

# Memo

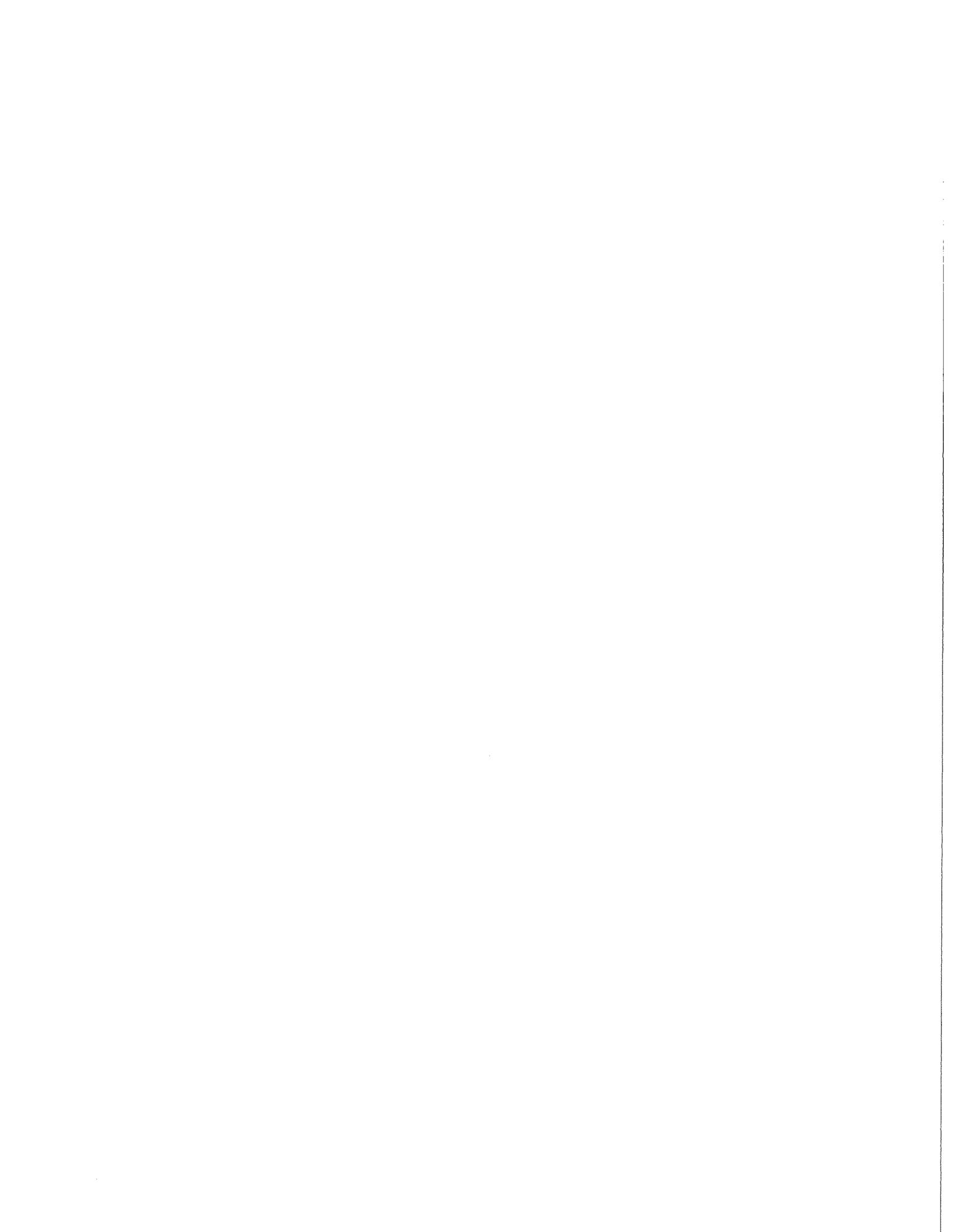
**To:** Honorable Mayor and City Council  
**From:** Joe Kohlmann, City Administrator  
**Date:** January 14, 2014  
**Re:** Vantage Group – Southshore Center

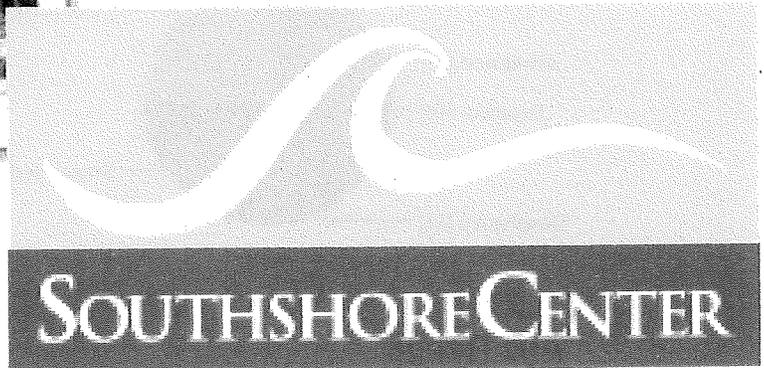
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The Southshore committee had Minnetonka High School's Vantage Group prepare a report on Southshore Center operations. *Attached is the anticipated powerpoint presentation.*

**Council Action Requested:**

Ask questions of the Vantage Group concerning the Southshore Center.





*The heart of active living*

# Southshore Center

Presented by: The VANTAGE  
Team

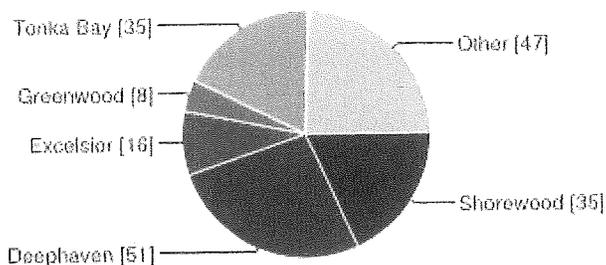
Michaela Moulder, Mason Nuss, Tommy Garber,  
John Campuzano, Matthew Henning

**VANTAGE**  
MINNESOTA ADVANCED PROFESSIONAL STUDIES

## Primary Research

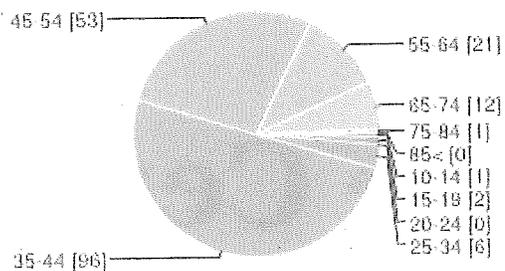
### Demographics:

#### What City Do You Live In?



Shorewood	<b>35</b>	18%
Deephaven	<b>51</b>	27%
Excelsior	<b>16</b>	8%
Greenwood	<b>8</b>	4%
Tonka Bay	<b>35</b>	18%
Other	<b>47</b>	24%

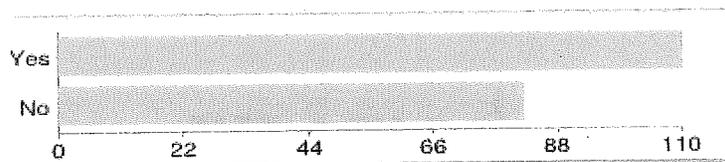
#### Age Range



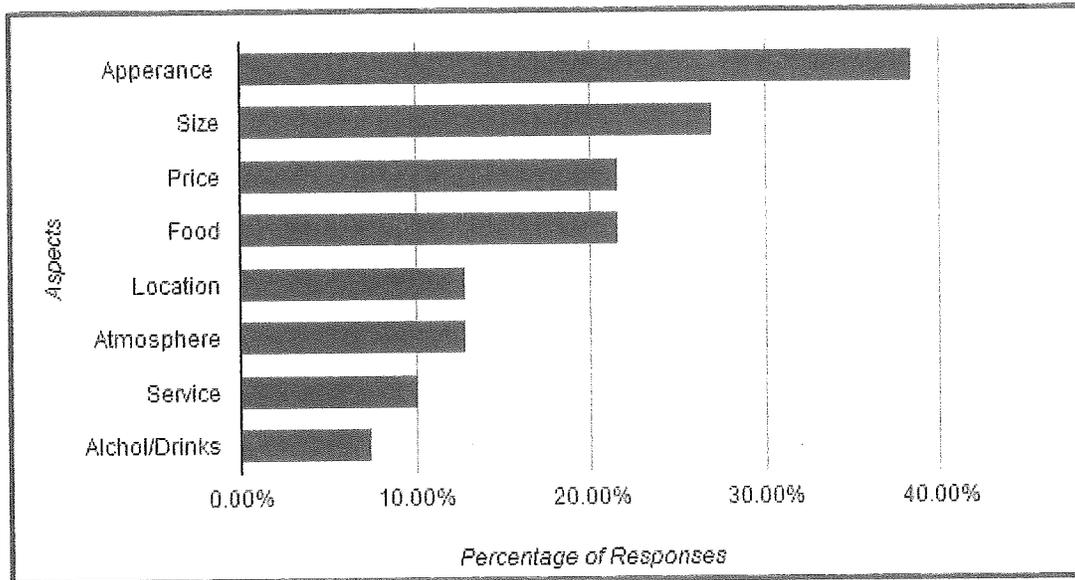
10-14	<b>1</b>	1%
15-19	<b>2</b>	1%
20-24	<b>0</b>	0%
25-34	<b>6</b>	3%
35-44	<b>96</b>	50%
45-54	<b>53</b>	28%
55-64	<b>21</b>	11%
65-74	<b>12</b>	6%
75-84	<b>1</b>	1%
85+	<b>0</b>	0%

#### Have You Ever Heard of the Southshore Center?

Yes	<b>110</b>	57%
No	<b>82</b>	43%



## What Do You Look For When Renting a Space?



### Personal Interviews

- Paul Skrede - Understand Deephaven's thoughts
- Tim Litfin - Understand the MCES deal
- Deb Taylor - Learn more about senior specific activities
- Dave Johnson - Get financial data for Estimates
- Mindy Anderson - Director of Gillespie Center

## Deliverable 1

A report on successful community center models that are both financially viable and meeting community needs. The model is based on research done on community centers in the local area and the elements that brought them above the 90% cost coverage mark.

### Community Needs:

- Location for Party/Wedding Events
- Community Fundraisers
- AA Meetings
- Meeting Space
- Senior Activities (Bingo, Bridge)
- Driving Classes
- Fitness Space
- Nurse/Pharmacy Space
- Food
- Apparel Stores
- Daycare
- Play Area
- Recreational activities

Name of Center	Location	Total Revenue	Total Expense	Profit/(Loss)	Cost Coverage
Williston	Minnetonka	2,011,500	1,460,200	551,300	137.76%
Andover	Andover	1,339,600	1,263,818	75,782	106.00%
Richfield	Richfield	17,740	17,790	(50)	99.72%
Chaska Center	Chaska	3,135,700	3,176,901	(41,201)	98.70%
The Depot	Hopkins	320,000	327,300	(7,300)	97.77%
Shoreview Community Center	Shoreview	2,277,985	2,459,919	(180,934)	92.64%
Mounds View Community Center	Mounds View	360,329	421,698	(61,369)	85.45%
Eden Prairie Center	Eden Prairie	2,961,329	3,533,881	(572,552)	83.80%
Victoria Recreation Center	Victoria	891,903	1,069,122	(177,219)	83.42%
Eagan Center	Eagan	1,413,000	1,698,000	(285,000)	83.22%
Inver Grove Heights	Inver Grove Heights	2,152,500	2,928,700	(776,200)	73.50%
Monticello	Monticello	1,232,075	1,723,200	(491,125)	71.50%
Chan Recreation Center	Channahassen	220,000	339,600	(119,600)	64.78%
South Shore Center	Shorewood	73,100	120,800	(47,700)	60.51%
Brooklyn Park Community Center	Brooklyn Park	210,747	764,248	(553,501)	27.58%
Buffalo	Buffalo	25,000	161,320	(136,320)	15.50%
Apple Valley Community Center	Apple Valley	40,000	355,452	(315,452)	11.25%

### Successful Community Common Assets

1. Meeting rooms
2. Workout facility
3. Swimming pool
4. Child care
5. Ice rink
6. Concessions

<b>Revenue</b>	
Membership Fees	\$600,000.00
Ice Rink Fees	\$890,000.00
Summer Kids Program	\$55,000.00
Room Rental	\$90,000.00
Swim Lessons	\$5,000.00
Concessions	\$55,000.00
<b>Total</b>	<b>\$1,695,000</b>

<b>Expenditures</b>	
Personnel	\$700,000.00
Ice Rink Maintenance	\$887,300.00
Summer Kids Program	\$30,000.00
Concessions	\$27,500.00
General Maintenance	\$15,000.00
General Supplies	\$5,000.00
<b>Total</b>	<b>\$1,664,800</b>
<b>Profit/(Loss)</b>	<b>\$30,200.00</b>

## Deliverable 2

A list of other local community activities that are being hosted away from SSC, an explanation of why they are not held at the SSC , and an assessment of the likelihood of them moving to the SSC.

### Community Activities Hosted Away from SSC

<b>Event Title</b>	<b>Location</b>
Turkey Trot	Minnetonka High School
Sports Banquets	Bayside, Minnetonka Country Club
AA Meetings	Community Centers, Churches
Apple Days	Excelsior Streets
Farmer's Market	Excelsior Streets
Live Music	Excelsior Band Shell
Sporting Events	Excelsior Commons, School Gyms
Garage Sales	At Home
Art on the Lake	Excelsior Commons
Girls Night Out	Excelsior Business District
Tour De Tonka	Minnetonka High School
Crazy Days	Excelsior Business District
Arctic Fever	Freeman Park
Hockey Day	Elk River this Year (varies)
Grill Night	Cottagewood
Park Movies	Various Parks
YOYO Classes	A2Z Science and Learning Store

Toys for Tots	Various Stores
Kite Making	Lake Harriet Kite Festival
Boaters Safety Education	Various Locations
ICA Food Shelf	Every School, Churches
Driver's Education	Esse Driving School, Excalibur
Garden Club	MYC
Open Skate	Every Ice Rink
Chili Competition	St. John's Church
Dance Classes	Kay Marie's Dance Studio, Eileen Blake Dance Studio

Potential of moving Activity to Southshore

<b>Event Title</b>	<b>SSC as Potential Host</b>	<b>Reason Why/Why Not</b>
Turkey Trot	No	Not Enough Room to Host Event or Space for Runners
HS Sport Banquets	Yes	Great banquet Hall and Commercial Kitchen
AA Meetings	Yes	Large, Centrally Located Space
Apple Days	No	Not Enough Space for Vendors and an Excelsior Tradition
Farmer's Market	Yes	A small Version in the Field Across from SSC would fit Space Well
Live Music	Yes	A small Venue or an Outside Concert Would Work
Sporting Events	Yes	Field Across from SSC is a Great Location for Soccer and Tennis and Lacrosse
Garage Sales	No	Community Would have to bring Everything to SSC but a Good Size Building
Art on the Lake	No	Tradition for Lake and not Enough Space in Building or in Field to Host the Event
Girls Night Out	No	Needs Several Different Stores and Dining Locations Which SSC Doesn't have

Crazy Days	No	Easier for Excelsior Business to Move into the Streets than to SSC
Hockey Day	No	Not Enough Parking or Ice for this Event
Grill Night	Yes	Grills and Food are All that are Missing
Park Movies	Yes	SSC Already Hosts these Events in the Field
YOYO Classes	Yes	Enough Space to Rent out for a Class at SSC
Kite Making Classes	Yes	Great Space in the Banquet Hall for class and field for testing the kites
Boater's Safety Education	Yes	It requires licensed teachers but great space for class
ICA Food Shelf	Yes	Ideal location to drop off food
Driver's Education	Yes	Licensed teachers required and technology needed but meeting room is good size
Garden Club	No	Not an ideal location for Community members and they already have an established meeting space
Open Skate	No	No a financially viable option for SSC
Chili Competition	Yes	Great use of commercial kitchen to bring community together
4th of July Activities	No	Tradition for Excelsior and not ideal location for fireworks or outdoor activities

### Deliverable 3

Recommendations for how to change the current usage as well as facilities and equipment of the building to restore profitability of the facility and still meet community needs.

Plan A:

- Wifi
- Facebook Page
- New Organization System
- Partnership with MCES
- More Activities
  - Summer Hangout
- Facility Update
  - New Decorations
  - New Furniture

Name of Center	Location	Total Revenue	Total Expense	Profit/(Loss)	Cost Coverage
Williston	Minnetonka	2,011,500	1,460,200	551,300	137.76%
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South Shore Center	Shorewood	155,100	165,510	(10,410)	93.71%
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EP Center	Eden Prairie	2,961,329	3,533,881	(572,552)	83.80%
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Activities for Plan A:

- Drivers Ed
- Daycare
- Bands
- Grill Night
- Wine Tasting
- Dance Classes
- Movie in Park
- Cooking Classes
- CPR
- Sports Banquets
- Sports Leagues
- HS sport banquets
- AA meetings
- Live Music
- Sports events
- Grill Night

Financials for Plan A:

Summer hangout:	
Revenue Per Summer	\$72,000.00
Start Up Costs	\$34,000.00
Payroll	\$21,120.00
Other Ongoing Expenses	\$15,250.68
Total Profit Per Summer	\$35,629.32

- \$70,000 Estimated Total Startup Cost
  - \$34,000 for Summer Hangout
  - \$20,000 in Updates to the Center
  - \$15,000 in Organizational Updates and Marketing
  - \$1,000 to Update the SSC Website
  
- \$82,000 Total Estimated Revenue Annually
  - \$10,000 from MCES Deal and Increased Awareness
  
- \$72,000 from Summer Hangout
  - from 40 kids at \$600 a month
  
- Start Up Costs Broken Down by Ownership
  - Shorewood \$35,000 (50.0%)
  - Deephaven \$15,750 (22.5%)
  - Excelsior \$10,220 (14.6%)
  - Tonka Bay \$6,300 (9.0%)
  - Greenwood \$2,730 (3.9%)

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## Plan B:

- Wifi
- Organization System
- New Event Calendar
- Facebook Page
- More Advertising of Events and Building

## Event Calendar Example

**Example SSC Event Form**

\* Required

**Event Start Time? \***  
Month/Day/Year  
 -- --  
Example 03/05/2013 11.30 AM

**Name of Event \***

**Space Used? \***

Conference Room

Dining Room

Kitchen

Activity Room

Other:

**Number of People Attending? \***

**Total Revenue from Event? \***  
If none then enter 0

**Expenses from the Event? \***  
Please Itemize each Expense

Financials for Plan B:

Total Startup Cost of \$6,000  
 Total Annual Revenue \$8,000

Wifi	\$840 (per year)
Advertising and Marketing	\$5,000 (One Time Expense)
Website Update	\$1,000 (One Time Expense)
High School Intern	\$2,500 (per year)
Estimated Revenue from Plan B	\$8,000 (per year)

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WHAT'S AHEAD FOR THIS COMMUNITY ASSET?

# Cities mull future of Southshore Center

MHS students participate in survey eyeing potential uses

BY SUE WEBBER  
CONTRIBUTING WRITER

From the time it was built in 1996, the Southshore Community Center in Shorewood has been an established gathering spot for senior citizens from Shorewood, Excelsior, Deephaven, Tonka Bay and Greenwood.

All five cities partnered to pay for the center, according to a formula based on population and membership in senior clubs, Shorewood City Administrator Bill Joynes said.

Four years ago, Shorewood took over operations at the center, which is now run by the city's Park and Recreation coordinator. In addition to senior programs, activities now include seminars, dance, quilting, bridge, bingo, Tai Chi, Mahjong, woodworking, aerobics, art, cooking and community events and meetings.



A digital informational sign was installed in 2011 to publicize the center's events and make it more visible. (Sun Sailor photo by Paul Wahl)

The center also is available to rent for weddings, reunions and other gatherings.

A digital informational sign was installed in 2011 to publicize the center's events and make it more visible.

But the center now is a topic of discussion for all five cities, as they determine how best to maintain it financially.

"The problem is that

there was a convoluted agreement from the beginning regarding management of the center," Joynes said. "Nothing was included for ongoing maintenance of the building. It's tough for one city to do. Community centers generally don't break even."

In recent years, a private company was under contract to promote and manage the center, he said.

"Shorewood was subsidizing it at \$60,000 a year, and we couldn't subsidize it at that rate going forward," Joynes said. "There's quite a bit of activity there, including day-care, dancing and culinary schools. You need to have staff there 18-20 hours a day. We've been able to maintain the operation for the last couple of years using current staff."

A lunch program, offer-

ing an entrée, sides, beverage and dessert, is offered at the center on Tuesdays and Thursdays.

But the center has not been updated, Joynes said. "There is no technology to host anything of a sophisticated nature," he said.

Shorewood Mayor Scott Zerby called a meeting of the cities last spring to begin exploring ideas for the

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# Center

FROM PAGE 1

center's future. "Everything is on the table," Joyner said. "We believe the center is a community asset. The scope is what's being talked about. The residents do use it, but it's hard to find out who the clientele is."

One factor is that the senior population is changing, Joyner said. "People don't like the idea of senior clubs," he said. "They are a more mobile population. They like activities."

One possibility is that the Minnetonka School District's Community Education program might bring in needed revenue in exchange for additional space at the center for its programs. Tim Litvin, executive director of Minnetonka Community Education, last week acknowledged that some conversations have taken place, but he said it's too early to discuss anything concrete.

"Nothing is for sure, nothing at all," Litvin said. "I can't tell you anything." The other four cities appear to be watching and waiting, and have taken no position on the center's future yet.

"Shorewood is responsible for operation, for managing programs and making the books work," said Tonka Bay City Administrator Joe Kohlmann. "We're stakeholders in the asset."

Excelsior City Manager Kristi Luger said that Excelsior would like to continue to be part of the center. Though Excelsior has donated money to the center on request in the past, she said, "We only want to pay for capital expenses."

Dana Young, city administrator in Deephaven, recalled that Shorewood stepped forward three years ago and said it would take care of maintenance



and operation at the Southshore Center, "with the consent and blessing of the other cities."

The four cities became involved again when the finances didn't come together, and the company hired by Shorewood to run the center was dismissed, Young said.

"We're not sure what they're asking the cities for," Young said. "There's been quite a bit of discussion and there's still more discussion to come. They're going through a review of the center and its best use. We haven't officially responded. Give us something we can deal with as a city council, and we can decide what's in our best interest."

The only money Deephaven has contributed was when Shorewood asked the participating cities to help finance the digital informational sign at the center, he said.

But there is another issue for Deephaven, Young said.

"From day one, we've always had a concern about our proximity to the center," Young said. "We're the farthest away from it

How much will our residents participate there? Everything is determined by proximity."

## Student study

After he attended meetings of the Excelsior Chamber of Commerce and Rotary, the city and school "worlds collided," according to Erik Sill, a teacher in the Vantage Global Business Studies program at Minnetonka High School.

Minnetonka High School's Advanced Professional Studies program provides junior and senior students with real-world experiences in corporate settings, where they can learn and develop skills in high-demand local corporate environments.

The program is a year-long, three-credit course of study where students learn through case studies, business partner-directed projects and immersion in a profession-based program.

City and school leaders determined that the Southshore Community Center would be a good project for the high school students to dig into.

"The kids are just loving

it, it's been awesome," Sill said.

Under Sill's supervision, five students - three seniors and two juniors - have met three or four times a week for an hour since mid-October to discuss ways to make the center financially viable. In January, they are

scheduled to present two possible recommendations for achieving that goal.

One of their tools has been a survey designed to define the community center's purpose. The student group contacted local elementary schools and asked that a link to an online sur-

Originally envisioned as a senior center, Southshore Center has been pushing to raise its profile over the years since it has been built. A meeting in January is expected to answer questions expending cities have about the center's future.

(Sun Sailor Photo by Paul Wahli)

vey be made available to parents.

"We are specifically targeting parents ages 35-54," said Minnetonka High School Senior Mason Nuss, one of five students working on the project. "We wanted to know what they were looking for in rental space. We got 149 responses in two to three days."

The survey also was published in Excelsior's Chamber of Commerce newsletter and the Tonka Bay city newsletter, Nuss said.

## Next steps

Theresa Zerby, the Shorewood mayor's wife and one of nine people who serve on the board of directors for the Southshore Center, said the board is awaiting presentation of recommendations from the Minnetonka High School students sometime in January. "How to budget when we don't know how much the cities will contribute has been a huge issue," Theresa Zerby said. "The cities have contributed on a one-time basis."