues with no direct access requires an excess of hand carrying tables, chairs, equipment, food, beverages, etc. The uneven surfaces do not allow for simply setting tables. All tables must be shimmed to prevent rocking. The uneven surfaces also present an employee safety issue: a high risk of “slip and fall” injuries.

#### 5. Rental Restrictions and Regulations

- a. Group size restrictions – Currently, the size of the group is not limited by policy but by parking and venue capacity. Maximum group size is essentially restricted to 400 guests, which is tight and requires the use of multiple venues to accommodate all guests. As noted earlier, the parking is restricted to 184 vehicles, which equates to about 400 guests. Events with more than 300 guests require valet parking at the Mansion and shuttle service back-and-forth to the upper-level parking lot.
- b. Hours – Current policy, city ordinance and consideration for the neighbors require that events at the Greystone close by 6 p.m. (extended by a special use permit to 8 p.m.); and event strike and cleanup must be completed by 10 p.m. According to market research with caterers and others, these restrictive hours negatively impact the desirability of the Greystone as an event venue. This being said City representatives have indicated they do flex the closing time of events on occasion on case-to-case basis.
- c. Other restrictions – The following restrictions apply to all rentals:
  - i. No keg beer may be served. Liquor, wine and bottle beer can be provided, with proper permits.
  - ii. Park Rangers are required to be in attendance for all events.

- iii. The Mansion is not open for any use during outdoor venue rentals. This is often viewed as a “tease” by some of the rental customers as they can experience a “see, but don’t touch” kind of feeling. Often, guests resort to peeking through windows.
- iv. Limited amplification for music is allowed.
- v. Additional restrictions relative to decorations, set up, materials, props, etc. apply and are detailed on the rental agreements.

6. Pricing/Cost of Events

- a. Facility rentals – Pricing is calculated on an hourly basis and based on expected guest counts. There are Beverly Hills resident and non-resident rates, with non-residents paying 25% higher rates. Beverly Hills residents are allowed to book up to 12-months in advance, and non-residents are allowed to book up to 6-months in advance. There is a four-hour minimum plus an additional charge for set up and strike times at two hours on each end of the event. The rental rates assume use of two areas. Additional areas can be rented at 80% of the posted hourly rate. Facility rental rates are low as compared to other unique, cultural venues in the LA market.
- b. Ranger fees – Park Rangers are required in attendance at all facility rental events. Depending on the size of the event and other factors (such as use of portable generators) Fire Department and Police may be required as well. Park rangers are charged to the event host at \$53 per hour and for a four hour minimum. Park Rangers oversee event set up and strike and are available to answer questions about the estate and mansion. They help with guest arrival and departure, control traffic and - while not part of their job descriptions - often pitch in where needed to help the event go smoothly. The Rangers are truly the public face of Greystone.
- c. Other income – In addition to the rental fees and personnel costs, each event must also pay a \$300 Maintenance Fee (non-refundable) and a refundable \$600 Security Deposit. Currently, Greystone does not receive any commissions or fees from caterers or other vendors providing services (valet parking, floral, decorating, rentals, etc.).

Following is a summary of the typical rental costs for a 4 hour outdoor event:

**Greystone Facility Rental Charges**

Guests	Venue Rental - 4 hr.		Set up / Strike		Ranger fee	Maint.	Total Cost - 4hr.	
	Resident	Non-Resident	Resident	Non-Resident			Resident	Non-Resident
1-100	\$ 1,708	\$ 2,168	\$ 440	\$ 540	\$ 212	\$ 300	\$ 2,660	\$ 3,220
101-200	\$ 2,168	\$ 2,708	\$ 540	\$ 686	\$ 212	\$ 300	\$ 3,220	\$ 3,906
201-300	\$ 2,580	\$ 3,244	\$ 646	\$ 812	\$ 212	\$ 300	\$ 3,738	\$ 4,568
301-400	\$ 3,000	\$ 3,748	\$ 754	\$ 940	\$ 212	\$ 300	\$ 4,266	\$ 5,200

In addition to the rental rates there are additional costs associated with larger parties versus smaller parties for set up etc. However, most other rental venues charge a fixed

rate for the venue, regardless of how many people are in attendance. At Greystone, if a party for 100 rents the Formal Garden for \$2,660 it blocks the potential income of \$5,200 from a party of 300 for example.

## 7. Scheduling of Internal Use vs. External Use

- a. Filming opportunities – Filming presents a unique opportunity for cultural institutions, especially in the Los Angeles area. Filming for commercials, TV or feature films have been a popular activity at Greystone with over 50 films featuring the Greystone Estate. Greystone has 10 to 20 filming events per year generating \$40,000 up to \$200,000 facility rental income per year.

While filming produces lucrative and easy income, it is usually on short notice and can be disruptive to park visitors, or in the future, Mansion rentals. Production companies like to film at Greystone now because very little needs to be done to prepare the spaces for filming. No removal of furniture, art or people is required. Currently, when a shooting schedule extends over several days, they can leave their equipment set up in the Mansion without fear of public interference. However, if in the future the Mansion is opened for public access and rentals; this will change. Filming opportunities will have to be evaluated on a case by case basis to determine if the dates are available without conflicts; and new rules will have to be established for the studios regarding their equipment and hours of Mansion availability.

- b. FOG and City events – The city of Beverly Hills and FOG has programmed several events that are held on the grounds or in the mansion throughout the year. These are the only events where public is allowed into the Mansion. These have been:
  - “Teas on the Terrace” – 3-4 times per year, catered
  - “Music in the Mansion” – 5 times per year, simple reception
  - “Manor Murder Mystery” – catered
  - Holiday events – catered
  - Concourse d ‘Elegance (classic car show) – catered
  - Design Showcase House

Other uses include meetings and small receptions. These do not present any significant conflict with rental potential and can be worked around easily.

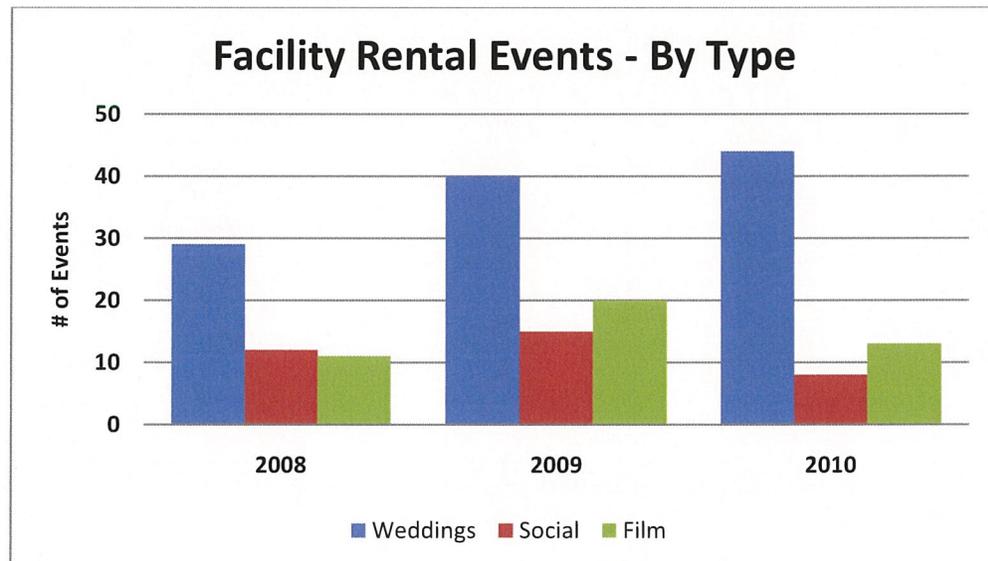
## 8. Facility Rental Department: Sales and Operations Staffing

- a. Operations – Greystone is operated under the Recreations & Parks division of the City. The Park Rangers report to the Recreation Services Manager, The Recreation Specialist report to Sr. Recreation Supervisor who also oversees other assets operated by the City. There is not a dedicated Operations position for Greystone today.
- b. Sales – The sales function (for wedding and private events), as a unique sales position focused on the promotion and development of business for Greystone, does not exist. This

is covered by the Recreation Specialist position (80% full time) and the Park Rangers. There is not any position (or a City resource) that is actively promoting and selling Greystone, calling on customers, corporations, event planners, etc. to generate business for Greystone. Right now, they respond to business that contacts them.

The sales function, by traditional definition, does not exist. Most rental events come through word-of-mouth and direct contact by the prospective user to the City. The Park Rangers are largely responsible for selling the venues as potential customers either “drop by” or call for tour appointments. The Park Rangers do a fine job of tours and know the rental policies, what works and what doesn’t, and represent the City well in this role. But they do not offer the traditional role of “event coordinator” (operations manager) and the consistent point of contact before, during and after the event. This often leads to the customer hiring event planners to handle all the various details required to host an event at Greystone.

9. Advertising, Marketing and Promotion – The City does not budget specific dollars for the advertising and promotion of Greystone outside of the city web site and parks materials. The Greystone website is nicely done and is robust enough to provide ample information concerning the venues, pictures, pricing, rules and restrictions for interested users to make initial interest decisions. The website leads the user to easy-to-follow links and contact information (Consultant noted a broken link under “Contact” which leads to Friends of Greystone and another “weddings only click here” link that does not work).
10. Historical Summary of Use and Gross Revenues – Consultants were not provided any specific financial profit & loss statements for the Greystone operations. Consultants were provided historical rental activity and rental income as detailed below.



Consultants were also provided the budgeted cost of the City staff that is dedicated to Greystone for Park Rangers, Recreation Specialist (wedding and event coordinator) and other allocated labor. Based on the information the City provided, Consultants estimate that these staffing costs total approximately \$345,000 per year including applicable benefits. Quick math shows that current rental income is not covering the labor costs. Considering other ongoing maintenance, repair, upkeep, utilities costs, etc.; the Greystone facility rental activities most definitely operate at a loss.

## B. Facility Rentals – Future

1. Renovation of the Mansion renovation is a key element in the future rental options at Greystone. Market research with prospective users has strongly indicated that the use of the Mansion would greatly enhance the ability to rent all venues at Greystone and provide a reasonable alternative for inclement weather for appropriate size groups. However, as noted earlier, the Mansion will need to undergo some level of repair and renovation to bring it up to applicable codes and make it ready for routine rentals. To better understand what will be required, the City hired a firm that specializes in historic renovations to develop an overview and business plan for the renovation requirements at Greystone Mansion.
  - a. The Historic Resource Group (“HRG”) and Creative Arts Resources (“CARS”) were engaged to develop a business strategy including full or partial use of the Mansion. This study was done in 2007 and updated in 2009. This study led to recommendations regarding a full time, onsite, dedicated management organization structure and funding allocations for the ongoing maintenance of the grounds and buildings. The development of a Historic Structure Report that will document the current condition of the Mansion and grounds, serve to retain the historic architecture and artifacts and lead to specific renovation recommendations was also suggested.
  - b. HRG has not been engaged to update the Historic Structure Report and renovation plans as of this writing. This is the critical first step to understanding what resources (financial and otherwise) will be required to make the necessary renovations yet retain the historic authenticity of the Mansion and grounds. Until the HRG study/evaluation study and plan are completed, along with a projected budget for these renovations and the City’s ability to source the funding for the renovation (and repairs on the grounds), the hope of opening the Mansion for rentals cannot go forward.
2. Mansion Capacities and Limitations
  - a. It is contemplated that the Mansion renovations would be completed in phases. Initially, renovation would concentrate on the first, main floor. Then, as demand dictates, renovating the second floor and possibly some of the lower level spaces, like the bowling alley and movie theater, would take place. The first floor plans have been reviewed by the Fire Marshall; and he has provided allowable maximum room occupancies. The rooms that would be available, their capacity and defined purpose, are detailed below.

<u>Room</u>	<u>Capacity</u>	<u>Anticipated Use</u>
First Floor Only		
Living Room	73	R,D,M
Card Room	43	R,D
Library	41	R,D,M
Dining Room	44	R,D,M
Breakfast Room	32	R,D
Solarium	17	R,D
Guest Suite	22	M
<u>Room</u>	<u>Capacity</u>	<u>Anticipated Use</u>
First Floor Only		
Original Kitchen	20	R
Pantry	14	R
Grand Hall	24	R,D
Entire First Floor	300	R,D,M

R=Reception D=Dine M=Meeting

It should be noted that no one room is rated to hold more than 73, which greatly reduces the rental desirability for large dinners such as weddings where the host would want all guests in the same room. It is more likely to be attractive for smaller corporate meetings or conferences during the day, then used for strolling receptions and music/dancing in the evening. This would fit well with use of the outdoor spaces for ceremonies, dining in the courtyard or terrace; then moving indoors as the evening progresses. Music and dancing could be set in the Grand Hall and Card Room. Adjacent outdoor terrace space could be used as well, assuming doors are kept closed, and noise is kept inside after 8 p.m. Some of the spaces detailed above are routinely and regularly used by City-supported groups/organizations currently. The City needs to determine disposition of room/spaces currently being used inside the Mansion and whether or not these uses continue post-Mansion renovation.

- b. Conference Center technology is currently lacking. The rental desirability assumes that the first floor meeting spaces as identified above would be brought up to modern technological standards for audio visual use, computers, internet and video conferencing. These must be on a par with competing venues to allow corporate clients access to the latest technology for meeting and conference success.
3. Facility Rental Policies - Current policies are quite restrictive, especially related to hours of events. Renovations to the Mansion would theoretically allow for later hours (market research with potential users indicated hours should be extended to at least 10 p.m.) with music inside the mansion. The renovation would also provide excellent daytime rental opportunities for business lunches, tour groups, and social groups, all of which are not currently feasible.

### C. Catering Services

1. Currently, there are no restrictions on the number of caterers that are allowed to operate at Greystone. Each caterer must be approved, provide required insurance and sign catering agreement; but all who comply with requirements are allowed. Market research and interviews indicated that this existing policy is perceived by many customers and the City as a distinct advantage when compared to venues with catering exclusivity or a short list of approved caterers. The perception is that customers like to be able to choose who they use, what menus they serve and the level of prices they pay; without being forced into using one particular caterer. There is currently no fee or commission collected from caterers for the services they provide at Greystone.
2. Caterers have reported that Greystone, as it is currently used as an outdoor only venue, is a difficult venue to work. The multiple levels, limited parking and lack of truck access to the various levels require extra labor and cost to set up parties and service them during the events. All water and ice must be brought in as there is no potable water available. The uneven surfaces require leveling of every table with shims to keep them from rocking. Uneven surfaces also make it impossible to use carts; and present slip and fall dangers for the employees. One caterer reported that Greystone is the most dangerous venue that they service.
3. Given the complexities of hosting an outdoor event at Greystone, and due to the fact that there is not an onsite caterer or full-time event coordinator, most event hosts will engage an event planner to coordinate all the details of the event for them. This is a hidden added cost of the event.
4. New Catering Kitchen
  - a. A new full-service catering kitchen has been built at the end of the service wing of the mansion and has displaced some of the original maid's quarters. The kitchen is a full cooking kitchen and offers much more than what is typically expected of a "catering kitchen". This kitchen has a full cooking/preparation capacity including fryers, dishwashing, storage, walk-in refrigerator and freezer. Prep areas are adequate and beverage service counters are provided. The kitchen is not on the same level as the Grand Hall of the Mansion and a cart elevator has been built to transport carts to the Grand Hall level for easy access to the rest of the mansion spaces.

Most "catering kitchens" are not this well equipped and are limited to providing service counters, ice machines, running water and maybe a stove or oven. Although designed for a single, exclusive caterer, this kitchen can be used by multiple caterers, if City staff closely monitors and manages multiple caterer use which requires care - and City daily supervision is consistently provided.
  - b. The new kitchen will enhance the ability of caterers to provide a more extensive menu and service multiple events in the Mansion and on the grounds, if needed.

- c. Care needs to be exercised from the very beginning regarding cleaning and maintaining this kitchen. If Greystone continues with non-exclusive catering; specific guidelines need to be established regarding how the kitchen is used, cleaned and left for the next caterer. This will likely include security / cleaning deposits from each caterer, checklists and City staff to review the condition of the kitchen after each event. This review must cover issues like the deep fat fryer, filtering the grease, cleaning out the refrigerators, sweeping and mopping floor surfaces, etc. It is further suggested that the city establish a fund from catering commissions that pays for hood cleaning, grease trap cleaning and other deep cleaning required on a monthly/quarterly basis. If non-exclusive catering is chosen, it may be best to remove some of the cooking equipment that is not essential to minimize City cost/expense to clean and maintain.

## 2. Exclusive Caterer vs. Non-Exclusive Multiple Caterers

- a. There are pros and cons related to this subject and strong cases can be made for either scenario. The strongest case for an exclusive caterer is tied to optimum financial return, improved control of the facility, reduced wear and tear on the kitchen, and less need for City staff to monitor and manage multiple caterers. Typically, an exclusive caterer will offer the best financial terms (commission return, capital investment and discounts for City-sponsored catering) to the Client. An exclusive caterer will also provide full or regular part-time (depending on the level of activity at Greystone) onsite management and control, and maintenance of the kitchen facilities; greatly reducing the burden for constant oversight by the City. An exclusive caterer will also be more active than the City has been able to be in the marketing and sales of the venues.
- b. On the other hand, there are so many excellent caterers in the Los Angeles area, including local/area hotels and restaurants, that it would be very difficult to select one. Keeping Greystone open to multiple caterers encourages the caterers to bring business to Greystone and / or allows the customer to select the caterer with whom they are most comfortable. Multiple caterers also offer a variety of menus and price points, allowing the customer to personalize their event more than if "forced" to use the one exclusive caterer. The single largest concern of using multiple caterers is the lack of "ownership" of the facilities by any one of the caterers, and the resulting wear and tear of the new kitchen. This adds burden, cost and staff for the City for constant oversight of each event and the kitchen use.
- c. The local market research and conversations with local caterers echoed these same points, with most in favor of open, multiple caterers. All said that they would participate in a RFP to select an exclusive or short-list of caterers.

Exclusive vs. Multiple Caterers	
Exclusive Caterer	Multiple Caterers
“Own” the facilities & responsibility for maintenance	Increased City cost to oversee and monitor multiple caterers, kitchen / facility use
Will provide more sales & marketing support	Allow customer freedom of choice of menus and prices points
Will provide the strongest contractual ongoing financial return	Adds variety to menu and service styles
Will supply kitchen small wares and catering equipment onsite, making it easier and ultimately, less costly to run events	They help promote Greystone and bring business to the venue
May provide capital investment for needed projects, renovations, systems, etc.	Will pay commissions to be on short list
Familiar with facilities, proper uses, restrictions and efficient set up for events. Less wear and tear on facilities as caterers who are familiar with grounds and requirements, will know how to move equipment, where to set up, where not to go, etc.	Can be held responsible for cleaning and maintaining kitchen via security deposits and inspection and check out process
Can provide / control alcohol license	Must bring alcohol license or acquire single day license

**D. Market Research**

1. Methodology – Consultant recommended that local market research be completed to better understand the demand for the Greystone venues, the market perception of Greystone policies and pricing and the potential demand for renovated spaces within the Mansion. Consultants decided to conduct phone / email surveys of the different groups that included:

- Past and current clients – 20 private, 4 corporate/public
- Meeting / event planners, destination management companies – 20 companies
- Caterers – 13 local caterers
- Hotels – 11 local hotels
- Competitive venues – 6

A survey script was developed specific to each group (please refer to appendix for copies of each survey document). The survey focused on past experiences, current uses and policies, comparison to competitive venues and future demand as it relates to use of a renovated Mansion.

Over 75 telephone calls and / or emails were sent to these groups with 15 responses (20%). Based on Consultant survey experience, a +/- 20% response rate for this type of research is average to better than average.

## 2. Results

- a. Exclusive vs. Non- Exclusive – The overwhelming response by caterers and current and former clients was that a list of multiple caterers is best. The customers like having a choice of menus, styles and prices and the caterers like to be able to bring business to Greystone, without hassle and / or added expense. They believe that an exclusive caterer will limit the business potential of the venue.

Some of the caterers who are more accustomed to exclusive agreements and contract management (contract agreement to operate food service and catering venues for a client organization which specifies terms and conditions of agreement very clearly) pointed out the benefits of exclusive contracts. They noted that an exclusive caterer will provide onsite facility management, venue marketing and sales staff as well as less wear and tear on the grounds and facilities as most of the catering equipment and supplies will be maintained onsite, reducing delivery trucks and caterers who are unfamiliar with the grounds and rules.

- b. Demand for Mansion Venues – There is strong demand for the Greystone outdoor venues, but it is a well kept secret. Many potential customers are not aware of Greystone and that the public can rent the venues. Most of the local hotels, while aware of Greystone, did not consider it as a viable option for their guests, primarily due to the lack of indoor venues and facilities.

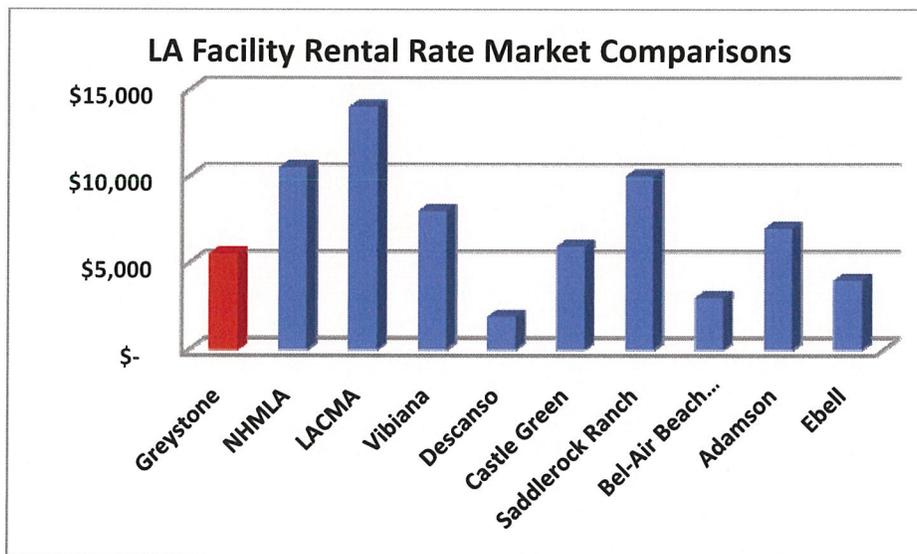
The future demand continues to be strong as Greystone offers a unique setting. All interviewees indicated that use of the Mansion would add to the demand and diminish some of the current negatives of the “outdoor only” venues currently available.

- c. Use of Kitchen - Most caterers will appreciate the use of the kitchen, especially related to storage, refrigeration and access to water and ice. However, most also agreed that the design of the kitchen is not conducive to multiple caterers and strict rules and guidelines need to be in place to control and maintain the kitchen in good working order. Of particular concern was the deep fat fryer. Who will clean it? How does one caterer know what kind of oil is being used. Is the oil used once, and then tossed; or is it filtered? If filtered, who does this? They see this as a particular operation issue and potential fire concern. All caterers agreed that a security deposit that is returned upon satisfactory post-event inspection must be required along with printed checklist and rules. It was suggested that Greystone have the funds earmarked from Commission income pooled and used to hire a cleaning crew once per month/quarter to do “deep cleaning” required for the hoods, coolers, etc.
- d. Competitive Venues Comparisons – Consultant contacted eleven (11) of the local LA comparable venues. Many of these were selected after being mentioned as comparables during the market survey. This list included the following:

- Natural History Museum of Los Angeles County
- Vibiana – Indoor venue
- Descanso Gardens – Outdoor/indoor venue
- Castle Green – Outdoor / indoor venue
- Saddlerock Ranch – Outdoor venue
- Bel Air Beach Club – Outdoor / indoor venue
- Adamson House – Outdoor venue
- The Ebell – Indoor venue
- Annenberg House – Outdoor / indoor
- Wattles Mansion – Outdoor / indoor
- LACMA – Outdoor / indoor (corporate members only...no social events)

The comparison of facility rental rates for these venues indicated that Greystone pricing is below market average and has room to increase, especially if the Mansion were to be opened for public access. The comparison is for typical rental fees, set up, security, etc. and does not include catering or add-on special rental equipment or costs. It should be noted that the few venues with rental pricing below Greystone are exclusive catering venues and require \$20,000 + minimum food purchases.

Six of the eleven venues (about 50%) surveyed utilize an exclusive caterer. Some of these offered a buy-out option to pay \$1,000 up to \$5,000 to use another caterer. Only one of the other five venues had an approved catering list. The remaining four venues allowed open catering with insurance and licensing requirements.



This chart demonstrates the basic facility rental charges for the various institutions surveyed and represents a typical, 250 guests or 450 guest, 4-hour event. This illustrates that Greystone facility rental, including all personnel and add-on fees, is below most of the comparable market such as Natural History Museum and LACMA, both of which also require museum membership (NHMLA = \$1,500; LACMA = \$10,000) to be permitted to

rent facilities. Further, as indicated above, LACMA only allows corporate type events and does not allow social events such as weddings.

### III. RECOMMENDATIONS

#### A. Facility Rentals

##### 1. Changes in Policies and/or Physical Spaces

- a. Hours of Use – The single point that was most unanimous in the market research was to change the restrictive hours of availability. A party ending at 8 p.m. is a huge roadblock to expanding the rental activity. Most parties deal with this policy in one of two ways. The first option is to add the cost of a second venue, such as one of the Beverly Hills hotels, and the party will move there at 8 p.m. The second option is that they do not consider Greystone as a viable site; and it is therefore excluded from consideration. Most in the market research indicated that a 10 p.m. end was much more manageable and sellable for wedding and other social events.

If the Mansion is renovated for public use; it would provide the space to accommodate an outdoor venue event group of up to 300; needing to move indoors after 8 p.m. for dancing, strolling receptions, coffee, desserts, etc. The Mansion would not be ideal for large dinners as no one room can hold more than 70 seated guests (most dinner hosts want all guests in one room for speeches, toasts, etc.).

- b. Safety – As noted earlier in this report, Consultants noted multiple safety concerns with the current, outdoor venues that should be addressed immediately. This includes proper lighting for stairs and walkways; repairs to broken, chipped or missing steps on stairs as well as addressing the hazards of the very rough and uneven driveway area outside the main courtyard and near the bathrooms.
- c. Restrooms – The restrooms are not adequate and are in poor condition; especially for the type of social events being held at Greystone. While portable facilities can be brought in to deal with higher guest volumes, the existing, permanent restrooms should be refurbished or replaced with nicer facilities. If the Mansion is renovated, this will include expanded and upgraded restroom facilities; but the public restrooms outside should be attended to in either case.
- d. Tenting – Tenting is currently allowed and is usually done at the Pool House location. The tent is owned by the City and must be set up by a rental company for each use. It is currently the only way to provide insurance against bad weather.

Consultants recommend that the Client determine the best locations for tenting and set up semi permanent, seasonal (or year-round if demand warrants) tenting that may stay up for 6-9 months at a time. The cost of setting up and taking down the tent is done only once and the remaining rental of the tent structure can be negotiated to much more reasonable rate (City may also purchase the tent and arrange for local rental company to service and

maintain it). Also, the wear and tear on the grounds from tents coming and going is greatly reduced. The parties using the tented area are still charged a fee for the tent; but at the end of the "season", the tent event rental fees collected will likely exceed the City's tent rental costs thus creating a new income source.

- e. Use of Mansion – The use of the Mansion interior was a strong positive with all survey groups. It was perceived as an essential element of future rentals; and is expected to allow the event hours to be extended to 10 p.m. as noted earlier.

In addition, there was strong interest in the Mansion spaces for small to medium size group meetings as an offsite venue connected with some of the local hotels. Most hotels were in favor of directing their clients to Greystone if they needed extra space or wanted to "get away" for a day or part day. The smaller hotels that do not have their own facilities to accommodate larger groups over 100 have very strong interest in the potential as it will give them a reliable venue to sell and help fill their rooms.

2. Renovation Master Plan – Consultants recommend that the first step needs to be a complete renovation Master Plan for the Mansion interior and grounds.

This Master Plan needs to involve an assessment of current conditions, historical significance of the Mansion, the priorities, time line and estimated cost. This will give the City a menu of repairs and renovations necessary to make the Mansion ready, possibly in phases, and a budget figure with which to work. Until this plan is done, consultants cannot provide expected return on investment opportunities or determine if the project is economically feasible. Once this information is furnished and the options understood, Consultants could prepare a more specific financial analysis, projections and return on investment projection to help direct the renovation decisions.

The HRG study conducted in 2007 and updated in 2009 seems like a good place to start. HRG can provide this type of detailed analysis and Master Plan. Consultants have no connection with HRG, and certainly there are other similar services available, but HRG has history with Greystone and would likely be able to start this type of study more quickly than others.

3. Growth Opportunities – Currently, Greystone is predominately a wedding destination and site for a few social events. Weddings are essentially limited to the traditional Saturday time frame, which limits the annual number of weddings possible to 52 (currently booking 40+/- weddings per year). Recently, Friday or Sunday weddings have picked up in popularity due to availability issues as well as cost savings for "off-peak" services. That being said, there is not tremendous upside growth for the wedding market at Greystone unless the Mansion is renovated and made available for groups fewer than 300. This would provide for later hours, as mentioned earlier, as well as a weather proof facility for the months that offer less predictable weather.

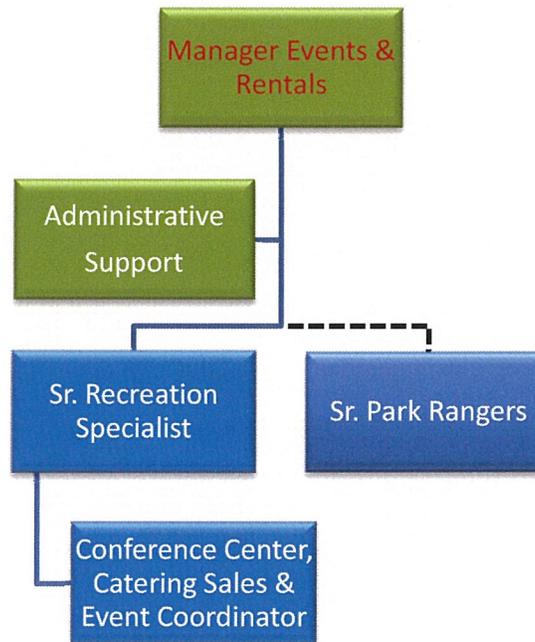
Market research indicates that if the Mansion is renovated, there is also opportunity to book weekday and daytime rentals for business meetings, lunches, receptions and dinners. This would be totally new and incremental business and should be the focus of any marketing budget going forward. The growth in this market will depend on the quality of the renovated

facilities, including state of the art audio visual equipment, as well as the ability to advertise and promote the new venues in the market. It appears that some of the local Beverly Hills hotels would be willing to refer some of their business to Greystone for this purpose as an “add-on” to their own services, which, of course, will be their first priority.

The smaller hotels in Beverly Hills present stronger opportunities for a business alliance. These hotels do not have large meeting rooms or ball rooms and must turn down or refer groups that would require such spaces to other venues. An alliance between Greystone and these hotels will provide a steady source of corporate meeting business as well as some social events. One hotel claimed that they get at least 10 inquiries per week for business meeting space for 30-50 guests each. Currently they have to turn this business away. Most of these hotels are not equipped to provide offsite catering, so would be willing to use caterers from the approved or exclusive list at Greystone. Referral fees back to the hotel would help to foster this win-win relationship.

4. Facility Rental Department: Sales and Operations Staffing

- a. Dedicated Staffing – Consultants agree with the HRG study that recommended a dedicated staffing structure to directly support the activities at Greystone. This would include a full time position (*Manager of Events & Rentals* is recommended title for this position) to oversee the staffing, sales, maintenance and events. Depending on decisions relative to the renovations and exclusive or non-exclusive catering, additional part time (initially) staffing will be required to support the day time rentals of the Mansion and anticipated growth. Consultants envision this structure as:



Dedicated staff, focused on specific user groups, will enhance the customer experience with improved communications and follow up before, during and after events. Currently, in addition to the two Senior Park Rangers, only the Sr. Recreation Specialist (who is part time and also supports events at other city locations) is focused on Greystone private events. The additional part time Recreation Specialist is a growth position and would be focused on the Mansion daytime rentals / conference business as growth in the business dictates. The initial incremental cost of this structure would include the incremental full time cost of the Manager of Events & Rentals position and the expanded Administrative Support position and part time Conference Center, Catering Sales Event Manger.

Decisions relative to exclusive catering may dictate the structure of this support. If an exclusive caterer is selected, this would likely include the responsibility of sales and event coordination, eliminating the full time need for the Manager Events & Rentals. If multiple caterers are allowed, it may require a position to oversee the maintenance and care of the kitchen (unless this responsibility is given to the Senior Park Rangers).

- b. Use of Park Rangers – Currently, the Senior Park Rangers provide many services to the Greystone facilities. They are typically tour guides, sales support, event security, event coordinator and overseer of catering activity. The Rangers Consultants met and interviewed are professional and knowledgeable and are a great asset to the City and Greystone. However, over the next two to three years as Greystone is taken to the next level of facility rental activity, the use of the Park Rangers will likely change. Consultants would recommend that the Park Rangers continue as tour guides, historical interpreters and help as needed during events. But, the function of event sales and caterer interaction will likely fall to the onsite, full time Recreation Specialist. This will provide the customer a consistent source of information and follow up.
- c. Financial Ramifications – Consultants prepared an analysis of the proposed staffing versus current costs as provided to Consultants. This shows the current, proposed and future costs of this structure as well as the incremental impact and will be used in the following financial analysis:

**Greystone Staffing Costs**

	Sr. Recreation		Rec. Specialist	Rec. Services Manager(20%)	Admin. Clerk II (45%)	Sr. Park Rangers(2)(80%)	Lead Park Rangers(2)(17%)	Total	Incremental Costs
<b>Current</b>	\$ -	\$ 78,101	\$ 26,600	\$ 28,810	\$ 36,941	\$ 145,123	\$ 30,060	<b>\$ 345,635</b>	\$ -
<b>Proposed %</b>	100%	70%	80%	20%	50%	80%	17%		
<b>Proposed</b>	\$ 111,000	\$ 78,101	\$ 33,250	\$ 28,810	\$ 41,046	\$ 145,123	\$ 30,060	<b>\$ 467,390</b>	\$ 121,755

Note – Staffing Costs include estimated benefits as provided by Client

- 5. Advertising and Promotion Budget – As indicated earlier, there is essentially no specific budget for advertising and marketing of Greystone. Friends of Greystone typically provide the resources for any marketing collateral materials, the Greystone web site. If the City decides to renovate the Mansion, there must be funds available for an advertising and marketing budget to get the word out that this new space is available. This would include not only printed

materials and advertisements, but also the cost of hosting receptions and marketing events to expose the new venues and catering partner(s). The City needs to establish this fund and allocate at least 3-5% of Commission and Facility Rental income for this purpose. Again, much of this depends on the exclusive versus non-exclusive catering decision, as caterers can be expected to participate in the financial burden of these events and the ongoing marketing.

6. Facility Rental Pricing – Consultants noted that the current pricing is based on two variables, number of guests and number of hours. Consultants understand that larger parties are more costly to support than smaller parties. However, since only one event is possible per day, given the current physical restrictions; Consultants recommend adopting a single price per venue that covers most events needs. The logic is that Greystone should receive the maximum “market value” for the venue regardless of how many guests were attending. There is currently no pricing differential for weekday versus the higher demand weekends.

The pricing strategy shown on the following page simplifies the rental rates, still presents a 25% advantage for Beverly Hills residents, but also provides incentive for weekday rentals. Consultant also included Mansion rates and assumed policies will allow events to run up to 10 p.m. inside the mansion.

<b>Recommended Facility Rental Charges</b>						
Guests	Current - Total Cost - 4hr.		Recommended - Fri-Sun		Recommended - Mon - Thu	
	Resident	Non-Resident	Resident	Non-Resident	Resident	Non-Resident
<b>1-100</b>	\$ 2,660	\$ 3,220	\$ 4,000	\$ 5,000	\$ 3,000	\$ 3,750
<b>101-200</b>	\$ 3,220	\$ 3,906	\$ 4,000	\$ 5,000	\$ 3,000	\$ 3,750
<b>201-300</b>	\$ 3,738	\$ 4,568	\$ 4,000	\$ 5,000	\$ 3,000	\$ 3,750
<b>301-400</b>	\$ 4,266	\$ 5,200	\$ 5,000	\$ 6,250	\$ 3,750	\$ 4,688
<b>Mansion Add-on</b>			\$ 5,000	\$ 6,250	\$ 3,750	\$ 4,688
Assumes:						
4 hour rental + 4 hour prep/strike						
Use of two outdoor venues. Activities outdoors must end by 8pm						
Mansion Add-on available up to 10pm						
Rental rates cover standard set up/strike, Park Rangers, Security. Additional charges may be assessed at discretion of Greystone for additional labor needed to support certain events						

The pricing strategy for Mansion use during the day and weekdays should be comparable to similar conference center type facilities; usually based on a “per person” rate to include coffee service, lunch, afternoon breaks, etc. Usually a minimum food and beverage charge would be established for these events and use of an onsite caterer. An alternative would be to charge \$500 per room use, up to \$3,000 for the entire mansion if they are allowed to use outside catering (not recommended).

## B. Catering Services and Kitchen Usage

1. Catering kitchen ownership – As identified throughout this report, the “ownership” and maintenance of the kitchen needs to be a clear priority. Without an operator on site at this point, Consultants recommend not using the kitchen until the operator selection process is complete and either an exclusive operator is selected or the policies and procedures are clearly established for multiple caterers. If the kitchen is used for a special occasion, it is essential that the caterer is checked out to ensure all food items have been removed, grease fryers emptied and clean and the general condition of the kitchen left as they found it.

If an exclusive caterer is selected, the ongoing ownership of the kitchen will fall to them including weekly and monthly duties such as hood cleaning and maintenance of grease traps. If multiple caterers are selected, it is suggested that in addition to the check-out procedure described above, a “cleaning fund” is allocated from each caterer commission. This can be approximately \$100 per event and is pooled for the monthly cleaning duties described above plus an overall deep cleaning and maintenance of the equipment. This should generate \$1,000 - \$2000 per month for this purpose. Consultant estimates that this should cover the costs of hiring specialized cleaning crew(s) on a monthly and quarterly basis for this type of maintenance. This assumes the kitchen cleaning that would not be reliably or practically done by multiple caterers if a multiple caterer option is used by Client at Greystone.

2. Exclusive versus non-exclusive – Consultants recommend that the City use an Approved Caterer List for all catering at Greystone. It was clear during onsite interviews with City and Greystone stakeholders that a non-exclusive arrangement is preferred; but the City needs to be aware of the required additional staffing expense that is a part of this arrangement. Points to consider with this decision:
  - Will the City provide the onsite staff for the sales functions?
  - Will the City have someone specifically assigned for kitchen and facility oversight?

If the answer is no or not likely, then the City may want to consider an exclusive caterer who provides additional value by serving in these functions the City cannot provide with City-paid staff. With exclusive catering the total number of annual facility rentals may be less than with non-exclusive. There is no way to quantify this, other than looking at Consultant's client the Natural History Museum of Los Angeles County who has tried both catering models and has found they book many more rental events with non-exclusive catering versus exclusive. There were many factors involved at the Natural History Museum, but the combination of improved variety, price points and caterer flexibility enhanced the ability for increased earned income for this client.

Further, when a short list of approved caterers is developed, the City needs to retain options to go outside this arrangement. This can be detailed in the contract to allow exceptions for certain ethnic restrictions (kosher, halal, etc.) or offer kitchen buy-out options where the party can pay \$1,000 - \$5,000 to bring their own caterer.

Alcoholic Beverage Sales/Service: With exclusive catering one caterer can have an alcoholic beverage license for the Mansion and grounds and handle sales/services for all events. With non-exclusive catering then sales and service of alcoholic beverages will be handled by individual caterer's alcoholic beverage licenses they have/use for off-premise catering.

Capital Investment to Fund Renovations/Repairs: If the City would like capital investment dollars to help fund renovations and repairs on the grounds and/or in the Mansion, the City is most likely to get such investment only under an exclusive catering contract. Such investment normally amortized over a 5-10 year period (depending on the size of the investment) with the City obligated to pay-off any unamortized balance if the caterer's contract terminated before the dollar amount is fully amortized.

3. Non-exclusive format – The non-exclusive format would be a process to select 4-5 caterers that represent a variety of menu styles and price points. Typically, the terms and conditions of the contract are decided by the Client in advance and included in a request for proposal (RFP). The Client then goes through a caterer selection process and selects the best caterers, based on their qualifications and how they will fit into the spectrum of caterers desired at Greystone.

Going forward, anyone, including the City, who hold events at Greystone will be required to use one of these caterers unless they “buy-out” the kitchen as described above or fall into one of the ethnic exclusions.

4. Commission rate – It was clear from interviews with the catering community that the concept of commissions is not a universal requirement in the Los Angeles area. The only time caterers pay a commission is when they are on a short list of approved caterers and the Client is strict about adhering to using this list. When that is the case, approximately ten percent (10%) of the gross food and beverage sale is the going rate; which is adjusted depending on how many caterers are on the approved list (fewer on the list will mean higher commission rates). If the list is short enough, a minimum annual commission \$\$ versus the % commission rate, whichever is higher, can be negotiated; giving Client reliable budget figures. Depending on when the RFP is conducted, it is assumed that the approved catering list and commission income would start January 1, 2011; before the Mansion is renovated and available for public use. This being said, a 2-tier commission structure would be required in the RFP. The first tier would relate to current venues, the second tier would start with the addition of the Mansion venues.
5. Alternative commission incentive strategy – Consultant has implemented a declining scale commission structure that provides an incentive for caterers to bring business to the Client venues and builds as their business grows. This has been successful at notable institutions and for illustration would work look like this:

Catering Sales Range	Commission % - On the Increment
\$0 - \$250,000	12%
\$250,001 - \$500,000	10%
\$501,000 – All	8%

Assumes up to a maximum of four (4) approved caterers.

6. Discount rate for internal events –Discounts given to the City or Friends of Greystone for internal events can be negotiated as part of the RFP/RFQ process. Typically, a Client can expect discounts from 10% to 30% off the retail pricing as well as waiving other standard charges such as add on service charges.
  
7. Other Financial Considerations – In addition to a % commission, it is not uncommon to build in other financial returns from caterer(s). This may include:
  - The caterers selected for the approved list can also be expected to provide food and beverage, at their own cost, to help host a sales event to showcase the venues and catering capabilities to the local hotels, event planners, corporations, etc.
  - If the contract is offered to an exclusive caterer, there may be capital investment available to fund some of the Mansion renovation, audio visual or system costs.
  
8. Financial Projections – The following financial projections are based on the detailed assumptions found in the Appendix. The overarching assumptions include:
  - The Mansion will be renovated for public use
  - The hours for the Mansion will allow events to end at 10 p.m.
  - The City will staff the Greystone operations with a Manager Events & Rentals, Conference Center, Catering Sales & Event Coordinator, one Administrative Support and the 2 Park Rangers. All overhead salaries include tax and benefits add on.
  - Additional overhead costs for ongoing maintenance of facilities and grounds, utilities, etc. will be paid and accounted for elsewhere in the City budgets.
  - Short list of caterers will be used requiring an average 10% commission in return.
  - No caterer capital investment.

<b>Greystone Earned Income - Conservative Projections</b>					
Function Rentals	Year 1	Year 2	Year 3	Year 4	Year 5
Net Rental Income	\$ 275,900	\$ 300,186	\$ 320,489	\$ 335,627	\$ 347,940
Overhead Expenses	\$ (471,635)	\$ (485,784)	\$ (500,358)	\$ (515,368)	\$ (530,829)
Catering Income / Commissions	\$ 111,100	\$ 125,876	\$ 140,025	\$ 152,879	\$ 165,339
<b>Total Earned Income</b>	<b>\$ (84,635)</b>	<b>\$ (59,722)</b>	<b>\$ (39,844)</b>	<b>\$ (26,863)</b>	<b>\$ (17,551)</b>

<b>Greystone Earned Income - Mid Range Projections</b>					
Function Rentals	Year 1	Year 2	Year 3	Year 4	Year 5
Net Rental Income	\$ 325,400	\$ 354,086	\$ 378,083	\$ 395,996	\$ 410,584
Overhead Expenses	\$ (487,390)	\$ (502,012)	\$ (517,072)	\$ (532,584)	\$ (548,562)
Catering Income / Commissions	\$ 127,738	\$ 144,727	\$ 160,994	\$ 175,773	\$ 190,099
<b>Total Earned Income</b>	<b>\$ (34,253)</b>	<b>\$ (3,200)</b>	<b>\$ 22,005</b>	<b>\$ 39,184</b>	<b>\$ 52,121</b>

<b>Greystone Earned Income - Optimistic Projections</b>					
Function Rentals	Year 1	Year 2	Year 3	Year 4	Year 5
Net Rental Income	\$ 384,300	\$ 418,299	\$ 446,786	\$ 468,107	\$ 485,522
Overhead Expenses	\$ (492,390)	\$ (507,162)	\$ (522,377)	\$ (538,048)	\$ (554,189)
Catering Income / Commissions	\$ 144,188	\$ 163,364	\$ 181,727	\$ 198,409	\$ 214,579
<b>Total Earned Income</b>	<b>\$ 36,098</b>	<b>\$ 74,502</b>	<b>\$ 106,137</b>	<b>\$ 128,469</b>	<b>\$ 145,912</b>

### C. Next Steps and Timing

1. Exclusive or Non-Exclusive Catering – The City needs to determine its flexibility, if any, regarding additional City staffing onsite at Greystone to support a non-exclusive catering program that will likely mean higher facility rental income annually, or if the City must only consider exclusive catering including handing-off the responsibility for the maintenance and upkeep of the kitchen to the exclusive caterer.
2. Renovation Master Plan – The City needs to identify what renovation and repairs can/will be done on the grounds and in the Mansion including a time-line to complete. This time-line is important as it relates to the proposed caterer(s) financial contract terms and conditions.
3. Request for Proposal (RFP) for Catering Services – A caterer(s) RFP process will take about six (6) months to complete. The RFP will seek to qualify caterers based on their experience and reputation in the market, financial resources, marketing strategies and specific proposal for Greystone. Client needs to decide if the RFP will go out exclusive or non-exclusive catering, with and without capital investment, is full alcoholic beverage service permitted, updating the hour of service/operation and a time-line for renovation and repair. The RFP can go out in one direction, or at Client option can request proposals from caterers for both exclusive and non-exclusive to enable Client to see the financial ramifications. What Client will not see is the annual facility rental income to the City on these two options, other than the research and Consultant's client experience supporting that non-exclusive catering is the way to optimize facility rentals at Greystone. Client should not consider non-exclusive catering program at Greystone unless Client has full commitment to staff Greystone to support management of multiple caterers, the kitchen, etc.
4. Timing – Recommend starting the RFP process in August / September 2010 in order to have approved caterer program in place in the first quarter or early second quarter of 2011.

APPENDIX A

**List of Interviewees for Market  
Research and Competitive  
Venue Research**

City of Beverly Hills - Greystone

**Market Research Survey List**

*(for privacy individual names not listed)*

**Caterers (Restaurants)**

Along Came Mary  
Charlie Scola  
Company  
Event Solutions  
Events in Motion  
Kitchen for Exploring Foods  
LA Spice  
Lawry's  
Marmalade Café  
Patina Catering Company  
Premiere Events  
TGIS  
Truly Yours  
Wolfgang Puck Catering

**Past Clients - Private Social Events**

<b><u>2008</u></b>	<b><u>Type</u></b>
March 9, 2008	Ceremony/Reception
April 18, 2008	Special Event (Committee of 100)
May 25, 2008	Ceremony/Reception
May 30, 2008	Ceremony/Reception
July 5, 2008	Ceremony/Reception
August 10, 2008	Ceremony/Reception
September 13, 2008	Ceremony/Reception
September 20, 2008	Ceremony/Reception
<b><u>2009</u></b>	<b><u>Type</u></b>
March 21, 2009	Ceremony/Reception
March 28, 2009	Ceremony Only
April 4, 2009	Ceremony/Reception
May 10, 2009	Ceremony/Reception
June 5, 2009	Ceremony Only
July 5, 2009	Ceremony/Reception
August 29, 2009	Ceremony/Reception
September 5, 2009	Ceremony/Reception
September 14, 2009	Special Event
October 10, 2009	Ceremony/Reception
December 26, 2009	Ceremony Only

## City of Beverly Hills - Greystone

### **Past Clients - Corporate / Public Events**

#### **ANNUAL EVENTS**

BH Bar Association  
Kidstock  
LA Foodbank  
BH Chamber of Commerce

#### **EMC/DMC**

Access Destination Services  
AIC360.COM  
AOC Events  
B. Levine Productions  
Best Events  
Bixel & Company  
Bob Gail Special Events  
BSC Management, Inc.  
Come Together, Corp  
Delphi Productions  
Destination Concepts Inc.  
Hustle and Bustle  
J. Ben Bourgeois Productions, Inc.  
Mindy Weiss Party Consultants  
Progressive Events  
Sequoia Productions  
Special Occasions  
Your Great Event

#### **Hotels**

Avalon & Maison 140  
Beverly Hills Hotel  
Beverly Hilton  
Beverly Wilshire/4 Seasons  
Crescent Hotel  
Luxe Hotel  
Montage Beverly Hills  
Mosaic  
Peninsula Beverly Hills  
Thompson Beverly Hills

APPENDIX B

**Questionnaires Used for  
Market Research Interviews**

**Greystone Telephone Questionnaire  
Facility Rental / Catering Decision Makers  
Caterers**

Hello, my name is \_\_\_\_\_, from Manask & Associates. We are conducting a study on behalf of the City of Beverly Hills for their Greystone Mansion and would like to include your opinion. Let me assure you we are not selling anything and all responses will be kept strictly confidential.

Are you aware that the Greystone grounds are available for rental and special events?

Do you ever take clients offsite for events with you doing the catering?

If you currently/historically do not take groups offsite for events, would you have interest in doing so at Greystone?

What type of group (social, corporate, convention, etc) do you typically work with?

How many people typically attend?

Have you ever used Greystone in the past? (What year)\_\_\_\_\_

If yes, about how many total events did you have at Greystone?\_\_\_\_\_

What other local area options would you say are competitive with Greystone?

<b>Insert competitor name</b>	<b>Better than Greystone</b>	<b>Same</b>	<b>Not as good as Greystone</b>
Facility rental fees and related costs			
Condition of Facilities			
Rental restrictions & rules			
Accessibility			
Special Event Staff			
Availability			

<b>Insert competitor name</b>	<b>Better than Greystone</b>	<b>Same</b>	<b>Not as good as Greystone</b>
Facility rental fees and related costs			
Condition of Facilities			
Rental restrictions & rules			
Accessibility			
Special Event Staff			
Availability			

<b>Insert competitor name</b>	<b>Better than Greystone</b>	<b>Same</b>	<b>Not as good as Greystone</b>
Facility rental fees and related costs			
Condition of Facilities			
Rental restrictions & rules			
Accessibility			
Special Event Staff			
Availability			

What do other destination catering venues require from you when you caterer events at their facilities?

- Commissions?
- Fixed fee?
- Nothing?

If applicable...

Overall, how would you rate your work experience at the Greystone? Would you say that Greystone is...

- Very Easy to work events
- Somewhat challenging to work events
- Very challenging to work events

Why did you say that?

Please rate the following factors related to your experience at Greystone:

Factor	Exceeded Expectation	Met Expectation	Fell Below Expectations
<b>RENTAL / PRE EVENT FACTORS</b>			
Rental restrictions & rules			
Kitchen set up and space			
Pre-Event Coordination (Greystone staff)			
Availability of Greystone Staff When Needed			
Flexibility with any Changes			
<b>AT EVENT FACTORS</b>			
Greystone staff support during event			
Set up & tear down requirements			
Catering Facilities & support (kitchen)			
Accessibility to venues			
Post Event Follow-up Billing-the Greystone			

**Now I would like to ask you a few questions about the Greystone mansion interior and your interest or not in using it in addition to the grounds:**

If the main house interior was opened for public use by 2011/12, brought up to codes but maintained its original architectural charm, would you considering recommending Greystone Mansion for your client's next special event?

"IF" Greystone were to modify some of the Mansion facilities to accommodate "Conferences", "Meetings", small receptions, etc., including state of the art A/V, Internet access, meeting tools, how interested would you be in using the Greystone for your future events?

- Very Likely
- Somewhat Likely
- Not Likely

What types of groups are most likely to use these inside facilities?

<u>Type Group</u>	<u>Typical Size</u>	<u>Frequency</u>
Social		
Corporate		
Convention		
Other:		

What day of the week and time would be in most demand?

<u>Days</u>	<u>AM</u>	<u>Lunch</u>	<u>PM</u>	<u>Evening</u>	<u>All Day</u>
Weekdays					
Weekends					

What if anything would be the single most important change that would make Greystone the premier special event venue in the LA area?

Would you recommend Greystone to your clients?

**Catering at Greystone:**

Greystone has a fully-equipped cooking kitchen.

If the City issues a request for proposal (RFP) to provide catering services at Greystone would you be interested in receiving and responding? If yes on what basis?

1. Exclusive catering (with exceptions for City sponsored events)
2. Non-exclusive (one of a short list of +/- several caterers)

If no RFP interest, why not?

## Greystone Telephone Questionnaire Facility Rental / Catering Decision Makers Current Clients

Hello, my name is \_\_\_\_\_, from Manask & Associates. We are conducting a study on behalf of the City of Beverly Hills for their Greystone Mansion and would like to include your opinion. Let me assure you we are not selling anything and all responses will be kept strictly confidential.

We understand that you have used the rental facilities at Greystone for special events and would like to obtain an understanding on your opinion of the strengths and weaknesses of Greystone for special events.

When was the last time you used the catering at the Greystone? (What month/year) \_\_\_\_\_

About how many total events have you had at the Greystone? \_\_\_\_\_

Do you recall how you initially heard about the Greystone?

Approximately how many times per year do you hold events like the ones you have staged at the Greystone?

What other local area options would you say are competitive with the Greystone?

How would you compare the following local facilities to Greystone regarding:

<b>Insert competitor name</b>	<b>Better than Greystone</b>	<b>Same</b>	<b>Not as good as Greystone</b>
Facility rental fees and related costs			
Condition of Facilities			
Rental restrictions & rules			
Accessibility			
Special Event Staff			
Availability			

<b>Insert competitor name</b>	<b>Better than Greystone</b>	<b>Same</b>	<b>Not as good as Greystone</b>
Facility rental fees and related costs			
Condition of Facilities			
Rental restrictions & rules			
Accessibility			
Special Event Staff			
Availability			

<b>Insert competitor name</b>	<b>Better than Greystone</b>	<b>Same</b>	<b>Not as good as Greystone</b>
Facility rental fees and related costs			
Condition of Facilities			
Rental restrictions & rules			
Accessibility			
Special Event Staff			
Availability			

For the events you had at the Greystone – What type of event was it (e.g., wedding, client hospitality, company meeting, etc.)?

What was the size of your group? \_\_\_\_\_ people

What caterer did you use for your event?

Overall, how would you rate your experience at the Greystone? Would you say you were...

- Completely Satisfied
- Satisfied
- Dissatisfied
- Completely Dissatisfied

Why did you say that?

Please rate the following factors related to your experience at Greystone:

Factor	Exceeded Expectation	Met Expectation	Fell Below Expectations
<b>RENTAL / PRE EVENT FACTORS</b>			
Facility availability			
Hours available for functions			
Rental restrictions & rules			
Pre-Event Coordination (Greystone staff)			
Availability of Greystone Staff When Needed			
Flexibility with any Changes			
Pricing and charges			
<b>AT EVENT FACTORS</b>			
Ambiance			
Parking			
Restrooms			
Greystone staff support during event			
Set up & tear down requirements			
Catering Facilities & support (kitchen)			
Post Event Follow-up Billing-the Greystone			

**Now I would like to ask you a few questions about the Greystone mansion interior and your interest or not in using it in addition to the grounds:**

If the main house interior was opened for public use by 2011/12, brought up to codes but maintained its original architectural charm, would you considering using Greystone Mansion for your next special event?

“IF” Greystone were to modify some of the Mansion facilities to accommodate “Conferences”, “Meetings”, small receptions, etc., including state of the art A/V, Internet access, meeting tools, how interested would you be in using the Greystone for your future events?

- Very Likely
- Somewhat Likely
- Not Likely

What types of groups are most likely to use these inside facilities?

<u>Type of Event</u>	<u>Typical Size</u>	<u>Frequency</u>
Wedding		
Lunch/Dinner Party		
Social Reception		
Other:		

What day of the week and time would be in most demand?

<u>Days</u>	<u>AM</u>	<u>Lunch</u>	<u>PM</u>	<u>Evening</u>	<u>All Day</u>
Weekdays					
Weekends					

**Catering Services**

1. Do you have to or prefer to use a specific caterer?
  
2. Will you use Greystone if they have an exclusive caterer?
  
3. Will you use Greystone if they offer a short-list of approved caterers that provide a cross-section of menu variety, style and costs?
  
4. If Greystone has an exclusive catering relationship would it matter to your decision to book events if that caterer was a well-known, high-profile name like Patina Catering, Wolfgang Puck Catering or the Beverly Hills Hotel, for example?

What if anything would be the single most important change that would make Greystone the premier special event venue in the LA area?

Would you recommend Greystone to your friends / business colleagues?

**Greystone Telephone Questionnaire  
Facility Rental / Catering Decision Makers  
Hotel/Event Planners**

Hello, my name is \_\_\_\_\_, from Manask & Associates. We are conducting a study on behalf of the City of Beverly Hills for their Greystone Mansion and would like to include your opinion. Let me assure you we are not selling anything and all responses will be kept strictly confidential.

Are you aware that the Greystone grounds are available for rental and special events?

Do you ever take groups offsite for events with your hotel doing the catering?

If you currently/historically do not take groups offsite for events, would you have interest in doing so at Greystone?

What type of group (social, corporate, convention, etc) do you typically work with?

How many people typically attend?

Have you ever used Greystone in the past? (What year) \_\_\_\_\_

If yes, about how many total events did you have at Greystone? \_\_\_\_\_

What other local area options would you say are competitive with Greystone?

<b>Insert competitor name</b>	<b>Better than Greystone</b>	<b>Same</b>	<b>Not as good as Greystone</b>
Facility rental fees and related costs			
Condition of Facilities			
Rental restrictions & rules			
Accessibility			
Special Event Staff			
Availability			

<b>Insert competitor name</b>	<b>Better than Greystone</b>	<b>Same</b>	<b>Not as good as Greystone</b>
Facility rental fees and related costs			
Condition of Facilities			
Rental restrictions & rules			
Accessibility			
Special Event Staff			
Availability			

<b>Insert competitor name</b>	<b>Better than Greystone</b>	<b>Same</b>	<b>Not as good as Greystone</b>
Facility rental fees and related costs			
Condition of Facilities			
Rental restrictions & rules			
Accessibility			
Special Event Staff			
Availability			

**If applicable...**

Overall, how would you rate your experience at the Greystone? Would you say you were...

- Completely Satisfied
- Satisfied
- Dissatisfied
- Completely Dissatisfied

Why did you say that?

Please rate the following factors related to your experience at Greystone:

Factor	Exceeded Expectation	Met Expectation	Fell Below Expectations
<b>RENTAL / PRE EVENT FACTORS</b>			
Facility availability			
Hours available for functions			
Rental restrictions & rules			
Pre-Event Coordination (Greystone staff)			
Availability of Greystone Staff When Needed			
Flexibility with any Changes			
Pricing and charges			
<b>AT EVENT FACTORS</b>			
Ambiance			
Parking			
Restrooms			
Greystone staff support during event			
Set up & tear down requirements			
Catering Facilities & support (kitchen)			
Post Event Follow-up Billing-the Greystone			

**Now I would like to ask you a few questions about the Greystone mansion interior and your interest or not in using it in addition to the grounds:**

If the main house interior was opened for public use by 2011/12, brought up to codes but maintained its original architectural charm, would you considering recommending Greystone Mansion for your client's next special event?

"If" Greystone were to modify some of the Mansion facilities to accommodate "Conferences", "Meetings", small receptions, etc., including state of the art A/V, Internet access, meeting tools, how interested would you be in using the Greystone for your future events?

- Very Likely
- Somewhat Likely
- Not Likely

If you do not do the catering, would you expect any financial compensation to refer groups to Greystone? If yes, what basis (% of event sales? Fixed \$ referral?)

What types of groups are most likely to use these inside facilities?

<u>Type Group</u>	<u>Typical Size</u>	<u>Frequency</u>
Social		
Corporate		
Convention		
Other:		

What day of the week and time would be in most demand?

<u>Days</u>	<u>AM</u>	<u>Lunch</u>	<u>PM</u>	<u>Evening</u>	<u>All Day</u>
Weekdays					
Weekends					

What if anything would be the single most important change that would make Greystone the premier special event venue in the LA area?

Would you recommend Greystone to your clients?

### **Catering at Greystone:**

Greystone has a fully-equipped cooking kitchen. If your hotel is interested in taking groups to Greystone grounds and mansion for events, how does catering factor in?

1. You do not have to do the catering?
2. Our hotel must provide catering for hotel groups only?
3. Our hotel would want to be the exclusive caterer doing all catering at Greystone?
4. We are open to options \_\_\_\_, \_\_\_\_, and/or \_\_\_\_ above.

If the City issues a request for proposal (RFP) to provide catering services at Greystone would you be interested in receiving and responding? If yes on what basis?

1. Exclusive catering (with exceptions for City sponsored events)
2. Non-exclusive (one of a short list of +/- several caterers)

If no RFP interest, why not?

## Greystone Telephone Questionnaire Facility Rental / Catering Decision Makers Event Planners / DMC

Hello, my name is \_\_\_\_\_, from Manask & Associates. We are conducting a study on behalf of the City of Beverly Hills for their Greystone Mansion and would like to include your opinion. Let me assure you we are not selling anything and all responses will be kept strictly confidential.

Are you aware that the Greystone grounds are available for rental and special events?

Do you ever take groups to Greystone for events?

If you currently/historically do not take groups to Greystone for events, would you have interest in doing so?

What type of group (social, corporate, convention, etc) do you typically work with?

How many people typically attend?

Have you ever used Greystone in the past? (What year) \_\_\_\_\_

If yes, about how many total events did you have at Greystone? \_\_\_\_\_

What caterer do you usually contract with for these events? \_\_\_\_\_

What other local area options would you say are competitive with Greystone?

<b>Insert competitor name</b>	<b>Better than Greystone</b>	<b>Same</b>	<b>Not as good as Greystone</b>
Facility rental fees and related costs			
Condition of Facilities			
Rental restrictions & rules			
Accessibility			
Special Event Staff			
Availability			

<b>Insert competitor name</b>	<b>Better than Greystone</b>	<b>Same</b>	<b>Not as good as Greystone</b>
Facility rental fees and related costs			
Condition of Facilities			
Rental restrictions & rules			
Accessibility			
Special Event Staff			
Availability			

<b>Insert competitor name</b>	<b>Better than Greystone</b>	<b>Same</b>	<b>Not as good as Greystone</b>
Facility rental fees and related costs			
Condition of Facilities			
Rental restrictions & rules			
Accessibility			
Special Event Staff			
Availability			

**If applicable...**

Overall, how would you rate your experience at the Greystone? Would you say you were...

- Completely Satisfied
- Satisfied
- Dissatisfied
- Completely Dissatisfied

Why did you say that?

Please rate the following factors related to your experience at Greystone:

<b>Factor</b>	<b>Exceeded Expectation</b>	<b>Met Expectation</b>	<b>Fell Below Expectations</b>
<b>RENTAL / PRE EVENT FACTORS</b>			
Facility availability			
Hours available for functions			
Rental restrictions & rules			
Pre-Event Coordination (Greystone staff)			
Availability of Greystone Staff When Needed			
Flexibility with any Changes			
Pricing and charges			
<b>AT EVENT FACTORS</b>			
Ambiance			
Parking			
Restrooms			
Greystone staff support during event			
Set up & tear down requirements			
Catering Facilities & support (kitchen)			
Post Event Follow-up Billing-the Greystone			

**Now I would like to ask you a few questions about the Greystone mansion interior and your interest or not in using it in addition to the grounds:**

If the main house interior was opened for public use by 2011/12, brought up to codes but maintained its original architectural charm, would you considering recommending Greystone Mansion for your client's next special event?

"IF" Greystone were to modify some of the Mansion facilities to accommodate "Conferences", "Meetings", small receptions, etc., including state of the art A/V, Internet access, meeting tools, how interested would you be in using the Greystone for your future events?

- Very Likely
- Somewhat Likely
- Not Likely

What types of groups are most likely to use these inside facilities?

<u>Type Group</u>	<u>Typical Size</u>	<u>Frequency</u>
Social		
Corporate		
Convention		
Other:		

What day of the week and time would be in most demand?

<u>Days</u>	<u>AM</u>	<u>Lunch</u>	<u>PM</u>	<u>Evening</u>	<u>All Day</u>
Weekdays					
Weekends					

**Catering Services**

1. Do you have to or prefer to use a specific caterer?
  
2. Will you use Greystone if they have an exclusive caterer?
  
3. Will you use Greystone if they offer a short-list of approved caterers that provide a cross-section of menu variety, style and costs?
  
4. If Greystone has an exclusive catering relationship would it matter to your decision to book events if that caterer was a well-known, high-profile name like Patina Catering, Wolfgang Puck Catering or the Beverly Hills Hotel, for example?

What if anything would be the single most important change that would make Greystone the premier special event venue in the LA area?

Would you recommend Greystone to your clients?

APPENDIX C

**Financial Projections**

Greystone  
Function Rental and Catering Income Estimates

Greystone Function Rental Income Conservative Estimate						Greystone Function Rental Catering Income Conservative Estimate						
Function Rentals	Year 1	Year 2	Year 3	Year 4	Year 5	Function Rental Catering Revenue	Year 1	Year 2	Year 3	Year 4	Year 5	
Function Growth / Year:						Price Growth / year = 3%						
Assumptions 1:	10%    8%    6%    5%					Assumptions 2:	35    39    42    44    46					
Outdoor Venues - Weekends	35	39	42	44	46	Outdoor Venues - Weekends	35	39	42	44	46	
Average Rental Fee	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	Avg Catering Income/guest	\$ 75.00	\$ 77.25	\$ 79.57	\$ 81.95	\$ 84.41	
Event Staff Cost / Event	\$1,200	\$1,248	\$1,298	\$1,350	\$1,404	Avg # People per Event	250	250	250	250	250	
Outdoor Venues - Weekdays	9	10	11	11	12	Outdoor Venues - Weekdays	9	10	11	11	12	
Average Rental Fee	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	Avg Catering Income/guest	\$ 55.00	\$ 56.65	\$ 58.35	\$ 60.10	\$ 61.90	
Event Staff Cost / Event	\$900	\$936	\$973	\$1,012	\$1,053	Avg # People per Event	175	175	175	175	175	
Mansion Rentals - Weekends	12	13	14	15	16	Mansion Rentals - Weekends	12	13	14	15	16	
Average Rental Fee	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	Avg Catering Income/guest	\$ 25.00	\$ 25.75	\$ 26.52	\$ 27.32	\$ 28.14	
Event Staff Cost / Event	\$600	\$624	\$649	\$675	\$702	Avg # People per Event	250	250	250	250	250	
Mansion Rentals - Weekdays	3	3	4	4	4	Mansion Rentals - Weekdays	3	3	4	4	4	
Average Rental Fee	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	Avg Catering Income/guest	\$ 25.00	\$ 25.75	\$ 26.52	\$ 27.32	\$ 28.14	
Event Staff Cost / Event	\$600	\$624	\$649	\$675	\$702	Avg # People per Event	175	175	175	175	175	
Mansion Conference Rentals	320	352	380	403	423	Mansion Conference Rentals	320	352	380	403	423	
Average Rental Fee	\$350	\$350	\$350	\$350	\$350	Avg Catering Income/guest	\$ 35.00	\$ 36.05	\$ 37.13	\$ 38.25	\$ 39.39	
Event Staff Cost / Event	\$50	\$52	\$54	\$56	\$58	Avg # People per Event	25	25	25	25	25	
<b>Total Number of Events</b>	<b>379</b>	<b>417</b>	<b>450</b>	<b>477</b>	<b>501</b>	Total # Rentals per Year	379	417	450	477	501	
Conference rentals = 2 rooms / day x 4 days/week x 40 weeks						Total # People Served	21,850	24,035	25,958	27,515	28,891	
Function Rentals	Year 1	Year 2	Year 3	Year 4	Year 5	Function Rental Catering Revenue	Year 1	Year 2	Year 3	Year 4	Year 5	
Revenue						Gross Catering Revenue						
Outdoor Venues - Weekends	\$140,000	\$154,000	\$166,320	\$176,299	\$185,114	Outdoor Venues - Weekends	\$656,250	\$743,531	\$827,104	\$903,032	\$976,629	
Outdoor Venues - Weekdays	\$27,000	\$29,700	\$32,076	\$34,001	\$35,701	Outdoor Venues - Weekdays	\$86,625	\$98,146	\$109,178	\$119,200	\$128,915	
Mansion Rentals - Weekends	\$60,000	\$66,000	\$71,280	\$75,557	\$79,335	Mansion Rentals - Weekends	\$75,000	\$84,975	\$94,526	\$103,204	\$111,615	
Mansion Rentals - Weekdays	\$12,000	\$13,200	\$14,256	\$15,111	\$15,867	Mansion Rentals - Weekdays	\$13,125	\$14,871	\$16,542	\$18,061	\$19,533	
Mansion Conference Rentals	\$112,000	\$123,200	\$133,056	\$141,039	\$148,091	Mansion Conference Rentals	\$280,000	\$317,240	\$352,898	\$385,294	\$416,695	
<b>Total Revenue</b>	<b>\$351,000</b>	<b>\$386,100</b>	<b>\$416,988</b>	<b>\$442,007</b>	<b>\$464,108</b>	<b>Total Revenue</b>	<b>\$1,111,000</b>	<b>\$1,258,763</b>	<b>\$1,400,248</b>	<b>\$1,528,791</b>	<b>\$1,653,387</b>	
Event Staff Costs	\$75,100	\$85,914	\$96,499	\$106,381	\$116,168							
<b>Net Rental Income</b>	<b>\$275,900</b>	<b>\$300,186</b>	<b>\$320,489</b>	<b>\$335,627</b>	<b>\$347,940</b>	<b>Net to Greystone: % of Gross</b>	<b>10%</b>	<b>\$111,100</b>	<b>\$125,876</b>	<b>\$140,025</b>	<b>\$152,879</b>	<b>\$165,339</b>
Overhead Costs						Greystone Earned Income - Conservative Projections						
Cost increase = 3% / year						Function Rentals						
Current Staff Costs	\$ 345,635	\$ 356,004	\$ 366,684	\$ 377,685	\$ 389,015	Net Rental Income	\$ 275,900	\$ 300,186	\$ 320,489	\$ 335,627	\$ 347,940	
Proposed Incremental Staff \$	\$ 111,000	\$ 114,330	\$ 117,760	\$ 121,293	\$ 124,931	Overhead Expenses	\$ (471,635)	\$ (485,784)	\$ (500,358)	\$ (515,368)	\$ (530,829)	
Other Expenses	\$ 15,000	\$ 15,450	\$ 15,914	\$ 16,391	\$ 16,883	Catering Income / Commissions	\$ 111,100	\$ 125,876	\$ 140,025	\$ 152,879	\$ 165,339	
<b>Total Overhead Costs</b>	<b>\$ 471,635</b>	<b>\$ 485,784</b>	<b>\$ 500,358</b>	<b>\$ 515,368</b>	<b>\$ 530,829</b>	<b>Total Earned Income</b>	<b>\$ (84,635)</b>	<b>\$ (59,722)</b>	<b>\$ (39,844)</b>	<b>\$ (26,863)</b>	<b>\$ (17,551)</b>	

Greystone  
Function Rental and Catering Income Estimates

Greystone Function Rental Income Mid Range Estimate						Greystone Function Rental Catering Income Mid Range Estimate						
Function Rentals	Year 1	Year 2	Year 3	Year 4	Year 5	Function Rental Catering Revenue	Year 1	Year 2	Year 3	Year 4	Year 5	
Function Growth / Year:						Price Growth / year = 3%						
Assumptions 1:	10%		8%		6%		5%					
Outdoor Venues - Weekends	39	43	46	49	52	Outdoor Venues - Weekends	39	43	46	49	52	
Average Rental Fee	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	Avg Catering Income/guest	\$ 75.00	\$ 77.25	\$ 79.57	\$ 81.95	\$ 84.41	
Event Staff Cost / Event	\$1,200	\$1,248	\$1,298	\$1,350	\$1,404	Avg # People per Event	250	250	250	250	250	
Outdoor Venues - Weekdays	12	13	14	15	16	Outdoor Venues - Weekdays	12	13	14	15	16	
Average Rental Fee	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	Avg Catering Income/guest	\$ 55.00	\$ 56.65	\$ 58.35	\$ 60.10	\$ 61.90	
Event Staff Cost / Event	\$900	\$936	\$973	\$1,012	\$1,053	Avg # People per Event	175	175	175	175	175	
Mansion Rentals - Weekends	15	17	18	19	20	Mansion Rentals - Weekends	15	17	18	19	20	
Average Rental Fee	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	Avg Catering Income/guest	\$ 25.00	\$ 25.75	\$ 26.52	\$ 27.32	\$ 28.14	
Event Staff Cost / Event	\$600	\$624	\$649	\$675	\$702	Avg # People per Event	250	250	250	250	250	
Mansion Rentals - Weekdays	5	6	6	6	7	Mansion Rentals - Weekdays	5	6	6	6	7	
Average Rental Fee	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	Avg Catering Income/guest	\$ 25.00	\$ 25.75	\$ 26.52	\$ 27.32	\$ 28.14	
Event Staff Cost / Event	\$600	\$624	\$649	\$675	\$702	Avg # People per Event	175	175	175	175	175	
Mansion Conference Rentals	360	396	428	453	476	Mansion Conference Rentals	360	396	428	453	476	
Average Rental Fee	\$350	\$350	\$350	\$350	\$350	Avg Catering Income/guest	\$ 35.00	\$ 36.05	\$ 37.13	\$ 38.25	\$ 39.39	
Event Staff Cost / Event	\$50	\$52	\$54	\$56	\$58	Avg # People per Event	25	25	25	25	25	
<b>Total Number of Events</b>	<b>431</b>	<b>474</b>	<b>512</b>	<b>543</b>	<b>570</b>	Total # Rentals per Year	431	474	512	543	570	
<small>Conference rentals = 2 rooms / day x 4 days/week x 45 weeks</small>						Total # People Served	25,475	28,023	30,264	32,080	33,684	
Function Rentals	Year 1	Year 2	Year 3	Year 4	Year 5	Function Rental Catering Revenue	Year 1	Year 2	Year 3	Year 4	Year 5	
Revenue						Gross Catering Revenue						
Outdoor Venues - Weekends	\$156,000	\$171,600	\$185,328	\$196,448	\$206,270	Outdoor Venues - Weekends	\$731,250	\$828,506	\$921,630	\$1,006,236	\$1,088,244	
Outdoor Venues - Weekdays	\$36,000	\$39,600	\$42,768	\$45,334	\$47,601	Outdoor Venues - Weekdays	\$115,500	\$130,862	\$145,570	\$158,934	\$171,887	
Mansion Rentals - Weekends	\$75,000	\$82,500	\$89,100	\$94,446	\$99,168	Mansion Rentals - Weekends	\$93,750	\$106,219	\$118,158	\$129,005	\$139,518	
Mansion Rentals - Weekdays	\$20,000	\$22,000	\$23,760	\$25,186	\$26,445	Mansion Rentals - Weekdays	\$21,875	\$24,784	\$27,570	\$30,101	\$32,554	
Mansion Conference Rentals	\$126,000	\$138,600	\$149,688	\$158,669	\$166,603	Mansion Conference Rentals	\$315,000	\$356,895	\$397,010	\$433,456	\$468,782	
<b>Total Revenue</b>	<b>\$413,000</b>	<b>\$454,300</b>	<b>\$490,644</b>	<b>\$520,083</b>	<b>\$546,087</b>	<b>Total Revenue</b>	<b>\$1,277,375</b>	<b>\$1,447,266</b>	<b>\$1,609,939</b>	<b>\$1,757,731</b>	<b>\$1,900,986</b>	
Event Staff Costs	\$87,600	\$100,214	\$112,561	\$124,087	\$135,503	<b>Net to Greystone: % of Gross</b>	<b>10%</b>	<b>\$127,738</b>	<b>\$144,727</b>	<b>\$160,994</b>	<b>\$175,773</b>	<b>\$190,099</b>
<b>Net Rental Income</b>	<b>\$325,400</b>	<b>\$354,086</b>	<b>\$378,083</b>	<b>\$395,996</b>	<b>\$410,584</b>	<small>2. Based on Consultant's observations of local catering market in Los Angeles and similar museum experience</small>						
Overhead Costs						Greystone Earned Income - Mid Range Projections						
Cost increase = 3% / year						Function Rentals	Year 1	Year 2	Year 3	Year 4	Year 5	
Current Staff Costs	\$ 345,635	\$ 356,004	\$ 366,684	\$ 377,685	\$ 389,015	Net Rental Income	\$ 325,400	\$ 354,086	\$ 378,083	\$ 395,996	\$ 410,584	
Proposed Incremental Staff \$	\$ 121,755	\$ 125,408	\$ 129,170	\$ 133,045	\$ 137,036	Overhead Expenses	\$ (487,390)	\$ (502,012)	\$ (517,072)	\$ (532,584)	\$ (548,562)	
Other Expenses	\$ 20,000	\$ 20,600	\$ 21,218	\$ 21,855	\$ 22,510	Catering Income / Commissions	\$ 127,738	\$ 144,727	\$ 160,994	\$ 175,773	\$ 190,099	
<b>Total Overhead Costs</b>	<b>\$ 487,390</b>	<b>\$ 502,012</b>	<b>\$ 517,072</b>	<b>\$ 532,584</b>	<b>\$ 548,562</b>	<b>Total Earned Income</b>	<b>\$ (34,253)</b>	<b>\$ (3,200)</b>	<b>\$ 22,005</b>	<b>\$ 39,184</b>	<b>\$ 52,121</b>	

Greystone  
Function Rental and Catering Income Estimates

Greystone Function Rental Income Optimistic Estimate						Greystone Function Rental Catering Income Optimistic Estimate						
Function Rentals	Year 1	Year 2	Year 3	Year 4	Year 5	Function Rental Catering Revenue	Year 1	Year 2	Year 3	Year 4	Year 5	
Function Growth / Year:						Price Growth / year = 3%						
Assumptions 1:		10%	8%	6%	5%	Assumptions 2:						
Outdoor Venues - Weekends	42	46	50	53	56	Outdoor Venues - Weekends	42	46	50	53	56	
Average Rental Fee	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	Avg Catering Income/guest	\$ 75.00	\$ 77.25	\$ 79.57	\$ 81.95	\$ 84.41	
Event Staff Cost / Event	\$1,200	\$1,248	\$1,298	\$1,350	\$1,404	Avg # People per Event	250	250	250	250	250	
Outdoor Venues - Weekdays	15	17	18	19	20	Outdoor Venues - Weekdays	15	17	18	19	20	
Average Rental Fee	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	Avg Catering Income/guest	\$ 55.00	\$ 56.65	\$ 58.35	\$ 60.10	\$ 61.90	
Event Staff Cost / Event	\$900	\$936	\$973	\$1,012	\$1,053	Avg # People per Event	175	175	175	175	175	
Mansion Rentals - Weekends	20	22	24	25	26	Mansion Rentals - Weekends	20	22	24	25	26	
Average Rental Fee	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	Avg Catering Income/guest	\$ 25.00	\$ 25.75	\$ 26.52	\$ 27.32	\$ 28.14	
Event Staff Cost / Event	\$600	\$624	\$649	\$675	\$702	Avg # People per Event	250	250	250	250	250	
Mansion Rentals - Weekdays	8	9	10	10	11	Mansion Rentals - Weekdays	8	9	10	10	11	
Average Rental Fee	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	Avg Catering Income/guest	\$ 25.00	\$ 25.75	\$ 26.52	\$ 27.32	\$ 28.14	
Event Staff Cost / Event	\$600	\$624	\$649	\$675	\$702	Avg # People per Event	175	175	175	175	175	
Mansion Conference Rentals	400	440	475	504	529	Mansion Conference Rentals	400	440	475	504	529	
Average Rental Fee	\$350	\$350	\$350	\$350	\$350	Avg Catering Income/guest	\$ 35.00	\$ 36.05	\$ 37.13	\$ 38.25	\$ 39.39	
Event Staff Cost / Event	\$50	\$52	\$54	\$56	\$58	Avg # People per Event	25	25	25	25	25	
<b>Total Number of Events</b>	<b>485</b>	<b>534</b>	<b>576</b>	<b>611</b>	<b>641</b>	<b>Total # Rentals per Year</b>	<b>485</b>	<b>534</b>	<b>576</b>	<b>611</b>	<b>641</b>	
<small>Conference rentals = 2 rooms / day x 4 days/week x 50 weeks</small>						<b>Total # People Served</b>	<b>29,525</b>	<b>32,478</b>	<b>35,076</b>	<b>37,180</b>	<b>39,039</b>	
Function Rentals	Year 1	Year 2	Year 3	Year 4	Year 5	Function Rental Catering Revenue	Year 1	Year 2	Year 3	Year 4	Year 5	
<b>Revenue</b>						<b>Gross Catering Revenue</b>						
Outdoor Venues - Weekends	\$168,000	\$184,800	\$199,584	\$211,559	\$222,137	Outdoor Venues - Weekends	\$787,500	\$892,238	\$992,525	\$1,083,639	\$1,171,955	
Outdoor Venues - Weekdays	\$45,000	\$49,500	\$53,460	\$56,668	\$59,501	Outdoor Venues - Weekdays	\$144,375	\$163,577	\$181,963	\$198,667	\$214,858	
Mansion Rentals - Weekends	\$100,000	\$110,000	\$118,800	\$125,928	\$132,224	Mansion Rentals - Weekends	\$125,000	\$141,625	\$157,544	\$172,006	\$186,025	
Mansion Rentals - Weekdays	\$32,000	\$35,200	\$38,016	\$40,297	\$42,312	Mansion Rentals - Weekdays	\$35,000	\$39,655	\$44,112	\$48,162	\$52,087	
Mansion Conference Rentals	\$140,000	\$154,000	\$166,320	\$176,299	\$185,114	Mansion Conference Rentals	\$350,000	\$396,550	\$441,122	\$481,617	\$520,869	
<b>Total Revenue</b>	<b>\$485,000</b>	<b>\$533,500</b>	<b>\$576,180</b>	<b>\$610,751</b>	<b>\$641,288</b>	<b>Total Revenue</b>	<b>\$1,441,875</b>	<b>\$1,633,644</b>	<b>\$1,817,266</b>	<b>\$1,984,091</b>	<b>\$2,145,794</b>	
Event Staff Costs	\$100,700	\$115,201	\$129,394	\$142,643	\$155,767	<b>Net to Greystone: % of Gross</b>	<b>10%</b>	<b>\$144,188</b>	<b>\$163,364</b>	<b>\$181,727</b>	<b>\$198,409</b>	<b>\$214,579</b>
<b>Net Rental Income</b>	<b>\$384,300</b>	<b>\$418,299</b>	<b>\$446,786</b>	<b>\$468,107</b>	<b>\$485,522</b>	<small>2. Based on Consultant's observations of local catering market in Los Angeles and similar museum experience</small>						
Overhead Costs						Greystone Earned Income - Optimistic Projections						
Cost increase = 3% / year						Function Rentals						
Current Staff Costs	\$ 345,635	\$ 356,004	\$ 366,684	\$ 377,685	\$ 389,015	Year 1	Year 2	Year 3	Year 4	Year 5		
Proposed Incremental Staff \$	\$ 121,755	\$ 125,408	\$ 129,170	\$ 133,045	\$ 137,036	Net Rental Income	\$ 384,300	\$ 418,299	\$ 446,786	\$ 468,107	\$ 485,522	
Other Expenses	\$ 25,000	\$ 25,750	\$ 26,523	\$ 27,318	\$ 28,138	Overhead Expenses	\$ (492,390)	\$ (507,162)	\$ (522,377)	\$ (538,048)	\$ (554,189)	
<b>Total Overhead Costs</b>	<b>\$ 492,390</b>	<b>\$ 507,162</b>	<b>\$ 522,377</b>	<b>\$ 538,048</b>	<b>\$ 554,189</b>	Catering Income / Commissions	\$ 144,188	\$ 163,364	\$ 181,727	\$ 198,409	\$ 214,579	
						<b>Total Earned Income</b>	<b>\$ 36,098</b>	<b>\$ 74,502</b>	<b>\$ 106,137</b>	<b>\$ 128,469</b>	<b>\$ 145,912</b>	

Greystone  
Function Rental and Catering Income Estimates

<b>Greystone Earned Income - Conservative Projections</b>					
Function Rentals	Year 1	Year 2	Year 3	Year 4	Year 5
Net Rental Income	\$ 275,900	\$ 300,186	\$ 320,489	\$ 335,627	\$ 347,940
Overhead Expenses	\$ (471,635)	\$ (485,784)	\$ (500,358)	\$ (515,368)	\$ (530,829)
Catering Income / Commissions	\$ 111,100	\$ 125,876	\$ 140,025	\$ 152,879	\$ 165,339
<b>Total Earned Income</b>	<b>\$ (84,635)</b>	<b>\$ (59,722)</b>	<b>\$ (39,844)</b>	<b>\$ (26,863)</b>	<b>\$ (17,551)</b>

<b>Greystone Earned Income - Mid Range Projections</b>					
Function Rentals	Year 1	Year 2	Year 3	Year 4	Year 5
Net Rental Income	\$ 325,400	\$ 354,086	\$ 378,083	\$ 395,996	\$ 410,584
Overhead Expenses	\$ (487,390)	\$ (502,012)	\$ (517,072)	\$ (532,584)	\$ (548,562)
Catering Income / Commissions	\$ 127,738	\$ 144,727	\$ 160,994	\$ 175,773	\$ 190,099
<b>Total Earned Income</b>	<b>\$ (34,253)</b>	<b>\$ (3,200)</b>	<b>\$ 22,005</b>	<b>\$ 39,184</b>	<b>\$ 52,121</b>

<b>Greystone Earned Income - Optimistic Projections</b>					
Function Rentals	Year 1	Year 2	Year 3	Year 4	Year 5
Net Rental Income	\$ 384,300	\$ 418,299	\$ 446,786	\$ 468,107	\$ 485,522
Overhead Expenses	\$ (492,390)	\$ (507,162)	\$ (522,377)	\$ (538,048)	\$ (554,189)
Catering Income / Commissions	\$ 144,188	\$ 163,364	\$ 181,727	\$ 198,409	\$ 214,579
<b>Total Earned Income</b>	<b>\$ 36,098</b>	<b>\$ 74,502</b>	<b>\$ 106,137</b>	<b>\$ 128,469</b>	<b>\$ 145,912</b>