



WS#2

**DATE:** October 9, 2007  
**TO:** Mayor and City Council  
**FROM:** Director of Finance and Internal Services  
**SUBJECT:** Centennial Hall: Uses and Finances

## **RECOMMENDATION**

That Council reviews and comments on this report.

## **SUMMARY**

Staff has prepared information related to the uses and finances of Centennial Hall, the City owned and operated meeting/event facility. The purpose of this review is to provide Council with information as they contemplate proposals for reuse of the City Center properties, including Centennial Hall; and highlight some impacts of closing the facility and/or selling the property for other uses. This review reflects the most recent use data from July 1, 2006 through June 30, 2007 (Attachment A).

## **DISCUSSION**

### Facility Description

Centennial Hall is a 57,000 square foot event facility located at the geographical center of the San Francisco East Bay. The building faces Foothill Blvd with access from City Center Drive. The Main Hall was built from the gymnasium of the old Hayward High School. Since 1976 when Centennial Hall opened, it has offered a variety of available room sizes at reasonable fees, abundance of free parking, commercial kitchen facilities, and easy access to 580/880 freeways. These features have made Centennial Hall an attractive venue for those looking to host an event in a Hayward location, at lower cost than commercial space venues.

The building has eleven (11) rental areas totaling 25,930 sq. ft., including a 14,000 sq. ft Main Hall, and eight (8) other rooms, ranging in size from 650 sq. ft. to 3,550 sq. ft. In addition, there are six restrooms, and two kitchens (one with a walk-in refrigerator and dishwashing area) see Floor Plan Attachment B. The facility accommodates a variety of events for both commercial customers and non-profits, for which there is a reduced room charge (non-profit rate).

Centennial Hall offers customers free use of a three-story parking structure, a surface parking lot, and some surrounding street parking. The three-story parking structure, adjacent to the now vacant

and the privately owned 11-story building (former Hayward City Hall), is owned by the City. The City was granted an easement through the 11-story building to allow Centennial Hall customers access to the parking lot.

Expansion of Centennial Hall's customer base to those willing to pay higher fees, primarily corporate customers, has not occurred. Successful marketing to business customers requires the availability of services that most corporate businesses expect. Top on the list is access to on-site computer based technology, and the staff to support it. Given more pressing City needs, that is not an option at this time.

### Types of Customer Uses

Centennial Hall has three general customer use categories (Attachment A):

1. Public Events
2. Private Events
3. City-sponsored/Community Events

#### 1. Public Events

Most public events are repeat customers that routinely reserve the facility from year to year. These events include two general types:

- a. Those that charge the public for admission (either at the door or via pre-registration) and/or sell products/food at the event; and
- b. Those that sell tickets to a defined group of entrants.

There are several public event categories:

- Classes, workshops and seminars;
- Sales and trade shows;
- Organizational meetings, and church services;
- Ethnic festivals;
- Performances and exhibits;
- Fundraisers, graduations, proms and reunions;
- Professional examinations; and
- Conferences and conventions.

Rooms are rented by the day. In FY 2006-07, about 500 rooms and other spaces were used for public events. These uses totaled about 70% of all annual uses, and 72% (\$318,805) in space rental fees. These fees do not include insurance, and damage deposits. Some of these events are charged a reduced non-profit rate rather than the full or commercial rate. Reduced-fee events include high school proms, the Annual Chamber of Commerce Awards Dinner, and the Chamber of Commerce Business Expo.

Rumors that the site may be sold have caused some event organizers to seek other venues. These include two ethnic festivals (German and Greek), and two Pacific Islander dance performance groups, which reportedly will use the Chabot College Performing Arts Center. So far, the remaining events that booked to return from January through June 2008, have confirmed.

## 2. Private Events

Private events are primarily one-time events, like weddings, bridal showers, and retirement, birthday, and graduation celebrations that are held on specific dates, often on weekends. Private events are about 25% of all interest calls; however, they represent only 8% of the total events held annually and 16% (\$67,630) in space rental fees. The disparity is because most of the requested dates for private events, are often already booked, six months or more in advance, for recurring public events.

## 3. City and Community Sponsored Events

The third use category is the “no fee” City and community sponsored event, representing 22% of total Centennial Hall uses and would generate \$86,637 in space rental fees, if charged:

- City public meetings and forums;
- City staff training classes;
- Examinations for City jobs;
- Rehearsal space for the Hayward Municipal Band;
- Meetings of the Ghazni Sister City Committee; and
- Three annual community celebrations –
  1. Martin Luther King, Jr. Celebration in January;
  2. Volunteer Recognition Dinner in October; and
  3. Annual Community Thanksgiving Day Dinner in November.

While some of the smaller uses may be accommodated at City Hall, the three annual events, the City job exams that attract a large applicant pool, Hayward Municipal Band rehearsals, and the larger Public Safety training exercises will have difficulty in finding suitable free space alternatives. Given that the three community events have specific space needs, require kitchen access and ample public parking, and would not be able to pay facility use fees, continuation of these events would be difficult if Centennial Hall is no longer available. An informal review of existing event venues in Hayward has not identified alternative locations.

### Other Facilities Competing with Centennial Hall

When groups inquire about booking at Centennial Hall and space is not available on the dates request, staff provides the group with a list of conference/reception facilities in the area. (See Attachment C)

Several large groups left Centennial Hall when there was concern that the three-story parking garage would not be available. The following information was gathered from a few of the groups.

P.A.P.A. (Pesticide Applications Professional Association)

They have held their East Bay seminars 4-5 times per year at Centennial Hall since 1988. They canceled all 2007 bookings and have moved their seminars to the Newark Pavilion which holds 400 attendees.

United German American Societies of the East Bay

They have held their annual German Fest at Centennial Hall since 1988. They moved their event to the Greek Church in Oakland last year and have decided to continue using that facility for future events. They mentioned this facility was more pleasant than Centennial Hall because of the big windows and the view from the patio. They were also pleased that the facility recently added a 300-car parking lot. As for price, they could only respond the pricing structure is "different". Although the rental cost is less, they are required to use an onsite caterer and they have to pay extra for set-up/clean-up staff.

Castro Valley Greek Orthodox Church

This group has their own facility; however, they feel it isn't large enough for their annual fundraising event. After they heard parking maybe limited for their 2007 event, they decided to begin looking for an alternate facility. Staff did update them regarding the change in the parking limitation, however they have canceled their October 2007 date.

The following is a sample listing of venues in the Bay Area that may compete with Centennial Hall. However, due to the fact that there is no other facility in this area that has a 14,000 square foot Hall with reasonable rates and minimal restrictions for food and alcohol, staff believes that the facilities listed below do not provide similar services as Centennial Hall.

- The Grandview Pavilion in Alameda. Pros: This attractive site is located on a golf course. The capacity is half of our Main Hall. They provide full service catering. The price, including catering, is comparable to that of Centennial Hall. The site is appropriate for both social and corporate events. Cons: Rental requires use of onsite catering. They allow only 2 hours setup time.
- Henry J. Kaiser Convention Center in Oakland. Pros: This facility is able to accommodate large events. They have multiple rooms that can accommodate a variety of events. They have onsite catering. The site is appropriate for both social and corporate events. Cons: Rental Fees include the room rental and setup only. These fees are higher than those at Centennial Hall.
- Marina Community Center in San Leandro. Pros: Room rental is based on an hourly rate. This site is visually appealing. Pricing is comparable to that of Centennial's Room 4. Site is appropriate for both social and corporate events. Cons: Only one room is available and it is comparable in size to Room 4, which is 3,550 sq. ft.
- Newark Hilton in Newark. Pros: Desirable location. This facility has an onsite event advisor available to assist with social events. They have onsite catering and hotel facilities. They offer customized menus and decorating. Site is appropriate for both social and corporate events. Cons: Rental requires use of onsite catering. Rental fees are higher than those at Centennial Hall.

- The Oakland Convention Center in Oakland. Pros: Different room sizes can accommodate a variety of events. Their largest hall is larger than Centennial Hall's Main Hall. Each room has an appealing view. Setups are included. Parking garage on site. They have onsite catering and hotel facilities. Site is appropriate for both social and corporate events. Cons: Rental requires use of onsite catering. Rental fees are higher than those at Centennial Hall.
- The Palmdale Estates in Fremont. Pros: The capacity is half of our Main Hall. This site is very attractive. They offer onsite catering. Their pricing is comparable to that of Centennial Hall. Cons: Rental requires use of onsite catering.
- Santa Clara Convention Center in Santa Clara. Pros: The capacity is almost equivalent to that of Centennial Hall. The site is attractive. An event manager is available to assist with coordinating and planning events. They have onsite catering and hotel facilities. This site is appropriate for both social and corporate events. Cons: Rental fees are higher than those at Centennial Hall.
- Shrine Event Center in Livermore. Pros: Outside catering is allowed. This site is attractive. Customized menus are available. Linens and napkins are provided. Price is comparable to that of Centennial Hall. Site is appropriate for both social and corporate events. Cons: Venue is not centrally located in the Bay Area. Overtime charges can apply if rental goes beyond 8 hours.

## **FISCAL IMPACT**

There are many City events and City sponsored events that are held at Centennial Hall free of charge. It is estimated that \$86,600 in fees would be collected annually if the City paid rental fees to Centennial Hall. Therefore, when determining the true General Fund subsidy to Centennial Hall the \$86,600 in uncollected rental fees must be subtracted.

An average of \$375,000 per year has been contributed to Centennial Hall from the General Fund over the past 5 years. The true subsidy is the amount of the transfer less the uncollected rental fees. Therefore for FY 2006-07 the true General Fund subsidy is approximately \$304,400 or the \$391,000 transfer less the \$86,600 uncollected rental fees.

Expenses – The Centennial Hall operating costs in FY 2006-07 were \$791,000, or an average of \$66,000 per month. The rentable space at Centennial Hall is 25,930 sq. ft. Therefore, the monthly maintenance cost per square foot of rentable space is approximately \$2.55. The standard cost per square foot to maintain a similar type facility is a greater amount per square foot, due to higher usage and more staff.

Operating costs have increased by an average of less than 5% per year over the past five years. Centennial Hall is staffed by 5 full-time employees and one part-time employee. Approximately 65% of the operating costs are for the salaries and benefits of these employees. Maintenance and utilities costs vary from year to year depending on needs. For example, the Main Hall floor was refurbished 6 years ago, and will not require the same level of maintenance in the near future.

Revenue – Rental income for FY 2006-07 was \$330,000. Revenue has not significantly increased in the past five years. As noted above, the City has lost many customers due to the uncertainty of the facility and available parking. Also, it has not been possible to recruit new corporate customers due to our lack of technological amenities expected by corporate customers.

Based on staff research it is common for publicly owned community meeting space to be subsidized. Rarely do the rental fees cover all maintenance costs.

## **NEXT STEPS**

The Council will be presented with proposals for the City Center site in the near future; therefore the City should develop a plan in anticipation of losing Centennial Hall as a public and community facility. At a minimum staff will be tasked with proposing replacement sites for five regularly scheduled, major events, which include; Martin Luther King, Jr. Celebration, Annual Community Thanksgiving Dinner, space for the Hayward Municipal Band, and City examinations and training.

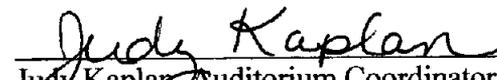
In order to prepare a replacement plan the City should discuss and schedule the following:

1. A site feasibility study
2. A market analysis report
3. Solicit interest of private/public partnerships
4. Analyze the financing and funding needs for a future facility

The City may also study opportunities to create additional community space in new facilities such as the New Library, or incorporating community space into the City Center project.

Prepared by:

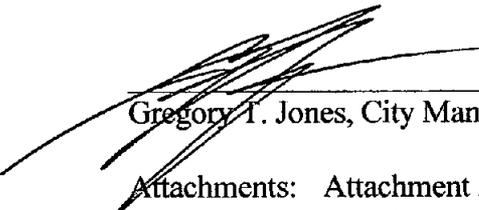
  
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Recommended by:

  
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Debra C. Auker, Director of Finance and Internal Services

Approved by:



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Gregory T. Jones, City Manager

Attachments: Attachment A – Centennial Hall Usage  
Attachment B – Centennial Hall Floor Plan  
Attachment C – Conference/Reception Facilities

Attachment A  
Centennial Hall Usage

Event Type	Number of Rooms Used	% of Total Use	Recurring Events	Room Fees - % of Total Fees	Room 1 Room 2 Room 3	Rm 4	Main Hall	Rm 6	Rm 7	Hall B	Rm 8	Rm 5	Patio
			Space Size		992 sq ft. (average)	3352 sq ft	14000 sq ft	2223 sq ft	1537 sq ft	7000 sq ft	810 sq ft	550 sq ft	1280 sq ft
<b>All Events</b>	<b>711</b>	<b>100.0%</b>	Total Room Uses Per Space	<b>\$438,515 Total: \$350,895 Fees Paid \$67,620 Unpaid Fees</b>	168 (191)	99	83	75	72	43	57	34	13
			% of Total Rooms Used		26.0%	15.4%	13.0%	11.6%	11.2%	6.6%	9.0%	5.2%	2.0%
			Room Charges per Use		\$160	\$630	\$2,210	\$405	\$300	\$1,500	\$215	\$110	\$265
<b>City Events - No Fees Charged*</b>	<b>157</b>	<b>22.0%</b>		<b>\$67,620 *</b>	<b>54</b>	<b>25</b>	<b>8</b>	<b>2</b>	<b>25</b>	<b>6</b>	<b>16</b>	<b>20</b>	<b>1</b>
				16%	\$5,440	\$13,200	\$19,880	\$2,835	\$8,700	\$13,500	\$1,720	\$1,540	\$795
			Animal Services Fundraiser										
			Annual Thanksgiving Day Dinner										
			CED Public Forums & Meetings										
			City Job Exams										
			Fire Dept Classes										
			Hayward Muni Band Practices										
			HCEA & Union Events & Parties										
			"Low Sick Leave" Luncheon -PW										
			MLK Community Celebration										
			Police Department Classes										
			Sister City Cmte Mtgs - Ghazni										
			Volunteer Recognition Dinner										
<b>Private Receptions</b>	<b>55</b>	<b>8.0%</b>	Weddings, Retirements, etc.	<b>\$52,090</b>	<b>\$1,440</b>	<b>\$5,670</b>	<b>\$28,730</b>	<b>\$2,835</b>	<b>\$2,700</b>	<b>\$10,500</b>	<b>\$215</b>		
				12%									
<b>Public Events</b>	<b>498</b>	<b>70%</b>	Recurring Uses	<b>\$318,805</b>	<b>134</b>	<b>77</b>	<b>69</b>	<b>68</b>	<b>44</b>	<b>30</b>	<b>47</b>	<b>20</b>	<b>10</b>
				72%									
<b>Classes</b>	<b>84</b>	<b>13.0%</b>	Traffic School	<b>\$14,575</b>	<b>68</b>				<b>3</b>		<b>13</b>		
				\$10,880					\$900		\$2,785		
<b>Sales Shows</b>	<b>59</b>	<b>9.0%</b>		<b>\$47,555</b>	<b>10</b>	<b>21</b>	<b>13</b>	<b>3</b>	<b>5</b>		<b>4</b>	<b>3</b>	
				\$1,600					\$1,500		\$860	\$330	
			Amish County Quilts										
			East Bay Porcelain Artists										
			East Bay Camera Collective										
			Mineral and Gem Show										
			No. CA Doll & Teddy Bear Show										
			Piecemakers Quilt Guild										
			Super Con										
			Toy Show										

Attachment A  
Centennial Hall Usage

Event Type	Number of Rooms Used	% of Total Use	Recurring Events	Room Fees - % of Total Fees	Room 1 Room 2 Room 3	Rm 4	Main Hall	Rm 6	Rm 7	Hall B	Rm 8	Rm 5	Patlo
Meetings	48	8.0%		\$21,370	12	12	1	4	7	3	3	5	1
			Allstate Insurance		\$1,920	\$7,560	\$2,210	\$1,620	\$2,100	\$4,500	\$645	\$550	\$265
			East Bay Christian Fellowship										
			Premier Community Mgt.										
			Rental Housing										
			Rotary Int'l District 5170										
			SF Bay Area Locksmiths										
			Valley Industries										
Church Services	49	8.0%		\$22,015	1		1	44		1	1	1	
			Glad Tidings Church		\$160		\$2,210	\$17,820		\$1,500	\$215	\$110	
			Lights of Salvation Church										
			New Dimension										
Proms/Dinners	34	5.5%		\$34,905	1	8	10	5	4	3	1	1	1
			Chamber Annual Awards Dinner		\$160	\$5,040	\$21,390	\$2,025	\$1,200	\$4,500	\$215	\$110	\$265
			Hayward HS										
			Moreau Catholic HS										
			ML Eden HS										
			Orozco Transportation										
			Project Eden Gay Prom										
			South County - 500 Bridge Club										
Ethnic Festivals	35	5.5%		\$17,310	9	4	4	3	4		4	4	3
			Hula Halau 'O Nalua		\$1,440	\$2,520	\$8,840	\$1,215	\$1,200		\$860	\$440	\$795
			Na Mamo O Ke Anuenue A Kamikani										
Seminars/Workshops	45	4.5%		\$34,785	13	5	3	2	8	13	1		
			Alameda County Comm. On Aging		\$2,080	\$3,150	\$6,630	\$810	\$2,400	\$19,500	\$215		
			Andrew Smith Realty										
			Colored Pencil Society of America										
			Flying Phoebes										
			Marshall Riddick Seminars										
			Newton Knits										
Exhibits	27	4.0%		\$8,290	8	7	2	2	2		2	2	2
			BAM Militaria		\$1,280	\$4,410	\$4,420	\$810	\$600		\$430	\$220	\$530
			Bay Island Bonsai										
			East Bay Camera Collective										
			Golden Gate Lionel Railroad										
			Model Horse Show										
			Yamato Bonsai Club										

Attachment A  
Centennial Hall Usage

Event Type	Number of Rooms Used	% of Total Use	Recurring Events	Room Fees - % of Total Fees	Room 1 Room 2 Room 3	Rm 4	Main Hall	Rm 6	Rm 7	Hall B	Rm 8	Rm 5	Patio
Dinner/Fundraiser	26	4.0%		\$32,870	2	4	12	1	2	1	2	1	1
			Aahmes Novkeys		\$320	\$2,520	\$26,520	\$405	\$600	\$1,500	\$430	\$110	\$265
			Bay Area Christian Bible Church										
			CHP										
			Crime Stoppers										
			Chinese Independent Baptist Ch.										
			East Bay Warriors Youth Football										
			Hayward Education Foundation										
			HUSD Retirement Dinner										
			Kshatriya Manda of CA										
			TAFNC										
			Redwood Christian School										
			Vasquez Health Center										
			Waste Management										
Performances	19	3.0%		\$17,070	2	2	5	2	3	2	2	1	
			Alameda Ducal Conference		\$320	\$1,260	\$11,050	\$810	\$900	\$3,000	\$430	\$110	
			Hawaiian Tropic										
Social Clubs	20	3.0%		\$18,965	3	5	6		1	1	3	1	
			San-O-Bar		\$480	\$3,150	\$13,260		\$300	\$1,500	\$645	\$110	
			Scepter Club										
			So. Cty Unit 500 Bridge Club										
Conference/Convention	17	3.0%		\$7,045	1	1		2	1	2	7	1	2
			Alameda Ducal Conference		\$160	\$630		\$810	\$300	\$3,000	\$1,505	\$110	\$530
			East Bay Mini Convention										
			Rotary In'll District 5170										
Trade Show/Job Fair	14	2.0%		\$16,330	1	2	6			1	4		
			Chamber Business Expo		\$160	\$1,260	\$12,550			\$1,500	\$860		
			East Bay Mini Convention										
			Employment Guide										
			Job & Career Faire										
			PHCC										
Exams	11	2.0%		\$8,320	2	3	1		3	2			
			American College Testing		\$320	\$1,890	\$2,210		\$900	\$3,000			
			Lead Certificate Exam										
			State Fund										
Graduations	5	1.0%		\$5,130	1	2	1			1			
			Bay Area Chinese Bible Church		\$160	\$1,260	\$2,210			\$1,500			
			4 C's of Alameda County										
Animal Shows	5	1.0%		\$9,470		1	4						
			Budgerigar Society			\$630	\$8,840						
			Franciscan Silver & Gold Fanciers										
			Golden Gate Cal Club										

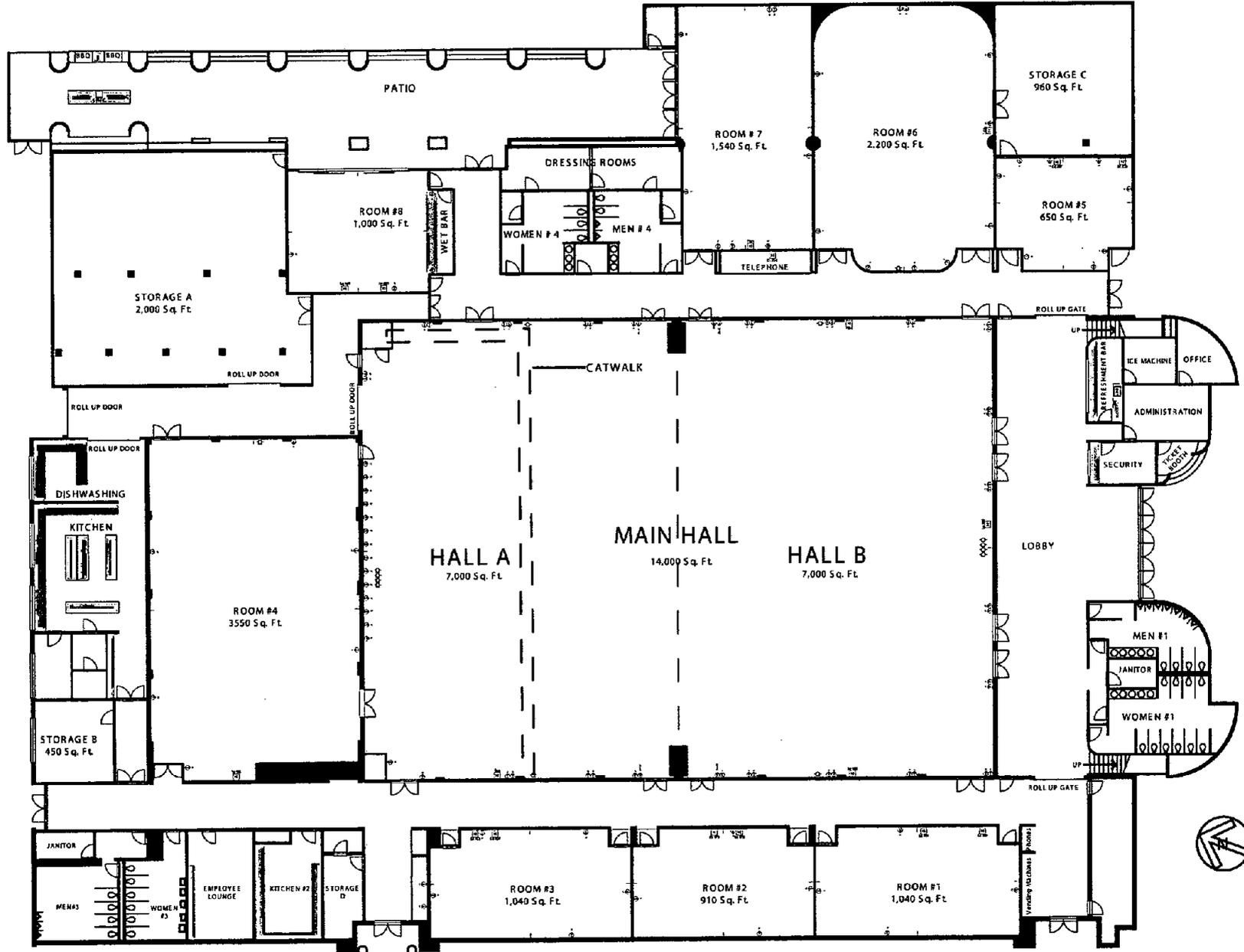


CITY OF  
**HAYWARD**  
HEART OF THE BAY  
**Centennial Hall**

22292 Foothill Blvd., Hayward, CA 94541 Tel: (510) 881-1911 Fax: (510) 581-2124

Event Title: \_\_\_\_\_

Event Date: \_\_\_\_\_



**CONFERENCE / RECEPTION FACILITIES**

Attachment C

<u>Facility</u>	<u>Address</u>	<u>Telephone</u>	<u>Capacity</u>
Ardenwood Historic Farm (outdoors)	34600 Ardenwood Blvd., Fremont	510- 796-0663	
Alyin's Rancho	830 W. Sunset, Hayward	510- 785-3252	Up to 225
Brazilian Room	Tilden Park, Berkeley	510- 540-0220	150
California Ballroom	1736 Franklin, Oakland	510- 834-7761	250
Chabot College Auditorium	25555 Hesperian Blvd., Hayward	510- 723-6976	1500
Crown Plaza	32083 Alvarado, Union City	510- 489-2200	350
Crow Canyon Park	8000 Crow Canyon Rd., Castro Valley	510- 582-1630	150-300
Flamingo Palace	4100 Peralta, Fremont	510- 792-9999	1000
Grandview Pavilion	300 Island Drive, Alameda	510- 865-5322	300
Greek Orthodox Church	4700 Lincoln Avenue, Oakland	510- 531-3400	
Hayward Recreation Dept.	1099 E Street, Hayward	510- 881-6700	7 Halls 70-150
Henry J. Kaiser Convention Center	10 Tenth Street, Oakland	510- 238-7765	100-7,900
Hill & Valley Club House	1808 B Street, Hayward	510- 881-9784	250
Holly Community Center	31600 Alvarado, Union City	510- 471-6877	250
IDES Hall	1105 C Street, Hayward	510- 581-8518	300
La Quinta Inn	20777 Hesperian Blvd., Hayward	510- 732-6300	120
Marina Community Center	15301 Wicks Blvd., San Leandro	510- 577-6081	200-300
Masonic Temple	1074 B Street, Hayward	510- 881-9998	300
Mission Paradise Banquet Hall	31115 Mission Blvd., Hayward	510- 489-6360	Max 400
Moose Lodge	20835 Rutledge, Castro Valley	510- 537-0830	215
Napredak Hall	770 Montague Expressway, San Jose	408- 435-9933	400
Newark Hilton	39900 Balentine, Newark	510- 490-8390	600
Oakland Convention Center	550 10 <sup>th</sup> Street, Oakland	510- 839-9000	Max 6857
Palmdale Estates	159 Washington Blvd., Fremont	510- 651-8908	300
Party Room	310 Hacienda, San Lorenzo	510- 276-6400	165
Piedmont Community Center	711 Highland, Piedmont	510- 420-3081	125
Pleasanton Hilton	7050 Johnson Drive, Pleasanton	925- 463-8000	
San Lorenzo Community Center	377 Paseo Grande, San Lorenzo	510- 276-4554	200
San Ramon Community Center	12501 Alcosta Blvd., San Ramon	510- 275-2300	250
Santa Clara Convention Center	5001 Great America Pkwy., Santa Clara	408- 748-7000	
Scottish Rite Temple	1547 Lakeside, Oakland	510- 832-0819	1200
Shannon Community Center	11600 Shannon Ave., Dublin	510- 833-6645	3 Halls 48-200
Shrine Event Center	170 Lindbergh Ave., Livermore	510- 373-4880	450
Snow Building Oakland Zoo	9777 Golf Links Rd., Oakland	510- 632-9525	B'day rental 350
Stanford House/Hidden Valley	2006 Stanford Ave., Fremont	510- 651-9978	150
Swiss Park	5911 Mowry Ave., Newark	510- 793-6272	250
Veteran's Memorial	22737 Main Street, Hayward	510- 582-9757	500
White Hall Party Room	1022 B Street, Hayward	510- 538-2212	150
Willow Park (Rosa Lounge)	17007 Redwood Rd., Castro Valley	510- 537-3174	250

\*\* This information is provided as a courtesy and it is not guaranteed to be reliable or accurate.