



AGENDA

BOARD OF DIRECTORS WORK SESSION

Wednesday, February 18, 2026, 2:00pm
WC Room 2 / Zoom

Directors: Kathi Bachelor (President), Candy English (Vice President), Beth Dingman (Secretary), Nellie Johnson (Treasurer), Bart Hillyer (Assistant Secretary), Steve Reynolds (Assistant Treasurer), Dave Barker, Marge Garneau, Bev Lawless, Lanny Smith, Jodie Walker, Scott Somers (non-voting)

AGENDA TOPIC

- 2:00 **1. Call to Order / Roll Call**
- 2:05 **2. Amend / Approve Agenda**
- 2:10 **3. Review Draft of 2026 Annual Work Plan**
- 2:50 **4. Discussion on Payment Plan for Voluntary Deed Restrictions**
- 3:20 **5. Discussion of Del Sol Clubhouse Cafe**
- 3:55 **6. Member Comments**
- 4:00 **7. Adjournment**

GVR encourages the Board and members to voice concerns and comments in a professional, business-like, and respectful manner.



Green Valley Recreation, Inc.
Board of Directors Work Session
2026 Draft Annual Workplan

Prepared By: Scott Somers, CEO

Meeting Date: February 18, 2026

Presented By: Scott Somers, CEO

Consent Agenda: NA

<p>Originating Committee / Department: Administration</p>
<p>Action Requested: Review and discuss the Proposed 2026 Annual Workplan</p>
<p>Strategic Plan: GOAL 5: Provide sound, effective governance and leadership for the corporation</p>
<p>Background Justification: The Board of Directors is asked to review and discuss the Proposed 2026 Annual Workplan during its February 18 Board Work Session. The proposed workplan coincides directly with the Board-approved 2022-2026 Strategic Plan. Completion of the action items identified in this workplan will support fulfillment of the Strategic Plan Initiatives, Goals, and ultimately, the Vision of the organization.</p>
<p>Fiscal Impact: Each item may or may not have a fiscal impact.</p>
<p>Board Options:</p> <ol style="list-style-type: none"> 1) Direct staff to bring the 2026 Proposed Annual Workplan as drafted to the next regular Board meeting for approval. 2) Direct staff to bring the 2026 Proposed Annual Workplan with amendments to the next regular Board meeting for approval. 3) Provide alternative direction to staff.
<p>Staff Recommendation: Option #1 or #2</p>
<p>Attachments:</p> <ol style="list-style-type: none"> 1) Proposed 2026 Annual Workplan



To: Board of Directors

From: Scott Somers, CEO

CC: GVR Senior Staff

Date: February 18, 2026

RE: 2026 Draft Annual Workplan

Administration/CEO

- 2.2.3 Develop relationships with similar organizations to share trends, best practices, and steps to overcome customer service challenges
- Survey similar organizations as needed and share all results with the Board of Directors.
- 5.1.1 Provide staff support to the Board of Directors to enable proactive, complete communications about Board decisions
- With Communications, synthesize Board actions/decisions to communicate with the Members. (Ongoing)
- 5.2.1 Review the Strategic Plan regularly to ensure progress on action items and continuity year-over-year with the plan
- Complete and present an Annual Workplan to the Board for approval. (February)
 - Continue providing a monthly OR quarterly report in the Meeting Book to the Board.
 - Provide an update to the Board on the Annual Workplan as part of the CEO performance evaluation. (December)
 - Process for completion regarding Strategic Plan and preparation of the 2027-2031 strategic plan. Board held a Work Session in January 2026.
- 5.6.1 Participate/partner with outside organizations such as Rotary, Chambers, GVC, GGVCF, etc.
- Rotary Club of Green Valley membership.
 - GVR Foundation Board meeting.
 - GVC Executive Committee.
 - GVC Representative Meeting.
 - University of Arizona Community Advisory Board member.

Board and Committees

- 4.3.3 Employ sound investment strategies to maximize passive income
- Investment Committee and Finance. (Ongoing)

- 5.2.2 Develop and adopt operating commitments for the Board that demonstrate courtesy, consideration, mutual respect, and willingness to listen to one another and staff
- Board credo was developed and adopted.
 - Conduct a follow up of the facilitated 2025 fall workshops with the Board to develop agreements and understandings on roles and responsibilities, particularly with Board advisory committees, committee chairs, and officer positions.
- 5.2.3 Utilize staff liaisons and the Strategic Plan to support continuity of direction
- Staff liaison functions to be facilitated by Administration to ensure committee continuity. (Ongoing)
- 5.4.1. Encourage staff and Board to attend training conferences and participate in professional associations
- Research and identify Board training opportunities. (February)
 - Survey Board of Directors for what they would like for training, including training to support and encourage teamwork. (February)

Communications

- 1.3.3 Improve interior and exterior signage: complete, consistent, accessible, concise, attractive
- Continue reviewing and updating as necessary.
- 1.3.4 Implement standard and electronic signage to heighten communications of activities and events.
- Review and assess benefits of installing big screen TVs in all centers to highlight activities and events. (July)
- 3.3.2 Improve ease of access to GVR activity schedule and opportunities
- With Recreation, develop a “getting started” program to provide instruction and supplies for drop-in activities. (September)
- 3.4.2 Continue to seek member feedback on a wide variety of matters via polls, surveys, in-person forums and virtual forums
- Survey members on topics as needed. (Ongoing)

Facilities Department

- 1.1.5 Introduce newer technology to improve energy efficiency when there are opportunities
- Convert lighting in Clay and Ceramics studios to LED
 - Identify and begin installing thermostats to improve consistent temp controls
 - Continue reviewing and implementing campus wide strategies.
- 1.2.3 Research and develop recommendations for providing food and beverage in certain centers (Includes Recreation Department)
- Research vending machine options and consider peak season vs. low season. Research for café at DSC has occurred but more research is needed to install vending machines in other centers.
 - As budget allows, modify the LC lobby to improve seating and provide a refreshments counter
 - With Board, consider expanding food and beverage services at the DSC and other centers.

1.3.2 Update interior and exterior furnishings, door hardware, landscaping, and amenities campus wide

- This work will continue indefinitely.

1.4.2 Design peripheral grounds to provide outdoor recreation opportunities: park-like settings, walking trails, outdoor games, and activities

- Per results of member poll, install rudimentary cornhole courts at EC and CR to test interest. Design a park-like setting for casual social gathering at Las Campanas, west of the pool.

Finance Department

4.2.1 Evaluate Maintenance Repair and Replacement (MR&R) to confirm need. (Ongoing)

- Confirm all numbers and data are accurate prior to distribution. (Ongoing)

4.3.4 Provide continuous education for Board, committees, and staff about GVR financial management and positions so that they can make decisions to monitor effectively

- Continue providing quarterly financial updates to Board and detailed financial statements to the FAC. (Ongoing)
- Provide annual primer on reading financial statements. (Annually)
- Review Fund EZ Purchase Order System, and other third-party PO systems and implement. (Ongoing)

4.4.1 Review the 3-year annual financial forecast with the Board

- Present 3-year annual financial forecast as part of the annual budget document. (Annually)

4.4.3 Maintain and continue to utilize the reserve study (MRR) (Ongoing)

Human Resources

2.2.2 Implement standardized customer service training for all staff, based on clarified policies and expectations, to ensure consistency in service. (Ongoing)

3.2.1 Develop a sustainable volunteer program, including recruiting and training of volunteers, to support GVR activities (Ongoing)

- Volunteers are currently utilized. If the Board want to expand, then we should schedule a worksession on this matter.

5.3.3 Provide training and team activities to help people demonstrate these GVR values (Ongoing)

IT Department

1.2.5 Employ newer technologies to benefit members' abilities to fully utilize facilities

- Simplify members experience while using GVR rooms and a/v equipment. Providing GVR laptops to each major center to create consistency and ensure compatible connections. (Ongoing)

5.5.1 Develop a continuity of operations plan that includes evacuation locations, IT operations, personnel emergency succession, document preservation, etc.

- Desert Hills has been designated by IT as the primary server, database, and file failover location. Nightly backups are generated at AO and replicated to DH to ensure continuity in the event of a disaster. DH also maintains continuously synchronized copies of all major operating systems, enabling near-real-time system duplication with an estimated 10-second latency.

Member Services Department

2.2.1 Implement a quality assurance system to ensure that exceptional customer service is happening, such as secret shopper, a review schedule to see how systems and processes are operating.

- Work with attorney to gain additional knowledge with regard to GVR's boundary, master development agreements, deed restrictions, title agreements, and collections. Better define/understand GVR's boundaries. (Ongoing)
- Continue to explore and find solutions to identify and decrease membership and guest card misuse. (Ongoing)
- Partner with Communications to create a new, comprehensive New Member Welcome Packet. (July)
- Partner with Communications to create a realtor information sheet. (October)

3.3.1 Conduct a policy and process review.

- Investigate possible alternatives to our current membership database to combine databases, add capabilities, and improve overall experience (occurring in 2026)

Recreation Department

1.1.2 Assess and improve fitness center functionality

- Work with facilities on plans to expand the Las Campanas Fitness Center. (August)

1.2.2 Assess spaces for specific activities and equip those spaces properly, such as art class space with washable floors

- Work with Facilities and Field Services to identify and equip specific rooms suited for activities that can be restricted to these rooms; i.e. poker, yoga, etc. (Ongoing).

1.2.5 Employ newer technologies to benefit members' abilities to fully utilize facilities (See Facilities)

- Investigation options to implement an online reservation system as part of an updated system/systems for Membership and Recreation (Ongoing).

3.1.1 Work with Communications to promote and highlight activities and events that are accessible to members with mobility challenges and other age-related limitations

- Identify specific, on-going activities and events which meet these criteria and furnish a list to Communications for follow up (August)

3.1.3 Continue to identify programming and events that members want

- Gradually expand food and beverage offerings at West Center (large events such as concerts and dances) and Del Sol Clubhouse (smaller, typically free events) in a disciplined manner which continually retains popular food/beverage choices and regularly offers new options. (Ongoing)

3.3.1 Conduct a policy and process review

- Complete SOP documentation for all Recreation functions (August)



Green Valley Recreation, Inc.
Board of Directors Work Session
Voluntary Deeded Restriction

Prepared By: Nellie Johnson, Director

Meeting Date: February 18, 2026

Presented By: Nellie Johnson, Director

Consent Agenda: No

Originating Committee / Department:

Board of Directors

Action Requested:

Green Valley Recreation (GVR) has a financial model that relies on membership dues and the sale of homes, which generates a Membership Capital Fee (MCF) and Transfer Fee. Future growth in overall membership is limited due to a lack of available land for new housing developments, changing senior demographics, and a national trend where seniors may prefer renting over purchasing a second home.

Between 2015 and 2025, the total number of homes sold each year ranged from a low to a maximum of 875, with the average close to 875 sales annually. Currently, membership growth has averaged approximately 40 to 50 new members each year; however, for calendar year 2026, only about 20 new members are estimated.

The decline in revenue from these two sources places additional pressure on GVR to increase member dues to support its ongoing operations.

In light of these trends, over the past year, GVR staff and the Fiscal Affairs Committee (FAC) have reviewed potential revenue enhancement options to address these issues. One of the identified strategies involves encouraging homeowners who live within the GVR boundaries but are not currently GVR members to join. These households are referred to as Voluntary Deeded Households.

FAC recommended, as part of its budget proposals, seeking the board’s guidance on its interest in establishing an installment plan to assist these Voluntary Deeded Households in paying the Membership Capital Fee and Transfer Fee.

Background Justification:

Green Valley was established in 1962 and is an unincorporated community. Approximately 80% of its residents are retirees aged 55 and older. The community consists of around 130 Homeowners' Associations (HOAs) that manage neighborhood standards, common areas, and community rules for their subdivisions.

Green Valley Recreation was incorporated as a not-for-profit corporation in 1979. Membership is based on the property being located within the GVR’s corporate service area that has a deed restriction recorded requiring perpetual membership in GVR. Since 1979, most housing development corporations that built large subdivisions, such as Las Campanas, Canoa and San Ignacio, constructed large recreational centers that were eventually transferred to GVR, upon reaching certain home construction benchmarks. Upon purchase of a home in these areas, it included a mandatory deed restriction, thus resulting in automatic

membership in GVR at the time of sale of the homes. Most of the homes in zip code 85622 are mandatory deeded properties.

Before the formal GVR organization, some of the HOA communities in Green Valley had their own recreation clubs and facilities, such as pools and tennis courts. These HOAs require homeowners to budget for the maintenance of these amenities. Some of these HOA’s transferred these amenities (clubhouses/pools) to GVR. These owners could select to “voluntarily “change their property deed, resulting in the property being part of GVR membership in any future sale of the home. Most of these homes are located in zip code 85614.

HOAs define age limitations within their communities, with many restricting residency to individuals aged 55 and over, while others have no age restrictions.

Voluntarily Deeded Properties:

Of the 130 current Homeowners Associations (HOAs) in Green Valley, 44 do not require automatic membership in Green Valley Recreation (GVR) when a home is sold. Most of these HOAs were established between 1962 and 1979. In an effort to increase membership, GVR expanded its boundaries in 2015 to allow additional subdivisions to join. Most of the HOAs added were non-age-restricted communities. This expansion primarily includes the newer subdivisions located on the east side of the railroad tracks, extending toward Madera Canyon. The chart below provides a breakdown of the voluntary deeded properties as of 2025 and the GVR membership status for each category. Attachment A is a map of these areas and Attachment B offers a more detailed listing by HOA.

Description	# of lots	GVR Members as of 12/2025 /Combo lots	Open lots
1. Age Restricted	5434	+3355	2079
2. Non-Age restricted	944	303	641
TOTAL	6378	3658	2720

Financial Opportunities:/ Options

GVR benefits financially from an increase in membership through higher annual dues and the sale or transfer of homes to GVR, which generates a capital and transfer fee. For the calendar year 2026, the annual dues are set at \$545, a capital fee of \$3,200 and a transfer fee of \$470. Over the past two years, approximately 12 to 15 owners of voluntary deeded property owners have joined GVR each year.

During the development of the budget, GVR staff and the FAC discussed options to encourage the voluntary deeded property owners to join GVR by increasing marketing and outreach, waiving the capital fee for a period of time, and offering an installment payment plan for these two fees. Each option is summarized below.

- a. ****Marketing and Outreach:**** Over the past three years, GVR has implemented several marketing initiatives. For example, GVR sets up a table at its annual Showcase Event to promote its offerings. In 2022, following the reopening of the East Center Pool, GVR allocated \$10,000 for a one-time packet to be sent out to local households. Although this

effort did not increase membership, it may have raised awareness about the benefits of joining GVR. Currently, GVR reaches out to new homeowners and offers them a two-day guest pass to encourage exploration of the advantages of GVR membership. This direct outreach has helped maintain an annual growth rate of 12-15 new members. At the FAC meeting, a suggestion was made to engage with selective homeowners' associations (HOAs) to discuss membership options or to conduct focus groups to identify the barriers to joining GVR.

- b. **Waiver of Membership Capital Fee:** Another approach considered was to waive the capital fee as a one-time promotional effort, effectively securing the property's permanent membership in GVR. However, FAC members raised concerns about the fairness of this strategy and potential legal issues related to its time-sensitive nature.
- c. ****Offer an Installment Payment Plan for the Payment of the Membership Capital Fee*and transfer Fee.**

This option involves exploring the implementation of an installment plan that allows individuals to pay the capital and transfer fees over a period of five years. In 2023, staff consulted with local banks regarding this option; however, they expressed no interest due to the program's size. If GVR decides to proceed with this installment plan, it would be need to manage the program internally. Currently, GVR offers a monthly installment plan for GVR dues so it has some experience with the concept.

An administrative fee could be charged to offset the costs of the credit and background check. Marketing could be limited through direct outreach to the HOA's through the use of volunteer ambassadors to attend the HOAs' meetings or assist with staffing the membership table at the GVR Showcase. There would be some staff costs for managing the 27 applications each year and billing,

To minimize collection issues, any failure to make the annual installment payment could be deemed a major violation for enforcement purposes, leading to the suspension of the individual's GVR membership until the fee is paid. Legal review needed/(Corporate Policy Manual Change)

Attachment C displays the revenue opportunities projected over 5 years. Although initial revenue is modest in the early years, it is expected to increase as the GVR generates an additional new capital and transfer fee every 7 years, based on its estimated turnover and sales.

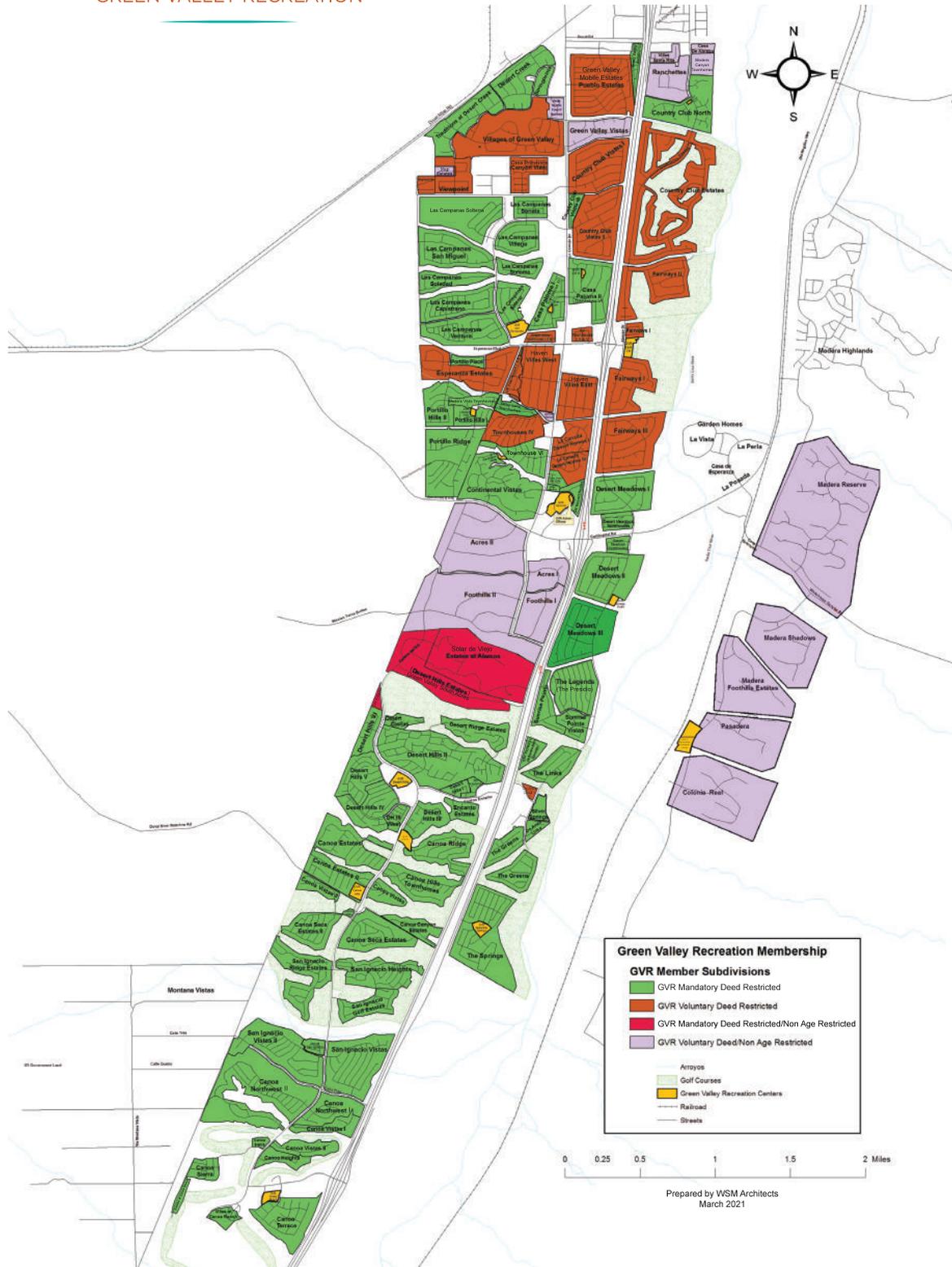
Assuming 1% participation each year or a total of 5% of the total 2720 remaining voluntary deeded properties, this option would increase membership by 130, resulting in an estimated \$86,000 increase annually in membership dues. More importantly, when the homes are sold, they are expected to generate an additional \$557,000 in capital and transfer fee revenue at the time of each sale. Since homes typically change ownership every seven years, this revenue will be generated repeatedly with each sale.

Recommendation:

- 1) Direct GVR staff and the FAC to develop further details on the Installment Payment plan proposal for Cy 2026
- 2) Obtain more market research from the 44 HOAs regarding the current barriers to joining GVR.

Attachments:

- 1) GVR Boundary Map
- 2) Breakout of HOAs
- 3) Financial Model



Attachment B. Voluntary deeded Information From GVR Dec 2025

			GVR	Combo
Sub2	Subdivision	#Lots	Lots	Lots
1 0304	Casa Primavera/Canyon View L1-242	242	7	11
1 0054	CDLA-Highpointe	32	20	0
1 0151	CDLA-Springpointe- Blks-42 L 21-28	8	1	0
1 0053	CDLA-Viewpoint - L 1-102	101	16	0
1 0050	CDLA-Villages Of Gv-Need Blks	470	80	2
1 0004	Country Club Estates - L 1-224	260	192	0
1 0005	Country Club Estates 2 - L 1-256	261	236	1
1 0001	Country Club Vistas - L 1-229	229	185	0
1 0002	Country Club Vistas (2) - L 230-482	253	240	0
1 0006	Desert Meadows 1	197	194	0
1 0040	Esperanza Estates	368	165	16
1 0801	Fairways 1 L-1-235	235	207	2
1 0802	Fairways 2 L-237-474	238	204	2
1 0803	Fairways 3 L-475-763	289	249	0
1 0099	Green Valley Mobile Estates-Pueblo Estates	541	44	14
1 0330	Haven Villas East Lots 2 To 479	478	294	2
1 0030	Haven Villas West Lots 481 To 1153	672	487	1
1 0081	La Canada Desert Homesites Lot 1	80	72	0
1 3081	La Canada Desert Homesites Lot 3	47	44	0
1 0060	Madera Vista Townhomes L-1-104	104	103	0
1 0035	Paseo Tierra Townhomes (Casitas)	18	3	0
1 0134	SRS-De Anza Links II (Optional)	17	8	0
1 0082	Townhouse 1	50	45	0
1 0011	Townhouse 2	58	47	0
1 0013	Townhouse 4	134	120	0
1 0083	Townhouse 5	52	41	0
26	Subtotal Age Restricted	5434	3304	51
1 0222	Acres 1 - L 1-23	22	15	0
1 0022	Acres 2 - L 1-112	112	85	1
1 0810	Colonia Real L1-50	50	5	0
1 0221	Foothills 1	18	11	0
1 0021	Foothills 2	62	54	0
1 0084	Green Valley Farms-Ranchettes	16	9	1
1 0020	Green Valley Vistas	74	47	1
1 0055	Madera Canyon TH -Casa De Abrego	43	4	0
1 0080	Madera Foothills Estates L1-25	25	2	0
1 3048	Madera Reserve I L1-130	130	18	2
1 3049	Madera Reserve II L131-227	97	19	3
1 3047	Madera Reserve L264-314	51	7	1
1 0804	Madera Shadows/Madera Foothills Estates L26-67	42	5	0
1 0652	Magi Estates L1-20	20	1	0

1 3035	Malone Manor Tuc Unit 1 Blk 8-RR Villas	10	0	0
1 0481	Pasadera L1-29	29	4	2
1 0058	Valle Verde Townhomes (Resub) L1-88	88	1	0
1 0045	Villas Santa Rita	55	5	0
18	subtotal nonage restricted	944	292	11
44	Grand total	6378	3596	62
		#Lots	GVR Lots	Combo Lots
	Subtotal Age Restricted	85%	92%	82%
	subtotal nonage restricted	15%	8%	18%

	#Lots	GVR Lots	Combo Lots
Aged Restriced	5434	3304	51
NonAge Restricted	944	292	11
Total	6378	3596	62

Available

Lots	Restrictions
224	VDR
12	VDR
7	VDR
85	VDR
388	VDR
68	VDR
24	VDR
44	VDR
13	VDR
3	VDR
187	VDR
26	VDR
32	VDR
40	VDR
483	VDR
182	VDR
184	VDR
8	VDR
3	VDR
1	VDR
15	VDR
9	VDR
5	VDR
11	VDR
14	VDR
11	VDR
2079	
7	VDR-NA
26	VDR-NA
45	VDR-NA
7	VDR-NA
8	VDR-NA
6	VDR-NA
26	VDR-NA
39	VDR-NA
23	VDR-NA
110	VDR-NA
75	VDR-NA
43	VDR-NA
37	VDR-NA
19	VDR-NA

10 VDR-NA
23 VDR-NA
87 VDR-NA
50 VDR-NA

641

2720

Available Lots

76%

24%

Available Lots
2079
641
2720

Attachment C: Five Year Projection for Voluntary Deeded Properties for Capital Fee/Transfer Installment Plan

Total Properties	Total	Age Restricted	Nonage restricted
	2725	2083	542

Member total	Capital fee	\$ 3,200
	Transfer	\$ 470
	total	\$ 3,670

Home Model	Home Conversions						
	Pilot	Cy 2026	Cy 2027	Cy 2028	Cy 2029	Cy 2030	
	2725						
	1% new	27.25	27.25	27.25	27.25	27.25	
	total membership		27.25	54.5	81.75	109	
New proerties	total	27.25	54.5	81.75	109	136.25	5%

Financial model		Member	Total Payment	PAYMENT PLAN for PILOT /						
				Cy 2026	2027	2028	2029	2030	2031	2032
MCF	Cy2026	3670	\$ 100,008	\$ 20,002	\$ 20,002	\$ 20,002	\$ 20,002	\$ 20,002		
	Cy 2027	3770	\$ 102,733	\$ -	\$ 20,547	\$ 20,547	\$ 20,547	\$ 20,547	\$ 20,547	
	Cy 2028	3880	\$ 105,730			\$ 21,146	\$ 21,146	\$ 21,146	\$ 21,146	\$ 21,146
	Cy 2029	3990	\$ 108,728				\$ 21,746	\$ 21,746	\$ 21,746	\$ 21,746
	Cy 2030	4090	\$ 111,453					\$ 22,291	\$ 22,291	
				\$ 20,002	\$ 40,548	\$ 40,548	\$ 40,548	\$ 40,548	\$ 20,547	\$ 21,146
Dues	Cy 2026	545		\$ 14,851			\$ -	\$ -	\$ -	\$ -
	Cy 2027	575			\$ 31,338		\$ -			
	Cy 2028	597				48,805				
	Cy 2029	618					67,362			
	Cy 2030	637						86,729		
Grand Total				\$ 34,853	\$ 71,886	\$ 89,353	\$ 107,910	\$ 127,277	\$ 127,277	

Resale of House: 136.25 \$ 557,263

Net Gain

single member	Single	dues	545
		MCF/transfe	3670
			4215

Limit Marketing:

1. Single letter to call if interested; direct to Website
2. Target Market to HOA's that don't have any amenities: Fairfield; Country Club etc.
3. Attend HOA meeting; ask they send out to their mailing list



Green Valley Recreation, Inc.
Board of Directors Work Session
DSC Food and Beverage Service

Prepared By: Scott Somers, CEO

Meeting Date: February 18, 2026

Presented By: Scott Somers, CEO

Consent Agenda: No

Originating Committee / Department:

Administration

Action Requested:

Discuss and consider how best to move forward with providing food and beverage services at the Del Sol Clubhouse.

Strategic Plan:

Goal 2: Provide quality programs and services to meet the needs of all income levels and abilities of current and future members

Background Justification:

GVR had longed for creating social gathering places for members, including the exploration of creating a coffee shop. A FAC Café Subcommittee researched and developed a business plan (see attached) in 2024 to establish an in-house, GVR operated café at the Del Sol Clubhouse, which included allowing non-members to purchase goods for an additional fee. The Board at the time showed greater interest and support for securing an outside vendor to operate a café, rather than an in-house, GVR operated café. GVR contacted several area restaurants and vendors to ascertain their level of interest in expanding their business to the Del Sol Clubhouse to provide food and beverages to our members, as well as the public for an additional fee. One vendor expressed interest in expanding to the Del Sol Clubhouse and working with GVR. GVR entered into a License Agreement with the vendor on September 9, 2024. Unfortunately, the business relationship with this vendor didn't work out so GVR exercised its legal right to terminate the Agreement, per the agreed upon License Agreement.

Listed here are pros and cons of each option to consider in terms of providing food and beverages services to our members at the Del Sol Clubhouse:

- 1) In-house GVR operated café: greater control (if you own it, you control it); seamless coordination with events and activities and marketing; serves as a spring board for expanding food and beverage options at West Center and other centers as the need and desire increases; better maintenance of equipment and facilities; GVR accountability; ensuring Fire Marshal and health codes are being followed; public access reverts back to private club status; consistent with GVR mission (excellent facilities and services that create opportunities for recreation, social activities); I personally have extensive experience running and operating cafes and coffee carts in Seattle, San Francisco, and Tucson and would dedicate time to ensure the success of this café and venture; additional labor and supply costs; increased risk and liability. The Café Subcommittee business plan/proforma is being updated by staff to include updated assumptions and new information, including obtaining a private club liquor

license (like the Elks or Legion) to serve beer, wine, and mixed drinks, which will likely help to cover the increased costs.

- 2) Secure a different vendor. No other vendors were interested a year and a half ago. This option, however, could be explored again.
- 3) Install vending machines instead of working with people. This option loses the personal touch and creates a more sterile environment, but is the least risky of the options, other than potentially not satisfying member interest in having a social gathering space since this option would be less inviting.

Fiscal Impact:

Dependent on the option selected.

Board Options:

- 1) Pursue creating an in-house GVR operated café
- 2) Pursue securing a vendor
- 3) Install vending machines

Staff Recommendation:

Option 1

Attachments:

- 1) December 19 memo updating business plan
- 2) December 29 memo updating business plan further
- 3) FAC Café Subcommittee Business Plan
- 4) FAC Café Subcommittee Power Point Presentation

Memorandum

December 19, 2025

To: Scott Somers

From: Steve Kindred

Subj: Del Sol Clubhouse

Scott, we've discussed the possibility of GVR taking over operation of the Del Sol Clubhouse and reinventing it as a breakfast, lunch, and evening destination with alcohol service. The Events staff and I have spent time reviewing the 2024 Clubhouse Business Plan and have made additions to it (see attached) in order to update the plan to what we feel can be done in the future, while retaining those parts of the plan that need not be reinvented. Below is the verbiage we added, edited in a few places for stand-alone clarity.

Added to Café Shop Executive Summary

Recreation staff feel that, if GVR staff takes over Clubhouse operations, we can transform the entire first floor to function as a coffee/breakfast, sandwich/salad, adult beverage, occasional sit-down dinner, take-out, and game/entertainment destination which would eventually be open from 7am to 7pm five days each week then, if traffic calls for it, six or even seven days a week. We will return to the Del Sol Bistro name. This transformation will include obtaining a Private Club Liquor License for the Clubhouse, a change which will necessitate making the building available to members and qualified guests only.

An alternative would be to obtain a Private Club license for the 'game room' and allow entry to this room only to members and qualified guests, much as the American Legion allows the public into their dining area, but entry to the bar is for Legion members and their guests only. Staff feel that alcohol will best be served from the existing bar, outside the kitchen, so that food and drink can be served together. This means the entire building will need to be restricted from public access. As a sidebar, the ongoing issue of 'general public' individuals entering the building and wandering down into the billiards room will be solved as a result of

restricting the entire building.

We are working on a revenue/expense model, accounting for the current customer traffic, as best we can tell, and the daily traffic the committee envisioned in the initial business plan. This model will be ready by year end and will assume an eventual 'break-even' business model.

The issues related to a vendor operating the cafe will cease once GVR staff are in place and specific, day to day operational and financial decisions for the Del Sol Bistro are made under the direction of GVR employees. Initially, we will approximate the food and drink the current vendor offers. These, along with entertainment options, will gradually expand during the first few months of GVR operation, then morph into ever-changing offerings, reflecting seasonal and long-term changes to member tastes.

Added to Organizational Structure

In order to isolate all revenue/expense related to the Bistro, GL Department 42 will be used for all revenue and expenses related to the Del Sol Bistro. We anticipate that all retail pricing will be 'tax included.' We will accept tips, which will be pooled among Bistro staff. It will be crucial that we install a Point-of-Sale system allowing staff to:

- Track sales and inventory of individual items.
- Offer gift cards - \$50 of product for \$40, etc.
- Punch cards – a cup of coffee each day/week for the year.
- Set up a loyalty program.
- Offer delivery via door dash.

The Private Club Liquor License is a given and should be pursued immediately. We're not sure what other licensing upgrades will be needed for the kitchen; at least initially, we assume we can operate under the same restrictions as the café. All personnel involved will have the appropriate food/alcohol handler/manager certifications before they begin working.

Added to Products and Services

At first, we will replicate the current hours and menu as best we can with limited staffing. Over several months, we anticipate the Bistro to eventually be open from 7am until 7pm, five days or more a week, serving a menu similar to the current menu, with some gradual additions. When the Bistro is fully operational it will include:

- A full coffee/espresso bar open at all times.
- Breakfast pastries, parfaits, waffles, and simple breakfast sandwiches.
Breakfast until 11.
- Lunchtime sandwiches (cold and panini) and salads – all freshly made.
A ‘soup of the day.’ Lunch from 11 until 2.
- Afternoon and evening snacks – prepackaged chips, etc. Possibly, nachos, chicken tenders, mini-pizza, etc. in the late afternoon/early evening when a sit-down dinner or food truck was not present.
- A full bar with beer, wine, margaritas, ‘standard’ highballs, and soft drinks. Alcohol service would begin at 12 noon to coincide with peak lunch service.
- Occasional sit-down dinners, provided by local caterers, some of GVR’s culinary instructors, or local food trucks.
- A regular Sunday brunch with light breakfast cocktails.
- Scheduled entertainment – game night, light music, etc. multiple times each week. Special occasions like Oscar Night, Monday Night Football, the Olympics, etc.

Eventually, Bistro staff can take over food/beverage service at West Center events in order to have consistent branding and service at both locations; this will be especially important when we start serving alcohol under a Private Club license at West Center events.

Initial planning/modeling assumes product purchased 'retail' from Safeway, Costco, Bev Mo, et al. At some point, volume may allow for wholesale purchases which can only positively affect the financials.

Added to Marketing and Sales Strategy

In addition to the items discussed in the original p, staff feel that a *Grand Opening*, at the appropriate time, with special entertainment, a possible simulcast from KGVY, and the beginning of merchandise sales (mugs, glasses, hats, etc.) will help generate traffic.

A loyalty program (discussed above in the financial area) will also aid sales.

The initial business plan discusses outreach to Silver Springs; staff have been developing a relationship with Silver Springs, as well as Valley Assistance (who are aware of which of their clients are GVR members), and are eager to follow through on an initiative to bring members who find it hard to attend GVR events to the Bistro or some other center/activity.

Staff feels we might consider a CPM update which allows for a reduced-price guest pass, good only if a sponsoring member is present, for that day only, and for the Bistro only; we may need to check with counsel to see if this fits into the Private Club License restrictions.

Added to Financial Proforma

Staff is using best-guess current traffic, and eventual traffic, to model revenue/expense numbers, which are designed to position the Bistro as an eventual 'break even' operation, i.e. revenue will cover all staff and material costs. The model will show 'initial' revenue/expense and 'eventual' revenue/expense. As we are not certain if we'll be able to obtain wholesale pricing for food/alcohol, we'll used retail costs for materials. The model will not include expected start-up costs such as an upgraded refrigerator, freezer, dishwasher, blender, meat/cheese slicer, air fryer, slow cooker, panini press, and retail ice cream display freezer. We look to use standard glasses, cups,

and silverware that will be regularly washed through the day, and disposal plates/bowls. Soft drinks and to-go coffee will use disposable cups.

An eventual 4.0 FTE staffing model anticipates 60 operating hours per week:

- One 40-hour supervisor/manager who reports to the Recreation Director, works hourly, but with budgeted/anticipated OT. This position will handle all administrative/purchasing duties, work with the Events staff to coordinate performers, set a service example using the Disney model, and spend much of his/her time taking orders, running the dishwasher, bussing tables, etc. alongside the other staff during peak hours and staff absences.
- Two 30-hour 'Persons in Charge', one of which is on hand at all times.
- Three 20-hour staff – one of which is on hand at all times.
- Tips will be pooled among employees – but not the manager/supervisor – and reported/paid each pay period.

Initially, we'll keep the current café hours, so staffing will be lighter. As we gain expertise, and the liquor license, we'll expand into the evening hours and recruit staff to meet the 4.0 FTE model. The initial model will reflect lower staff costs.

Recruiting the right supervisor/manager position will be key. All staff, who will be uniformed, will be the face of the Bistro, but the supervisor/manager will bring a lightly entrepreneurial spirit – i.e. taking ownership without being territorial - to the position and to the Bistro. We will need to select this individual carefully.

December 29, 2025

Memorandum

To: Scott Somers
 From: Steve Kindred
 Subj: Narrated Financial Model – Del Sol Bistro

A memo of December 19 discussed a general business plan for GVR staff taking over operation of the Del Sol Clubhouse and operating it as a Bistro with breakfast, lunch, evening small plates and snacks, occasional dinners, alcohol service, and additional onsite entertainment. Below is a narrated financial model which lists and accepts some assumptions made by the Del Sol Clubhouse committee and translates them into an operation that, in season, will be five days a week, 7am to 8pm, with the possibility of expanded days. The December 19 memo discussed a 7pm closing time; leaving the Bistro open until 8pm will expand entertainment options, which translates to more sales/revenue. This model assumes a Private Club Liquor License for the Bistro.

We'll model an eventual, fully functioning Bistro, then discuss how we might start with reduced hours, staff and product in order to fully test our capabilities. Additionally, some of the content of the December 19 memo is repeated, and clarified.

Some Basic Assumptions

Traditionally, restaurant business models are based on a 30-30-30-10 calculation:

- 30% of revenue covers staff costs.
- 30% of revenue covers costs of goods sold.
- 30% of revenue covers overhead – rent, utilities, etc.
- 10% of revenue retained.

Recognizing that overhead expense will be minimal, the committee set up an overall calculation as follows for the second, fully functioning year of the café.

- 43% of revenue covering staff costs.
- 39% of revenue covering costs of goods sold.
- 9% of revenue covering taxes, licenses, printing, etc.
- 9% of revenue retained.

I've simplified this calculation as follows, and will work toward these percentages.

- 43% of revenue to cover staff costs.
- 39% of revenue to cover cost of goods sold.
- 12% of revenue for taxes, POS system, licenses, marketing, etc.
- 6% of revenue retained.

Bistro Staffing Needs and Costs

A Bistro open from 7am to 8pm means staff arriving at 6:00am to prepare for opening, and remaining until 9:00 pm for closing and prepping for the following day. Staff will be needed fifteen hours a day, or 75 hours each week. This is a change from the December 19 memo, reflecting a later closing time and opening/closing duties. Below is a suggested **eventual** staffing model.

- A Manager who is paid hourly for 40 hours per week. The manager will handle hiring, scheduling, administrative duties including banking and analysis of sales, purchasing, will function as the ‘face’ of the Bistro, and will help out on the front line when needed. It’s possible this could be a salaried position. We’ve modeled it as an hourly position with an overtime allowance of 5% built into the model.
- Two ‘Persons in Charge’ will each cover five shifts each week. The morning PIC will come in at 6:00 to start the day, and the evening PIC stay until 9:00 to close the day. These two PICs will be paid for 37.5 hours each week. As these employees will be ‘in charge’ for long periods, making them full-time employees seems prudent. Scheduling them at 37.5 hours will allow us to cover extra hours, up to 2.5/week, without overtime costs.
- Multiple part-time staff will cover two or three shifts each week. One of these part-time staff will be on hand at all times while the Bistro is open; the morning person will come in at 6:30am to help with opening and the evening person will stay until 8:30pm to help with closing. These part-timers will cover 70 hours per week.

Eventual Weekly Expenses - Staff - Del Sol Bistro					
<u>Title</u>	<u>Hours</u>	<u>Rate</u>	<u>Gross</u>	<u>Ben %</u>	<u>Cost</u>
Manager	40	\$ 24.00	\$ 960	30%	\$ 1,248
Manager OT	2	\$ 36.00	\$ 72	30%	\$ 94
PIC (2)	75	\$ 16.50	\$ 1,238	30%	\$ 1,609
PT Counter Staff (3-4)	70	\$ 15.50	\$ 1,085	24%	<u>\$ 1,345</u>
					\$ 4,296
<i>Tips will be pooled among PICs and Counter Staff</i>					

Assuming staff costs are 43% of revenue, weekly revenue will need to be about \$10k per week in order to stay within our assumed percentages, and cover staff costs. This seems ambitious, but with additional hours, food and beverage choices, and regular entertainment options, along with proper marketing, these sales numbers appear reachable. That said, it’s expected that staffing will begin with the manager, and just one or two additional people, with limited hours, and will expand to the staffing levels listed above only when everyone feels comfortable. It can also be noted that, if the Bistro succeeds as we think it will, growing to six or even seven days a week could happen.

How Can We Gross \$10k Each Week?

Appendix A models a normal week's activity at the Bistro and is based on some research done by Recreation staff. **Each day**, from opening until 2pm, we might expect the following average sales:

- 70 various coffee drinks (plain coffee, espresso, etc.)
- 30 'prepared' breakfasts (sandwich, parfait, waffles, etc.)
- 30 pastries (donut, muffin, pastry).
- 30 sandwiches with chips.
- 20 salads with roll.
- 40 bottles of water.
- 30 soft drinks.

From 2pm until closing, we expect to average:

- 40 beers.
- 20 glasses of wine.
- 20 highballs.
- 20 margaritas.
- 50 soft drinks.
- 20 bottles of water.
- 32 small plates (hot dog, corn dog, chicken fingers, mini-pizza).
- 30 snacks (chips, nuts, nachos).

These numbers will only be possible if we make every effort to drive member traffic to the Bistro. Some ideas for making this happen include:

- Promoting reservations in the 'game room' for HOA/Club meetings at some predetermined morning and afternoon time slots, with no outside food/drink allowed. The room would remain open for drop-in activities during the rest of the daytime hours.
- Upgrading our evening entertainment options – this is already in the works – to include more game nights, light music/dancing, and additional karaoke nights.
- Occasional paint/sips in the dining room, with wine sold by GVR.
- Monthly 'chefs table' dinners in the dining room, with wine sold by GVR.
- Reaching out to the billiards crowd to remind them of food/beverage options.
- Regular, disciplined marketing in the eBlast, GVR Now, bulletin boards, and KGVY.
- Relatively competitive pricing.
- A strong customer focused service model – the Disney model seems good.
- Using the right POS system for various discounts (expensed to marketing).

Appendix A totals to weekly revenue of \$10,560, exceeding the amount needed to cover the earlier staffing model, with costs of good sold at 39%. We anticipate some eventual minor adjustments to the price/costs of this model, but no material changes. Additionally, this model will serve as a template for ongoing tracking of the Bistro's financial performance.

Initial Bistro Activity/Financials

It seems prudent to begin Bistro operations by duplicating the current hours of the café, even if only to start business while the application for a Private Club Liquor License is underway. This will allow us to fine-tune our breakfast and lunch operations, hire the right additional staff, and be ready for when we begin to operate until 8pm.

Below is a reduced staffing model for this option. The manager will be a 'supervisor' with a lower hourly rate and will work from 6am to 3pm, with an hour's lunch at the appropriate time, while two to three PT counter staff will cover from 6:30am to 2:30 to aid in opening and closing; only one PT person will be on hand at all times except during the manager's lunch when there will be an overlap. This PT staff will be a pool from which, eventually, two PICs might be selected.

Initial Weekly Expenses - Staff - Del Sol Bistro					
<u>Title</u>	<u>Hours</u>	<u>Rate</u>	<u>Gross</u>	<u>Ben %</u>	<u>Cost</u>
Supervisor	40	\$ 22.00	\$ 880	30%	\$ 1,144
Supervisor OT	2	\$ 33.00	\$ 66	30%	\$ 86
PT Counter Staff (2-3)	45	\$ 15.50	\$ 698	24%	<u>\$ 865</u>
					\$ 2,095
<i>Tips will be pooled among counter staff.</i>					

Once we fine-tune the breakfast/lunch operation, obtain a Private Club Liquor License, and are ready to expand our hours until 8pm, the supervisor can be promoted to manager, PICs can be selected, and additional staff recruited. Until that time, we'll continue efforts to ramp up traffic.

Staff expense of \$2,095/week amounts to 42% of eventual revenue for the breakfast/lunch service period so we're within the expected percentage.

However, it should be noted that, during the period when the Bistro is open only until 2pm, there will be little if any retained income.

- 42% of revenue for staffing.
- 46% of revenue for cost of goods sold (see Appendix A).
- 12% of revenue for tax, POS, marketing, etc.
- 0% of revenue retained.

Once we start staying open until 8pm, and sell/service alcohol, which has a higher mark-up, we will be able to retain more revenue.

Next Steps

If a commitment is made to take control of the Clubhouse's food and beverage operations, a number of steps should happen immediately.

- Recruiting a food/beverage supervisor, who will eventually be a manager, who may very likely fine-tune the menu and the financial model, and will help recruit additional staff. Hiring the right person for this position is the most important part of this process. This should be a very attractive position for individuals in the area with restaurant, fast-food or coffee-shop experience. For purposes of consistency, this position will likely be responsible for food/beverage at West Center once the Bistro is fully operational.
- Starting the process of obtaining a Private Club Liquor License for DSC.
- Choosing a POS system which allows us to offer discounts and make financial analysis.
- Deciding what guest policies will be in place. Might we offer a less expensive guest pass that members can purchase and use only for visits to the Bistro?
- Making any necessary upgrades/changes to the Del Sol kitchen and permit.
- Determining what, if any, food preparation for the Bistro should be done at the larger West Center kitchen, and pursue upgraded permits for WC. An upgraded permit for WC's kitchen is part of Recreation's 2026 plan, in order to prepare and serve food ourselves at larger WC events, but since we need to disclose all activity as part of this permit process, we'll want to include any work done at WC on behalf of the Bistro when we communicate with Pima County.
- Developing a disciplined marketing plan.
- Selecting which five days each week the Bistro will be open.
- Agreeing which benchmarks will tell us we're ready to move from a 2pm closing to an 8pm closing as well as to a six-day or seven-day operation.

Recap

GVR's members expect, and deserve, an always evolving menu of recreation choices, coupled with top-shelf service.

Working off our 'cruise ship' theme, the Recreation Department looks forward to the possibility of expanding its food, beverage and entertainment offerings and turning the Del Sol Clubhouse into a destination of choice for members.

Appendix A - Estimated Weekly Del Sol Bistro Financials

	Daily	Weekly	Price	Revenue	Cost Per	Cost	Cost %
Totals				\$ 10,560		\$ 4,120	39%
Opening until 2pm				\$ 4,990		\$ 2,309	46%
2pm until closing				\$ 5,570		\$ 1,811	33%
Coffee	30	150	\$ 2.00	\$ 300	\$ 0.62	\$ 93	31%
Espresso	10	50	\$ 2.50	\$ 125	\$ 0.83	\$ 42	33%
Flavored Espresso	10	50	\$ 3.00	\$ 150	\$ 1.18	\$ 59	39%
Latte/Cappucino	10	50	\$ 4.00	\$ 200	\$ 1.72	\$ 86	43%
Frappe	10	50	\$ 5.00	\$ 250	\$ 3.01	\$ 151	60%
Water	20	100	\$ 1.00	\$ 100	\$ 0.25	\$ 25	25%
Donut	10	50	\$ 2.50	\$ 125	\$ 1.00	\$ 50	40%
Muffin	10	50	\$ 3.00	\$ 150	\$ 1.25	\$ 63	42%
Pastry	10	50	\$ 3.00	\$ 150	\$ 1.25	\$ 63	42%
Breakfast Sandwiches	6	30	\$ 5.00	\$ 150	\$ 2.84	\$ 85	57%
Bagel/Cream Cheese	6	30	\$ 3.00	\$ 90	\$ 1.13	\$ 34	38%
Breakfast Parfait	6	30	\$ 4.00	\$ 120	\$ 2.50	\$ 75	63%
Waffle w/berries or syrup	6	30	\$ 4.00	\$ 120	\$ 3.00	\$ 90	75%
Cottage Cheese w/fruit	6	30	\$ 4.00	\$ 120	\$ 2.50	\$ 75	63%
Sandwich/chips	30	150	\$ 10.00	\$ 1,500	\$ 5.00	\$ 750	50%
Caesar or Wedge w/roll	6	30	\$ 8.00	\$ 240	\$ 4.00	\$ 120	50%
Chef/Cobb/Taco with roll	7	35	\$ 10.00	\$ 350	\$ 5.00	\$ 175	50%
Caesar w/chicken and roll	7	35	\$ 10.00	\$ 350	\$ 5.00	\$ 175	50%
Water	20	100	\$ 1.00	\$ 100	\$ 0.25	\$ 25	25%
Soft Drink	30	150	\$ 2.00	\$ 300	\$ 0.50	\$ 75	25%
American Beer	20	100	\$ 6.00	\$ 600	\$ 1.00	\$ 100	17%
Import Beer	20	100	\$ 7.00	\$ 700	\$ 1.25	\$ 125	18%
Wine	20	100	\$ 8.00	\$ 800	\$ 3.50	\$ 350	44%
Highball	20	100	\$ 8.00	\$ 800	\$ 2.71	\$ 271	34%
Margarita	20	100	\$ 8.00	\$ 800	\$ 3.30	\$ 330	41%
Soft Drink	50	250	\$ 2.00	\$ 500	\$ 0.50	\$ 125	25%
Water	20	100	\$ 1.00	\$ 100	\$ 0.25	\$ 25	25%
Nachos	6	30	\$ 5.00	\$ 150	\$ 2.50	\$ 75	50%
Chips	12	60	\$ 2.00	\$ 120	\$ 0.50	\$ 30	25%
Nuts	12	60	\$ 2.00	\$ 120	\$ 0.50	\$ 30	25%
Chix Fingers w/chips	6	30	\$ 6.00	\$ 180	\$ 3.00	\$ 90	50%
Corn Dogs w/chips	6	30	\$ 5.00	\$ 150	\$ 2.00	\$ 60	40%
Hot Dogs w/chips	10	50	\$ 5.00	\$ 250	\$ 2.00	\$ 100	40%
Mini Pizza	10	50	\$ 6.00	\$ 300	\$ 2.00	\$ 100	33%

Note: 'Cost Per' includes disposable plates/bowls when used, napkins, stir sticks, etc.



SUBCOMMITTEE REPORT

BUSINESS PLAN FOR THE DEL SOL CLUBHOUSE CAFÉ

FEBRUARY 9, 2024

Café Shop Executive Summary

GVR's mission is "to provide excellent facilities and services that create opportunities for recreation, social activities, and leisure education to enhance the quality of our members' lives". In support of this mission, members have identified a need for a social gathering space. This need was pointed out in the 2016 GVR Strategic Plans (2016) and a 2018 GVR Ad Hoc Committee. Then, as part of the development of its Cy 2022 five-year strategic plan, GVR included a specific Goal and Initiative to address this need. Goal One of that plan stated that GVR "provide excellent facilities for members to participate in a variety of active and social opportunities". Under this Goal, Initiative 1.4 identified the need to "expand/repurpose facilities to promote and encourage social gathering, including the exploration of opening a coffee shop". GVR had considered other alternatives, such as putting a coffee kiosk in the West Center patio space or the lobby of the Las Campanas Center. However, for a variety of reasons, none of these alternatives were ever pursued. GVR Board action in November 2022 reinforced the usage of the Del Sol Clubhouse, located at 3355 S. Camino Del Sol Road, as a social gathering center with the inclusion of an area that offered limited food and beverages. Funds were included in the Cy 2024 budget, pending the approval of a business plan.

The use of Del Sol Clubhouse has been controversial since its addition to the GVR facility portfolio in Cy 2019. Consistent with the conclusions of past strategic plans and market research, a predominant sentiment has emerged that the facility become, in part, a casual and social gathering place for GVR members. To that end, a subcommittee of the Fiscal Affairs Committee has explored the creation of a café for the Del Sol Clubhouse as a critical element in activating the space to accommodate the evolving definition of a social gathering place GVR members can call their own. –

This proposed business plan would support the opening of a café located on a portion of the first floor of the Del Sol Clubhouse. The suggested name of the café is the “Del Sol Bistro”.

With this in mind, the creation of this bistro was laid out as follows: The Del Sol Bistro would consist of a café with a seating area of approximately 1,123 square feet, including the alcove and patios, and would have a licensed capacity of 100 customers. Because the Del Sol location offers panoramic views of Madera Canyon and the existing Canoa Hills Trails Park, it would ideally have both inside and outside patio seating areas. The proposed layout of various sizes of tables and counter seating makes it conducive for different sizes of groups to interact and socialize with each other. It would offer an assortment of beverages for both breakfast and lunch, along with food items such as pastries, donuts, sandwiches, and soups. These items would be available as a dine-in or on a take-out basis, thus serving many of the walkers and hikers from this area. The hours and menu would be adjusted from time to time based on the success of the operation, as well as by member preferences.

As a start-up business, it is estimated that it would take approximately eleven months to break even. This break-even goal is achievable in part because the budget doesn't include rent and utility payments that are already part of GVR's operations. While one of the goals is to financially break even, the primary goal is to meet the needs of the membership and to have a dedicated, gathering place that offers an inviting social atmosphere to meet with friends as well as family members, who are visiting, and enjoy quality beverages and food.

The Subcommittee believes that the Del Sol Bistro would be a tremendous amenity and would provide an asset to GVR and its members with a long-awaited and much-needed social gathering venue.

See Appendix A for a List of Subcommittee Members

I. Past GVR Market Research and Studies Support a Café

Prior GVR Strategic Plans and a GVR Ad Hoc Committee identified the need for a social gathering place since Cy 2016

In 2016, GVR retained WSM Architects and its consultants, to develop a 10-year strategic master plan to position GVR to serve the future needs of an influx of baby boomer retirees. Through an extensive community outreach process, including surveys and focus groups, a recurring theme among GVR members expressed a desire for a café in conjunction with a **comfortable space** available for drop-in socialization and a **gathering place** for friends and neighbors.

In Cy 2018, a GVR Ad Hoc Committee, chaired by Steve Wilhelm, explored the need for a social gathering place as a missing amenity within GVR. As documented by the Committee, membership's interests and activities change with age, as sports and fitness-based equipment usage within the GVR facilities declines. The need for social connection takes its place. The Ad Hoc group reviewed the literature and based its findings on research published in 1989 by Dr. Ray Oldenburg, describing the need and characteristics under the title "The Great Good Place, (GGP).

Oldenburg explored informal gathering spots, aside from home (first place,) and work (second place), and determined they were essential for community and social interaction. Conceptually, Great Good Places will offer neutral, accessible environments like cafes, parks, and libraries. Based on the work of Oldenburg and others, these places play a crucial role in fostering a sense of belonging and social cohesion within a community.

Moving forward, Steve Wilhelm made a presentation in January 2024 to the Del Sol Café Subcommittee, where he discussed how a "GGP" can become the heart of a community's social vitality and why this concept should be a core GVR goal. The Wilhelm presentation described the role of the Del Sol Clubhouse and café for this purpose. He described the proposed café at Del Sol usage as an amenity where people can gather, put aside other concerns, and "hang out" simply for the pleasure of good company and lively conversation.

According to Wilhelm, for the café to be successful, GVR members need motivation to go there, and two features are key factors in this plan. The first is a coffee shop /cafe, with the second being a multi-purpose room, with events, such as talks, book signings, poetry readings, and other intellectually driven events, but also including music and more casual activities. The totality of the environment should be welcoming to all GVR members and guests. For instance, one group may have a community table where others can go and join in the conversation. Another alternative can be for a small group at a different table. It also will be inviting for those who want to be alone and read or relax in a friendly atmosphere and listen to a live music group in the background. The metrics of success should be social participation, not financial or commercial. And the elements needed to achieve success are known. On January 10, 2024, Steve Wilhelm sent an email to all GVR

Board members requesting that the board “grant approval for the facilities design and initial staffing requirements very soon .”

In the Cy 2018 Member Survey, 74% of members who responded identified the need for such a social and community gathering space. This was further reinforced in Cy 2022 as part of the development of the GVR five-year Strategic Plan. Goal # 1 of that plan stated that GVR “provide excellent facilities for members to participate in a variety of active and **social opportunities**”. Under this Goal, Initiative 1.4 identified the need “to expand/repurpose facilities to promote and encourage social gathering, including the **exploration of opening a coffee shop.** ”

At the November 16, 2022, GVR Board meeting, GVR staff sought guidance on how to proceed with this initiative. The staff noted they had looked for “ways of activating the building by bringing activities, food, and beverages options to the clubhouse. The report noted that “staff has regularly discussed with committee, the Board, and members the potential to access some kind of food and beverage service in the upper-level bar area of the clubhouse to encourage members social and leisure gathering.” After discussion, the Board passed the following motion:

MOTION: Director Carden moved, and Director Lawless seconded to continue moving forward with a vision of creating a social gathering recreation center. Build out the entire building to include the lower level to accommodate a minimum of 5 billiards and pool tables and other game-type activities, adding restrooms, a lift or elevator, and a stairwell to connect the two levels; and by seeking a solution to provide a wide variety of food and beverage options (such as a vendor).

Passed: 9 yes / 2 no (Austin and Crothers)

In Cy 2023, GVR staff pursued the vendor option by meeting with several business entities regarding their interest in managing the food operations at the Del Sol Clubhouse. They

declined due to problems with the recruitment of staff in their existing location at that time and the inability to allow them to serve the general public versus GVR members only.

In 2023, during the Cy 2024 budget development process, the GVR staff recommended in conjunction with a unanimous vote from the Fiscal Affairs Committee (FAC), to create a start-up fund for a coffee shop at the Del Sol location and authorize the development of a business plan. It further formed a subcommittee to develop that business plan. (See Appendix A for Subcommittee membership. At its November 15, 2023, GVR Board meeting, the board adopted a motion to approve the Cy 2024 budget that would include funds for the café, but not to release any of those funds until research is done and approved by the Board.

Together, the above Strategic plans and research support the concept of a café as part of a social gathering place, known as the Del Sol Clubhouse.

II. Cafe Business Description

The Del Sol Bistro Cafe will be part of the Del Sol Clubhouse. Its Vision will be that "Green Valley Recreation (GVR), by its very definition, is a Social Organization. What better way to highlight this fact than to encompass all aspects of social interaction with the Del Sol Clubhouse. This Clubhouse will offer a Billiards Room, a place for playing games, and now the potential inclusion of the Del Sol Café where members, guests, and even non-members can go for coffee, food, and good conversation while enjoying the beautiful views. The Del Sol Café will create a space where neighbors, groups, and clubs can meet to enjoy a cup of coffee or a bowl of hot soup or just sit back and relax with old and new friends after a bike ride or a walk through the adjoining park or Camino Del Sol Road

The café would have three goals;

- 1: Provide a gathering spot for the GVR membership and others that will offer an updated and accessible space for events and activities, while creating an opportunity for limited/light food and beverage offerings
- 2. Develop a greater sense of community by establishing stronger relationships with the GVR members and its club, thus, helping to sustain the cafe operation
- 3. Provide the café as an amenity whose purpose is to provide a gathering place, rather than be a revenue generator for GVR.

The café's location next to the park will appeal not only to GVR members but also to the broader community. Few if any, cafés exist in this area. The café will be located on a portion of the first floor of the existing Del Sol Clubhouse and consists of 2,775 square feet, of which 1,123 is the customer seating area and the remainder is the storage space and kitchen prep area. It includes both a front and rear patio that can be included with the café services. The remaining section of the first floor is a multi-purpose room, primarily focusing on activities, such as pool, foosball, puzzles, and board games. The café will be an important component of the entire Del Sol Clubhouse.

While the original architectural drawings provide for The Bistro to have a total licensed occupancy of 100 customers, the Bistro's budget is based on the lower seating capacity of 80 to allow sufficient room to accommodate seniors with mobility issues. These 80 seats would be dispersed in the main area, the alcove, and the front and rear patios. This

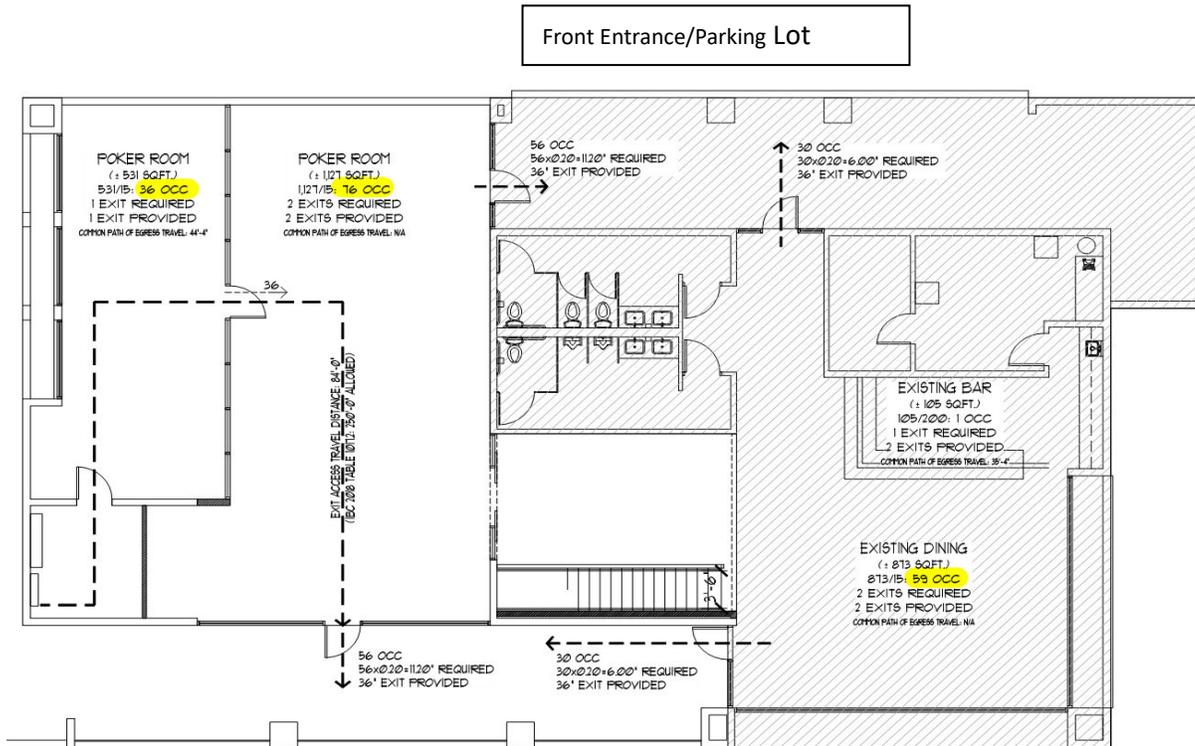
arrangement is similar to how Posada Java utilizes its space. While it has a licensed capacity of 151, it only has seats for approximately 120.

The Business Plan adopts Posada Java’s pet-friendly policy of allowing pets on only the front patio area. Based on the results of the market survey, 64% voted for allowing pets, but of this number only 32% wanted it allowed on one patio. After discussion, the Subcommittee supported allowing pets on the front patio only in that it was easier to control. This policy will be monitored closely to see how it functions. The Business Plan proposes that the front patio be designated as “pet friendly” as the Del Sol Clubhouse is a nexus of GVR member pet lovers who frequent the Pima County Parks walking trail. Although GVR’s current policy guidelines do not permit pets on or in its facilities, use of the facility must recognize this important segment of the GVR membership market contributing to the success and sustainability of a café operation. Therefore, it is recommended that policy guidelines included in the Corporate Policy Manual (CPM) be relaxed to permit outdoor pet friendliness of the Clubhouse to capture this important, and significant, segment of the GVR member population. Accommodation of GVR members with pets is an important consideration of the success of the café component of the Del Sol Clubhouse. (Appendix D Pet CPM Language)

Below is a diagram of the proposed first floor, showing the outline of the café space (including the outside patio areas). The area on the left side is currently used as a game room for GVR members and is open from 5:30 am to 9 pm daily. It includes several pool tables, a foosball table, a dartboard, and tables for miscellaneous board games and puzzles. When the café is closed (outside of their normal business hours) it is expected

that patrons of the café may bring their beverages to enjoy in this comfortable atmosphere. The space would also be available for GVR events and activities. Appendix B is a larger copy of the architectural drawing and Appendix C includes photos of the café space.

Layout of the First Floor of Del Sol Clubhouse



The primary target market for The Bistro is GVR membership and guests, which consists of approximately 23,000 people. In addition, the Bistro will explore ways to reach out to members who have limited financial means or transportation challenges so that it is accessible to all GVR members. The business plan proposes that the Bistro also be available to non-GVR members. The market base is more than sufficient to support the café operation, based on comparisons with other retirement communities with similar operations in the Tucson and Sahuarita areas.

The Bistro will be modeled after similar cafes (Posada Java in Green Valley and Sun City in Oro Valley). It will initially be open from 7 am to 3 pm, either six or seven days a week with GVR having the opportunity to adjust these hours, if needed based on staff, seasons, etc. At a later time, it may also open for special events, where it could offer alcoholic beverages such as beer and wine.

It is intended the Bistro would offer counter service, where customers order and pick up their purchases at the designated counter (not a waitress model). It will offer a variety of beverages, such as coffee, juices, and sodas, and may offer limited alcoholic beverages at special events. The food will initially be a variety of prepackaged/prepared food from a contracted vendor and food allowed to be prepared by staff under its food license. In the future, it could expand into a full-service café where food is prepared on-site, such as hamburgers and brats. (This type of service requires a different type of license.) The Bistro may also have a vending machine so people can access canned and bottled beverages and snacks after café hours while the Clubhouse is still open to GVR members.

The projected opening of the Bistro is on June 1, 2024, and is contingent on the completion of the installation of equipment and countertops in the cafe. This is estimated to take up to 2 months. In addition, GVR also received approval for paving the Del Sol parking lot and this project will take from Dec-2023 to May 2024 (6 months). While this paving project requires the closure of the entire Del Sol Clubhouse for members, staff will receive access so that the installation of the café equipment and cabinets can be completed simultaneously. With the approval of the business plan in February, GVR will utilize the time from March to May to develop a more detailed operational plan so that it can open for business as close to the completion date of the parking lot as possible. The below table displays the timetable for the opening of the cafe.

		Dec	Jan	Feb	March	April	May	June
1	Del Sol Parking lot construction							Done
2	Approval of Business plan by Board			Feb 28th				
3	Start prep of operational plan							open
4	Complete build out of café/storage area							open
	OPEN							x-or sooner

III. Market Analysis:

This market analysis included a review of 5 other cafes in Green Valley of which three are included in the analysis and two other senior communities that operate cafes outside of Green Valley.

Of the ones located in Green Valley, three of them represent the closest model to the proposed GVR Bistro. These three (Posada Java, Mountain View Café, and Moqah) have the following characteristics: indoor/outdoor seating; open 6-8 hours covering breakfast/lunch; and a single shift staffing pattern. These three are located near or north of Continental Avenue. The nearest to the Clubhouse (Posada Java) is approximately 5 miles away There are limited other alternatives for coffee/lunch on the south side of Green Valley. Therefore, it is believed The Bistro is in an ideal location to serve the GVR members and other prospective customers. See Appendix D for a Market Summary of cafe businesses located in Green Valley.

The two senior communities reviewed that are located outside of Green Valley were Sun City, located in Oro Valley, and Quail Creek, located in Sahuarita.

- A. Sun City, a senior community of 2,488 units located in Oro Valley, operates both a cafe/lounge and a separate full-service restaurant. Its cafe/lounge is called The Bistro and has a seating capacity of 42 of which 16 is patio seating. It opened in February 2023 and is open from 6 am-8 pm Monday-Friday; 8 am to 8 pm on Saturday and 8:30 am to 6 pm on Sunday. It offers an assortment of breakfast/lunch items, plus light appetizers during its evening hours. It also operates a separate full-service restaurant, which is located in the same building (The View). The View's dining room and patio are open from 7 am to 8 pm. Because Sun City operates its separate restaurant, it uses that administrative structure and licenses to extend to cover its cafe operation. It employs 1 FTE and 4 part-time staff with supervision being provided by the restaurant manager. While its goal is to financially break even, its primary mission is to offer this service as an **amenity** to its members.
- B. Quail Creek operates its coffee bar and lounge located in its Madera Clubhouse. This clubhouse consists of a ballroom for special events, a lending library, multi-purpose rooms, billiard rooms, a covered patio with an outdoor fireplace, and golf-course views. The coffee bar and lounge serve breakfast Monday-Saturday and are open from 7 am to 11 am. It offers a full-service breakfast menu via a modified counter service arrangement. Patrons order their food at the designated counter, with a waitress delivering the food to their table. Currently, it has an estimated seating capacity of 72 inside and 40 outside patio seats. The menu includes such things as scones, muffins, bagels, and several breakfast egg/omelet dishes. Quail Creek also has a separate restaurant. It is relocating its cafe shop operation to its new community center when it opens in Cy 2024. It will have expanded hours from 7 am to 2 pm and includes a lunch menu. It will have a full-service kitchen and expanded seating capacity.

IV. Organizational Structure:

The Bistro café will operate as a **separate business unit** under GVR, which is a not-for-profit 501(c)(4) organization. Because it will be selling various products such as coffee, beverages, muffins, soups, and sandwiches, it will be subject to sales/and corporate taxes. Establishing it as a separate business unit within GVR will enable GVR to meet these tax reporting requirements. Any excess revenues can be used to support the improved expansion of the coffee, food, and beverage services, or be returned to the GVR parent organization. GVR could utilize an applied receipts reporting format that will enable the GVR leadership and Board to closely monitor its financial status and operations. As a new start-up business, it is recognized that GVR will need the ability to modify the operation over time based on the operational performance over several years. It will be consolidated into the overall GVR financial statements.

The Bistro will need to secure a range of licenses to operate this café. The following chart is a list of the primary licenses required and indicates whether each license is new or whether GVR can use its existing license to meet the requirements.

1. Business License	Use GVR's existing license
2. Certificate of Occupancy	New; Obtained from Pima County; requires fire department inspection
3. Food Handler's/Food Service License	New, Pima County
4. Seller's Permit	New
5. Business Insurance	Use GVR /modify to include a café

If the café is to offer alcoholic beverages, it would need to secure additional licenses. Other not-for-profit organizations, such as the Elks Club and churches, secure these licenses for special day events or full-service bar operations.

V. **Products and Services**

The Bistro will feature a selection of beverages and food items as described in the chart below. It initially will offer only prepackaged foods and may evolve into a full-service café offering prepared foods such as hamburgers and other dishes.

The below chart provides examples of the products that would be offered in its initial phase of operation. The menu may be expanded later based on the success of initial operations and members' input.

	Breakfast	Lunch
Beverages	Assortment of coffee (reg/decaf); water, juices; teas	Coffee (reg/decaf); water; lemonade, canned sodas Alcoholic beverages on special occasions utilizing a day permit
Food Products	Donuts, muffins, bagels; scones Yogurt parfait	Prepackages/staff prepared Sandwiches, chips Salads, Soups
Desserts		Cookies, brownies, ice cream, pies

Initially, based on the projected volume of business, GVR may not be able to establish contracts with vendors such as US Foods, Sysco, or Restaurant Depot for its supplies and food products. Therefore, the staff manager would need to be responsible for purchasing

and picking up supplies locally. For example, we will explore contracting with Mountain View Café or Safeway for fresh bakery products and purchasing coffee products and beverages in bulk from Costco. Further, we would explore enhancing the luncheon offerings by partnering with various food trucks. For example, feature Taco Tuesdays, Wednesday pizza days, or work with popular food truck vendors, in Green Valley but not already in the proximity of the Del Sol Clubhouse.

VI. **Marketing and Sales Strategy**

The primary target market for Bistro is GVR members. In Cy 2023, GVR had close to 14,000 households consisting of approximately 23,000 individuals. Approximately 4,000 of these households (or 6,000 people) are within close distance of the Bistro. This large GVR customer base, in addition to their visiting family and guests, is more than sufficient to support a café operation. In the Café market survey, 67% preferred the establishment of a café that offered food and beverages with over 71% stating they would use it frequently or occasionally.

The Bistro marketing strategy will include using GVR's existing communication tools, such as its website and E-Blasts, to promote the usage of the Del Sol Bistro. The market survey results revealed that only 42% had ever visited the Del Sol Clubhouse so there is an opportunity to increase awareness of this entity to the entire GVR membership. Further, in Cy 2023, GVR had 67 Clubs, consisting of approximately 9,147 members, and it will market directly to these clubs. In particular, it will include outreach to social clubs, such as the Amigas, Amigos, and Singles Club, to encourage these clubs to use this space for their social gatherings. Collectively, these social groups have 1,379 members, with the Amigas Club alone presenting almost 500 members. Another example is the Billiards Club. The

lower level of the Del Sol Clubhouse is being remodeled into a billiards room and this Club offers unique opportunities to utilize the café to enhance its activities.

The cafe can also be marketed to those individuals who utilize the Canoa Trails Park. Doug Kenyon, Commander of the SAV and Parks Commissioner, estimates that 50-75 people use the Canoa Trails on average daily throughout the year. It is estimated that during the “snowbird” season, the average increases to 120 people using the trail daily.

The Bistro marketing strategy will also include targeted outreach to local businesses, churches, and HOAs near the cafe. The goal is for Del Sol Bistro to become the preferred community café south of Continental Road.

In addition, this business plan includes an initiative for GVR to explore ways to serve GVR members who may have limited financial means or transportation challenges. For example, it could include writing a grant to the GVR Foundation for members who have received special MAP assistance from the Foundation to receive a one-time voucher for a limited amount (\$50) that would enable them to purchase items at the café. Another possible example involves partnering with Silver Springs, whose residents are all GVR members, to utilize the cafe as a special center for these GVR members. Silver Springs also has transportation vans that may be available to arrange for rides for members who have physical limitations. These initiatives ensure that The Bistro is available for all GVR households.

While GVR expects that 90% of The Bistro customer base will be GVR members, it also expects it to be a place where non-GVR members can meet their friends who are members, giving exposure to GVR. In the Café market survey, **over 59% responded that non-GVR members should be allowed access to the café for a nominal fee.** Based on

these results, this plan proposes that GVR create a day pass for any non-GVR member so they can join their GVR friends as well as help the café. As it is a Clubhouse and not a Recreational Center, offering limited access to the café portion supports the concept of it being a social gathering for the community. To encourage usage and to meet the GVR legal membership, GVR would charge a token daily pass fee of \$1.00 which would be applied at the time of purchase of a food or beverage/item in the café, thereby making it easy to administer. This fee is comparable to what the ELKS Club charges its non-members. This nominal fee would be added to the total bill of a non-GVR person making a purchase. Lastly, it is anticipated that the café will be utilized by non-GVR members who utilize the Canoa Trails Park and will also be able to access this daily pass and support The Bistro. It is intended that access is solely limited to the café. The building would be locked and it would require a GVR member card to access when the café wasn't open. Key access would also be required for access to the lower-level billiards room and the multipurpose room. In the end, GVR members will benefit from daily pass fees in that proceeds go to support the operation of The Bistro and GVR. Allowing this access to non-GVR members would require a change to the Corporate Policy Manual. See Appendix E for this proposed language.

Lastly, the Del Sol Clubhouse and its café will need visible signage from the Camino Del Sol Road so that it can be easily found.

VII. Summary of Café Market Survey

As part of the development of the Café Business plan, the Subcommittee prepared and GVR conducted a market survey to accomplish the following objectives:

- Ideally obtain a 10% or greater survey response rate for greater predictive value.
- Obtain the input of the GVR membership to determine if the concept of developing a cafe within the Del Sol Clubhouse is directionally correct
- Determine how familiar the membership is with the Del Sol facility.
- Obtain input on the potential use of a cafe; hours of availability; food and beverage options; service delivery mode; and preferences regarding allowing access to non-GVR members and pets

Out of the 23,000 potential responses, we received 2,230, or roughly 10%. The responses were almost evenly divided with 47% from zip code 85614 and 53% from 85622.

Approximately 71% of the respondents live here year-round. **A majority (57%) indicated they would support a food and beverage offerings option.** While Del Sol Clubhouse has been part of GVR since Cy 2019, only 42% have ever visited the facility. However, 64% responded that they have used the Canoa Hills Trail Park. Therefore, GVR has a significant opportunity to market the features of this Clubhouse to its entire membership.

The survey further included questions regarding hours of availability, with 47% preferring mornings to early afternoon and 43% desiring mornings to early evening. Responses regarding beverage choices were clustered around providing coffee, bottled water, tea, and soda at 12-19%, while only 8 to 9% wished to include wine and beer. The largest majority (17%) wanted all of the listed beverage choices available. Most respondents (21%) preferred having all of the listed options available for food as well. Food preferences ranged from lunch sandwiches (19%) to pastries, breakfast sandwiches, soups, and salads at 12%.

The survey asked respondents to rank their service delivery option preferences. The responses are noted below. **67% preferred a café option.**

Rankings for preferences (1 is highest) on how to deliver food and beverages were:

1. 35%, for a Café with limited beverages and food
2. 32%, for a Café with expanded beverages, including food, and alcohol, but not a full restaurant.
3. 22%, for using food trucks.
4. 10%, was for vending machines only.

Lastly, the survey had questions on probable usage, with 71% saying they would use it frequently (once or twice a week) or occasionally (no more than twice a month.) Over 59% agreed that non-GVR members should be allowed to access the café for a nominal fee. Lastly, **64% of the respondents voted in favor of allowing pets** on one or both front and rear patios, however, of this number, only 32% approved of allowing them on both patios and 27% didn't want any pets on the patios.

In summary, the market survey confirmed the members' interest in establishing a café at the Del Sol Clubhouse. The survey results support the business plan's recommendation of phasing in the options by opening only for limited hours in the mornings/early afternoon with a limited beverage and food menu. Results also supported the business plan's recommendation of extending non-GVR members access to the café for a nominal fee, as well as for allowing pets only on the front patio. Appendix I is a copy of the survey instrument.

VIII. **Financial Proforma**

GVR will operate and manage the café as a separate business unit operated by GVR staff.

- GVR staff had explored using a vendor to operate this café and did not find any interested parties. The Subcommittee also reviewed using only vending machines to provide food and beverages, and they agreed this model didn't offer the type of social gathering atmosphere desired by members. Further, GVR would most likely have to own the machines and supply and replenish the products due to low traffic volume. Lastly, the subcommittee reviewed the usage of volunteers to operate the café and this option was problematic for the following reasons: Volunteers will **not** provide:

- Reliable maintenance and monitoring of equipment;
- Thorough and reliable cleanup of bathrooms, general and kitchen areas;
- Consistent greeting and ability to build relationships;
- Screening of non-GVR members who need to pay an additional fee;
- A responsible approach to collecting money for food and beverages and for how that money might be used and accounted for;

Further, using volunteers creates an insurance and licensing risk because we are not allowed to consistently serve food and beverages without AZ licensing. If we do it too much, it may open GVR up to scrutiny regarding AZ and IRS sales and UBIT taxes.

In addition, using volunteers, rather than trained employees, to provide daily food service put GVR at risk for violation and inability to assure compliance with safety fire, and county facility licensing codes and requirements.

Interestingly, Sun City indicated they only use staff and suggested not using volunteers as it creates problems amongst the residents and it was just not worth the trouble.

Besides, costs would be incurred for recruiting, training, and monitoring.

Therefore, the model assumes the Café would be staffed by paid staff; volunteers could be used to enhance activities but they would not be used to provide and oversee daily café operations

The following includes the summary of the financial proforma, along with a description of the key assumptions used in creating the financial proforma for the café. This proforma assumes usage of the seating capacity of 80 seats within the café and assumes usage 6 days a week/8 hours per day. This proforma illustrates what is possible utilizing the total coffee space square footage. While the proforma projections exceed the amount of revenues and expenses budgeted, the actual net operating income loss for 12 months is \$ 25K, which is less than the \$50K that was included in the GVR budget as a placeholder. The funds, included in the Cy 2024 budget as a placeholder, were not based on any occupancy or square footage data, and the expenses only included salary costs. This GVR placeholder start-up budget assumes a 9-month operation (April-Dec, 2024)) with a budget of \$25,000 in revenues and \$75,000 (personnel only) expenses for a net loss of \$50,000. The release of these funds for a café was based on the need for additional research and the development of a business plan. A separate \$50K was budgeted for the installation of such items as cabinets, kitchen and coffee equipment, and major supplies. It is recognized that these funds only provide for the basic equipment and that additional funds may be needed to create a more warm and inviting atmosphere.

Using the full space available in the designated café area this business plan proforma option assumes revenues of \$200,588 for the start-up's first 12 months. Because of the uncertainty of the exact opening date, the proforma is structured by month one to month 12 so one can review it as a 12-month operation. Revenues are projected at \$200,588 and expenses are budgeted at \$225,407 for a **net loss of \$24,819. This loss compares to a \$50, 000 loss for 9 months that was assumed in the placeholder budget.** In the future, this café vision could expand into a lounge/bar, serving beer, wine, and select cocktails, similar to Mountain View Café and Sun City. However, if there is concern regarding the proposed cost for this café then other options, such as reduction of hours/ days of operation and/or limiting service to only breakfast/no lunch or reduction in occupancy can be considered.

The below Table shows the projected customer base growth each month as well as a summary of the total revenues/expenses for the first-year start-up budget for The Bistro. The business plan projects a breakeven in month eleven with a net income of \$1,876 projected at the end of the year or \$ 23,234 annualized. The occupancy in the 11th and 12th months is projected to reach 30% or 154 customers per day.

Table 1 Summary to Monthly Forecast for First year Start up and 2nd year Projection

	assumption	Preopening	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Year 1	Year 2 *
# of Customers per day average			77	77	77	102	102	102	128	128	128	128	154	154	1,357	154
Tota Revenue			9,913	9,913	9,913	13,209	15,769	15,769	19,705	19,705	19,705	19,705	23,641	23,641	200,588	283,692
EXPENSES																
Total expenses		7,268	13,574	13,574	15,179	16,747	18,002	18,002	19,883	19,883	19,883	19,883	21,765	21,765	225,407	261,178
net		(7,268)	(3,661)	(3,661)	(5,266)	(3,538)	(2,233)	(2,233)	(178)	(178)	(178)	(178)	1,876	1,876	(24,819)	22,514
Cumulative			(10,929)	(14,589)	(19,856)	(23,394)	(25,626)	(27,859)	(28,037)	(28,215)	(28,394)	(28,572)	(26,696)	(24,819)		
* Year two uses month 12 times 12																

Similar to Sun City, the proforma budget **does not** include rent and utilities, thus, it achieves its breakeven sooner than a standalone business. See Appendix F for detailed projections. For year two, high-level projections assume using the month 12 projections from the start-up year above, notably without the inclusion of inflation.

Table 2 below displays a summary of the three-year operation, assuming a 3% inflation factor on customer sales and expenses, as maintained with the same phase-up percentages. It shows an annual net gain of approximately \$26, 000 to \$28,000 respectively.

Table 2: Summary of Three-Year Projection

	Placeholder Budget Annualized	Year 1 Proforma	2nd Year	3rd Year
Revenues	\$ 33,333	\$ 200,588	\$ 287,935	\$ 296,360
Expenses staff	\$ 108,800	\$ 120,091	\$ 122,635	\$ 124,112
Expenses all other	\$ -	\$ 98,048	\$ 140,001	\$ 144,129
Preopening	\$ -	\$ 7,268	\$ -	
Total Expenses		\$ 225,408	\$ 261,178	\$ 268,242
Net	\$ (75,467)	\$ (24,820)	\$ 26,758	\$ 28,118

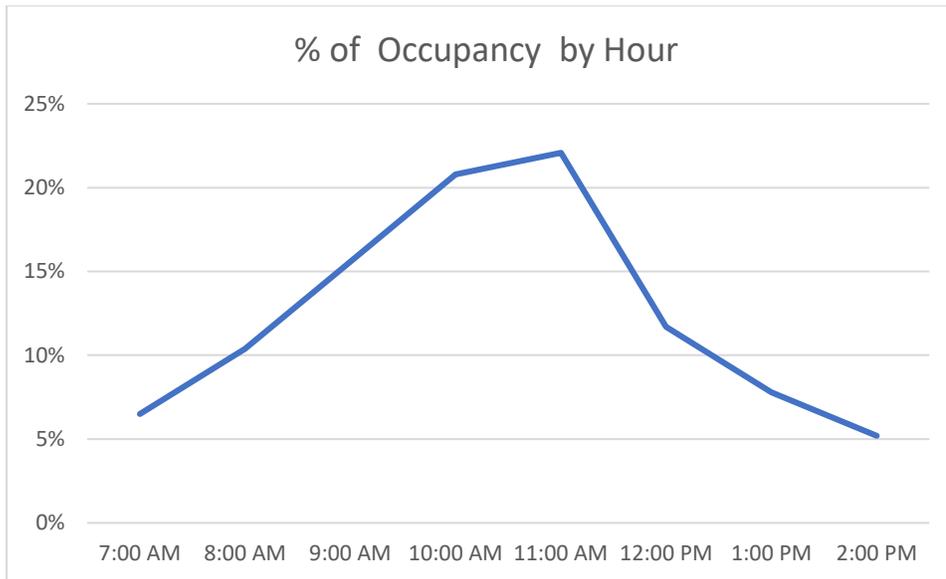
While the average yearly occupancy is estimated at 30% of seating capacity the monthly variations are already assumed within these estimates.

Detailed Assumptions for the Business Plan

The initial service model is a phased-in model and would include opening only 8 hours per day, six days per week, thus requiring only a single 8-hour employee shift. It would be based on counter sale and service type of delivery of food, thus creating efficiencies in

staffing operations. Based on this service model, the following outlines the basic assumptions for The Bistro. Appendix F is a detailed proforma for the first year, along with a high-level projection for year 2. Revenues are based on the following

1. Occupancy: The cafe will be open 302 days of the year (6 days a week minus 10 holidays) or 25 days on average each month. While the licensed occupancy is 100, the business plan assumes seating of 80 to allow for space for customers with mobility issues, walkers, and canes. Further, it assumes that each customer, on average stays 1.25 hours, thus each seat can be occupied only by 6.42 customers each day. Therefore, this assumption assumes an average of patrons 514 per day, if the café achieves 100% occupancy of the 80 seats. (80 seats*6.42 customers per seat) However, that is only used as a benchmark. The next step is to project the percentage of daily customers for the month. This proforma, as reflected in Table 1 above, conservatively estimates utilization ranging from 15% of daily capacity for the first three months, ramping up to 30% by month 12. This gradual percentage growth results in an estimated customer volume of 77 customers per day in the first three months to 154 per day by month 12.
2. The plan accounts for acknowledging different usages of the café during the day in the chart. below.



In addition, the Subcommittee reviewed the question of monthly fluctuations in business because a portion (29%) of GVR households are seasonal residents. The below table shows an example of the 2nd year proforma based on monthly seasonal adjustments. The net income is estimated at \$25,299, almost the same as the average across each month.

Table 3: Example of Monthly Seasonal Proforma

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Total 12 mon
# of Customers per day	77	102	102	128	128	128	154	230	230	230	179	128	1,818
Total Revenue	12,179	16,230	16,230	20,281	20,281	20,281	24,332	36,486	36,486	36,486	28,383	20,281	287,935
Total Expenses	14,896	16,834	18,439	20,377	20,377	20,377	22,315	28,130	28,130	28,130	24,253	20,377	262,636
net	(2,717)	(604)	(2,210)	(96)	(96)	(96)	2,017	8,356	8,356	8,356	4,130	(96)	25,299
Cumulative	(2,717)	(3,321)	(5,531)	(5,627)	(5,723)	(5,820)	(3,803)	4,553	12,909	21,266	25,396	25,299	

Table 4: Seasonal % Adjustment by Month

	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May
	1 month	2 month	3 month	4 month	5 month	6 month	7 month	8 month	9 month	10 month	11 month	12 month
% occupied	15%	20%	20%	25%	25%	25%	30%	45%	45%	45%	35%	25%
daily	77	102	102	128	128	128	154	230	230	230	179	128

Both Posada Java and Mountain View Café noted they don't experience many seasonal variations because their customers are loyal and they plan special events to attract business customers. Lastly, with GVR having approximately 23,000 persons even if half of the members left Green Valley in the summer months, there are still 11,500 people, plus their guests, that could use the café. Appendix G has the more detailed proforma for this option.

3. Purchase per customer is estimated to average \$5.00 for the first four months and \$6.00 per customer for the last eight months, mostly due to increased menu selections. This estimate was based on a review of three cafes in the market analysis.
4. Take-out business is assumed at 5% of inside customer revenue.
5. Vending Machine- A small amount is assumed for revenue gained from a leased machine. Vending companies will only install and manage the machines if they believe the volume justifies it. Lower volumes may require GVR to purchase the machines.

A. Expenses :

1. Expenses. Personnel expenses are based on a budget of 3 FTEs (4 employees) of which one FTE is a working manager. It is assumed this person spends 75% of their time working in the cafe and 25% of their time performing administrative functions, such as ordering, contracting, marketing managing special events, and hiring staff. Based on Sun City's information, at least two employees should be budgeted during the peak hours, which the plan assumes is from 9 am to 12 pm. Therefore, the staffing pattern assumes an additional 1 FTE plus 3 part-time

employees. These staff members would operate The Bistro for 8 hours for 6 days a week. The cost of goods sold is estimated at 40%, which was provided by Sun City based on their experience. There is a small amount budgeted for sales tax, licenses, credit card expenses, and unexpected items.

6. The pre-opening budget assumes the manager starts two weeks before opening and initial supplies cost \$7,268.
7. Pre-opening Inventory/Equipment: The initial budget provides \$50,000 for these items, such as coffee machines, grinders, cabinets, dishes, kitchen gear, cash register, and software. Where possible, GVR will transfer underutilized equipment from other GVR centers to support the Bistro.

Assuming a successful operation after two years, the operation could be expanded to extend the hours and include an array of alcoholic beverages.

Other Options: The Subcommittee's charge was to develop a business plan for a café. As stated earlier, this business plan assumes the use of the full space for 8 hours/6 days a week with the ability to expand to a lounge/bar concept if customer and business needs justify it. Sun City's operation offers these expanded hours. However, other options can be considered that more gradually phase up the operations of the café. These include the following:

1. Reduce the size of the café by reducing the seating capacity.
2. Reduce the days of operation from 6 to 5 days and fewer hours (5 or 6 hours per day)

3. Reduce the scope to only include breakfast from 7-11 am or other times.

Summary: The Subcommittee met on February 5, 2024, and adopted the following motion to be submitted to the Fiscal Affairs Committee (FAC) at its February 19th meeting:

- Adopt the Subcommittee report which includes the following:
 - a. Release of the Cy 2024 funds and positions included in the budget to open a staff-operated cafe in the Del Sol Clubhouse, offering limited food and beverages;
 - b. Approval of the CPM language change to allow access to the café for non-GVR member patrons for a daily fee of \$1.00.
 - c. Approval of the CPM language change to allow pets on the front patio only. '
 - d. Release the \$50K for the completion of the kitchen /cafe area and purchase of equipment and supplies.

Appendix A: List of Subcommittee Members

Appendix B: Original Architectural Drawing of Del Sol Space

Appendix C: Pictures of the Café Space

Appendix D: Market Summary

Appendix E: Corporate Policy Manual Changes

Appendix F: Financial Proforma Year 1 with high-level Year 2

Appendix G Projections for Year 2 using seasonally adjusted assumptions

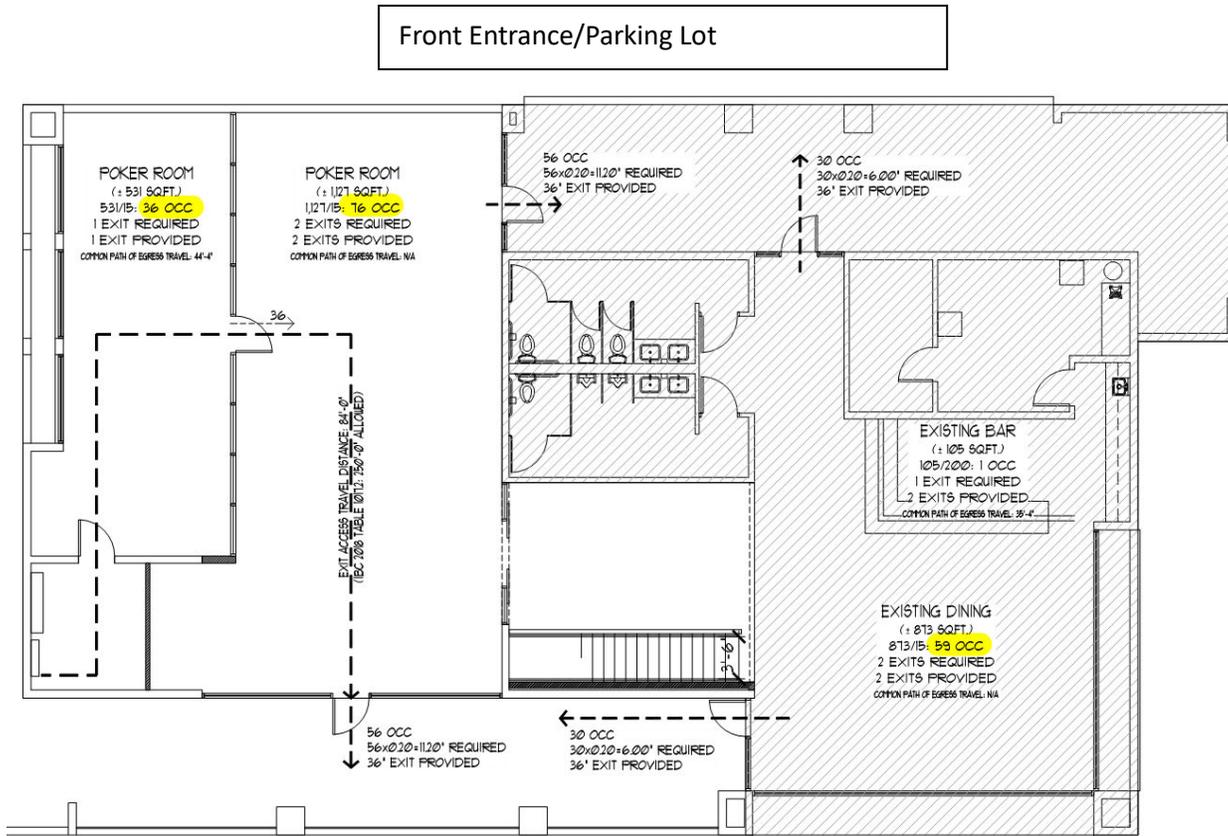
Appendix G: Projections for Year 3

Appendix I: Copy of Market Survey

APPENDIX A: LIST OF SUBCOMMITTEE MEMBERS

1	Nellie	Johnson	Chair of Subcommittee/Fiscal Affairs(FAC)
2	Pat	Reynolds	FAC
3	Betsy	Walton	GVR member
3	Eric	Sullword	GVR Member
4	Bob	Quast	GVR member
5	Maribeth	Kwasneski	GVR Member
6	Jim	Carden	Ex-officio- FAC Chair
7	Scott	Somers	Ex-Officio GVR CEO
8	David	Webster	GVR CFO
9	Howie	Murray	GVR Staff

APPENDIX B: ARCHITECTURAL DRAWING OF DEL SOL- /CAFÉ



Note: The original drawing didn't designate the use of patios. It just noted a total occupancy of 86 occupants on each. While it is assumed the patios can be licensed for 86 persons (3-4 persons at 24 tables, the proforma assumes a lower number.

Appendix C: Pictures of the Café Space



Main area
with bar



Alcove
area to
have 3-4
tables



Front
patio;
pet area
3-4
tables

Appendix D. GVR Café Initial Market Study s

November 12, 2023

Name	Bus License type	Hours	Seating	Place to pick up condiments	Counter pick up or table delivery	Food Display Case	Garbage: Self or table pick up	Pet Friendly	Place Ware	Computer and Phone Charging Outlets	Staffing	Full Kitchen or Grill	Type of Food in addition to drinks
Moqah Coffee and Beyond GV 101 South La Cañada Drive #57	?	8- M-F Sat: closed Sun 8:30-2:30	12 tables indoors: 6 tables outdoors	Not seen	Dine in/take out; delivery to table	No	Staff	Outdoor yes, indoors no	Plastic and paper	No	?	Full Kitchen (small)	Breakfast and Lunch Rolls; muffins; crepes; salads
Posada Java 665 S Park Centre Ave	?	M-S 7 - 4. Closed Sundays	151 occupancy; 12 tables outside	Yes	Dine-in Curbside pickup No delivery	Yes	Self	Outdoor yes; indoor no	Plastic and paper	A few	?	Microwave Counter prep	Breakfast and Lunch Rolls; quiche; breakfast sandwich; lunch-salads
Mountain View Cafe and Bakery 277 W Duval Rd	?	M-S 10 – 3 Closed Sunday	About 48 inside; large outside patio; opens at 11:00	No	Deliver to table	Yes for baked goods	Staff		Hard dishware	No	?	Full Kitchen	Brunch and Lunch; serves beer wine and margaritas Desserts/ bakery
McDonald's 170 W Continental	?	4 a.m. – 12. p.m. 24/7	Indoor with few outdoor	Yes	Drive through; indoor pick up and sit down	No	Self	No	Plastic or paper	No	?	Full Kitchen	Breakfast Lunch Supper

Sources: Yelp, Google, Websites, On-Site Visits

A. Day Pass Sections

1.2.2 Guest Policy

- A. Guest privileges are intended for temporary visitors of a Regular Member, Assigned Member, Tenant, CRCF Resident, or Life Care Member of GVR and who live outside a twenty (20) mile distance from established GVR boundaries.
- B. GVR Members, Assigned Members, Life Care Members, and CRCF Residents may purchase one (1) annual guest card which allows for four (4) adults per visit with unlimited visits. Annual guest cards are valid through the end of the calendar year and fees are not prorated. No more than one (1) annual guest card may be purchased by a GVR Member regardless of the number of properties owned and may not be purchased for tenant-occupied properties.
- C. GVR Members, Assigned Members, Life Care Members, CRCF Residents, and Tenants may purchase daily guest cards which allow for four (4) adults on a specific day. **Exception: Del Sol Clubhouse Café will use a token fee system for daily use when non-members purchase food or drink. (**

Amend the CPM Fee Chart to provide a \$1.00 daily guest pass for the Del Sol Clubhouse-Café only

B. Pet Friendly

1.2.6 Use of GVR Facilities

- D. Reservations
 - 1. Reservations will be assigned in the following order:
 - Board of Directors
 - Recreation Staff (e.g., special events, classes, concerts, programs, annual festivals and performances)
 - Regularly scheduled club events (weekly and monthly)
 - Community events (e.g., HOA) and rentals
 - Club one-time special events or parties
 - Private member functions
 - Club additional ongoing activity requests
- Animals are not permitted in or on GVR property, except service animals, unless otherwise authorized by the GVR Chief Executive Officer (CEO) to accommodate community events or other special circumstances.

- 2. **Exception: Due to the public or community walking trails, Del Sol Clubhouse will allow in the front patio seating areas only leashed animals under the control of their handlers at all times, well-behaved, and do not create a disturbance or pose a threat to others. If an animal is not under control or behaves inappropriately, the handler will be asked to remove the animal from the premises.**

APPENDIX F: First-Year Startup Proforma with Year Two ``

	assumption	Preopening	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Year 1	Year 2 *
# of Customers per day average			77	77	77	102	102	102	128	128	128	128	154	154	1,357	154
days in month	6		25	25	25	25	25	25	25	25	25	25	25	25	300	300
total customer days/month			1,920	1,920	1,920	2,560	2,560	2,560	3,200	3,200	3,200	3,200	3,840	3,840	33,920	46,080
rev per customer			5	5	5	5	6	6	6	6	6	6	6	6		6.00
Subtotal			9,600	9,600	9,600	12,800	15,360	15,360	19,200	19,200	19,200	19,200	23,040	23,040	195,200	276,480
Other Revenue/ta	\$ 3.00	Take Out	288	288	288	384	384	384	480	480	480	480	576	576	5,088	6,912
Vending Machine			25	25	25	25	25	25	25	25	25	25	25	25	300	300
Special event																
Tota Revenue			9,913	9,913	9,913	13,209	15,769	15,769	19,705	19,705	19,705	19,705	23,641	23,641	200,588	283,692
EXPENSES																
Salaries		3,200	7,020	7,020	8,320	8,320	8,320	8,320	8,320	8,320	8,320	8,320	8,320	8,320	100,440	99,840
Benefits		768	1,650	1,650	1,955	1,955	1,955	1,955	1,955	1,955	1,955	1,955	1,955	1,955	23,619	23,462.40
Subtotal		3,968	8,670	8,670	10,275	10,275	10,275	10,275	10,275	10,275	10,275	10,275	10,275	10,275	124,059	123,302
Costs of Goods sol	40.00%	3,300	3,840	3,840	3,840	5,120	6,144	6,144	7,680	7,680	7,680	7,680	9,216	9,216	81,380	110,592
Sales tax	6%		576	576	576	768	922	922	1,152	1,152	1,152	1,152	1,382	1,382	11,712	16,589
licenses/business			200	200	200	200	200	200	200	200	200	200	200	200	2,400	2,400
other; credit card fees/printing/market promo			288	288	288	384	461	461	576	576	576	576	691	691	5,856	8,294
Total expenses		7,268	13,574	13,574	15,179	16,747	18,002	18,002	19,883	19,883	19,883	19,883	21,765	21,765	225,407	261,178
net		(7,268)	(3,661)	(3,661)	(5,266)	(3,538)	(2,233)	(2,233)	(178)	(178)	(178)	(178)	1,876	1,876	(24,819)	22,514
Cumulative			(10,929)	(14,589)	(19,856)	(23,394)	(25,626)	(27,859)	(28,037)	(28,215)	(28,394)	(28,572)	(26,696)	(24,819)		
* Year two uses month 12 times 12																

APPENDIX G: Year 2 Proforma with 3% Inflation/with Variations each month

year 2														
assumptions	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Total 12 mont	
# of Customers per day average	77	102	102	128	128	128	154	230	230	230	179	128		
days in month	6	25	25	25	25	25	25	25	25	25	25	25	25	
total customer days		1,920	2,560	2,560	3,200	3,200	3,200	3,840	5,760	5,760	5,760	4,480	3,200	45,440
rev per customer		\$6.18	\$6.18	\$6.18	\$6.18	\$6.18	\$6.18	\$6.18	\$6.18	\$6.18	\$6.18	\$6.18	\$6.18	
Subtotal		11,866	15,821	15,821	19,776	19,776	19,776	23,731	35,597	35,597	35,597	27,686	19,776	280,819
Other Revenue/take out	\$ 3.00	288	384	384	480	480	480	576	864	864	864	672	480	6,816
Vending Machine		25	25	25	25	25	25	25	25	25	25	25	25	300
Special event														
Tota Revenue		12,179	16,230	16,230	20,281	20,281	20,281	24,332	36,486	36,486	36,486	28,383	20,281	287,935
EXPENSES														
Salaries		7,192	7,192	8,492	8,492	8,492	8,492	8,492	8,492	8,492	8,492	8,492	8,492	99,299
Benefits		1,690	1,690	1,996	1,996	1,996	1,996	1,996	1,996	1,996	1,996	1,996	1,996	23,335
Subtotal		8,882	8,882	10,487	10,487	10,487	10,487	10,487	10,487	10,487	10,487	10,487	10,487	122,635
Costs of Goods sold	40.00%	4,746	6,328	6,328	7,910	7,910	7,910	9,492	14,239	14,239	14,239	11,075	7,910	112,328
Sales tax	6%	712	949	949	1,187	1,187	1,187	1,424	2,136	2,136	2,136	1,661	1,187	16,849
licenses/business/market promo		200	200	200	200	200	200	200	200	200	200	200	200	2,400
other;credit card fees/printing/		356	475	475	593	593	593	712	1,068	1,068	1,068	831	593	8,425
Total expenses		14,896	16,834	18,439	20,377	20,377	20,377	22,315	28,130	28,130	28,130	24,253	20,377	262,636
net		(2,717)	(604)	(2,210)	(96)	(96)	(96)	2,017	8,356	8,356	8,356	4,130	(96)	25,299
Cumulative		(2,717)	(3,321)	(5,531)	(5,627)	(5,723)	(5,820)	(3,803)	4,553	12,909	21,266	25,396	25,299	

	80	8	1.25	6.40	512.00	1st year							30	35
	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May		
	1 month	2 month	3 month	4 month	5 month	6 month	7 month	8 month	9 month	10 month	11 month	12 month		
% occupied	15%	20%	20%	25%	25%	25%	30%	45%	45%	45%	35%	25%		
daily	77	102	102	128	128	128	154	230	230	230	179	128		

Appendix G: Third year with 3% inflation factor with variations each month

	assumptions	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Total 12 mont
# of Customers per day average		77	102	102	128	128	128	154	230	230	230	179	128	
days in month	6	25	25	25	25	25	25	25	25	25	25	25	25	
total customer days		1,920	2,560	2,560	3,200	3,200	3,200	3,840	5,760	5,760	5,760	4,480	3,200	45,440
rev per customer		\$6.37	\$6.37	\$6.37	\$6.37	\$6.37	\$6.37	\$6.37	\$6.37	\$6.37	\$6.37	\$6.37	\$6.37	
Subtotal		12,222	16,295	16,295	20,369	20,369	20,369	24,443	36,665	36,665	36,665	28,517	20,369	289,244
Other Revenue/take out	\$ 3.00	288	384	384	480	480	480	576	864	864	864	672	480	6,816
Vending Machine		25	25	25	25	25	25	25	25	25	25	25	25	300
Special event														
Tota Revenue		12,535	16,704	16,704	20,874	20,874	20,874	25,044	37,554	37,554	37,554	29,214	20,874	296,360
EXPENSES														
Salaries		7,291	7,291	8,591	8,591	8,591	8,591	8,591	8,591	8,591	8,591	8,591	8,591	100,496
Benefits		1,713	1,713	2,019	2,019	2,019	2,019	2,019	2,019	2,019	2,019	2,019	2,019	23,617
Subtotal		9,005	9,005	10,610	10,610	10,610	10,610	10,610	10,610	10,610	10,610	10,610	10,610	124,112
Costs of Goods sold	40.00%	4,889	6,518	6,518	8,148	8,148	8,148	9,777	14,666	14,666	14,666	11,407	8,148	115,698
Sales tax	6%	733	978	978	1,222	1,222	1,222	1,467	2,200	2,200	2,200	1,711	1,222	17,355
licenses/business/market promo		200	200	200	200	200	200	200	200	200	200	200	200	2,400
other;credit card fees/printing/		367	489	489	611	611	611	733	1,100	1,100	1,100	856	611	8,677
Total expenses		15,193	17,190	18,795	20,791	20,791	20,791	22,787	28,776	28,776	28,776	24,784	20,791	268,242
net		(2,659)	(485)	(2,091)	83	83	83	2,257	8,778	8,778	8,778	4,430	83	28,118
Cumulative		(2,659)	(3,144)	(5,235)	(5,151)	(5,068)	(4,985)	(2,729)	6,049	14,827	23,604	28,035	28,118	

**Appendix I: GVR Preliminary Market Survey to Assess Community Interest in
Developing a Café Within the Del Sol Clubhouse
January 9, 2024**

SURVEY

We will NOT reveal your personal information or identify you for any reason, but we do need your email address to monitor GVR member-only responses.

1. On average, how long do you reside in Green Valley in a calendar year?
 - Year round
 - Year round but I travel during the summer months
 -
 - About 6 months
 - 5 months or less

2. What is your Green Valley zip code?
 - 85614
 - 85622

3. Do you currently use, or if you are new to GVR do you anticipate using, any GVR facility at least twice a month for any reason?
 - Yes
 - No

4. Are you familiar with the Del Sol Clubhouse and its location?
 - Yes
 - No

5. Have you ever visited the Del Sol Clubhouse facility?
 - Yes
 - No

6. Have you ever used the walking paths in the Canoa Hills Trails Park?
 - Yes
 - No

7. Would you be interested in a food and beverage option offered in this Clubhouse?

- Yes
- Maybe, unsure
- No, I am unlikely to ever purchase food or beverages offered by the Clubhouse.

If you responded *No, I am unlikely to ever purchase food or beverages offered by the Clubhouse*, you do not need to complete the following questions.

8. What types of beverages would you be interested in purchasing? Mark each that applies or check *all the above*.

- Coffee
- Tea
- Soda
- Fruit drinks
- Bottled Water
- Beer
- Wine
- All the above

9. What types of food would you be interested in purchasing? Mark each that applies or check *all the above*.

- Pastries
- Breakfast sandwiches
- Lunch sandwiches
- Quiche
- Soup
- Salads
- Deserts such as, but not limited to, cookies, ice cream, cakes, pies
- All the above

10. What general times during the day would you like to see food and beverages offered? Only select one of the following times.

- Mornings
- Mornings to early afternoon
- Mornings to early evening

11. How often would you use these services? Just provide a realistic guess.

- Frequently: Once or twice a week
- Occasionally: No more than twice a month
- Infrequently: No more than twice every three months

12. Please indicate which options you prefer for providing these services from most to least preferred (1 – 4) with 1 being the most preferred.

- Vending machines
- Food Truck (Purchase food and beverages from a food truck and eat in the building or using outside tables)
- Café with limited beverage and food offerings
- Café/bistro with more food and beverage options, including alcohol, but not a full-service restaurant

13. Would you support allowing non-GVR members to use ONLY the Del Sol Clubhouse Café, and not the rest of the facility if they pay a modest daily fee for access?

- Yes
- No

14. Should customers be allowed to bring their dogs onto the outside front and back patio seating areas of the Del Sol Clubhouse?

- Yes, they should be allowed on both patios
- Yes, but they should be allowed on only one patio
- No, they should not be allowed at all



Del Sol Clubhouse Business Plan for the Del Sol Café

Report to the GVR Board

March 20, 2024

Major Events since last GVR Board meeting of February 28th^h

- Presented to Fiscal Affairs Committee (FAC) on January 16th and the GVR Board Work Session on January 17th
- Received the results of the Market Survey on January 31st and tabulated results
- Subcommittee met on Feb 5th and finalized its recommendations/and report;
- Business plan report as updated and released to GVR Board Chair, Jim Carden and Scott Somers on February 9th.
- Fiscal Affairs met on February 20th and moved 4 separate recommendations.
- GVR Board moved the Business Plan agenda item to the FAC Committee Report and it was part of the Committee report. Therefore, it would be clearer to clarify the acceptance of the report as a board motion. The other 3 motions were not dealt with.
- BAC recognized at its March 13th that BAC is not required to see and recommend all CPM changes. Board should take some action on this time.

Del Sol Clubhouse Café Business Plan

I. Components of Plan

Executive Summary

Part 1: Past GVR Market Research and Studies Support a Café

Part II. Café Business Description

Part III. Market Analysis

Part IV. Organizational Structure

Part V. Products and Services

Part VI. Market and Sales Strategy

Part VII. Summary of Market Survey

Summary of Recommendations

II. Location of Business Plan

- a. Report can be found on GVR website : Governance: Fiscal Affairs February 20th
- b. Or GVR Board February 28th meeting
- c. Or if accepted as a Report at the March 20th meeting then it would be posted as a separate report on the website

Key Highlights from new Section 1 of the Business Plan

Research GVR Ad hoc Committee

- Steve Wilhelm, Chair, of Ad Hoc Committee, presented the Cy 2018 Ad Hoc committee findings; and emphasized the benefits of a social gathering place that included a multi-purpose room/ and a café as an anchor
- Dr. Ray's Oldenburg's developed the concept of a Great Good Place (GGP) that concluded" Great Good places offer a neutral, accessible environment like cafés, parks, and libraries. These places play a crucial role in fostering a sense of belonging and social cohesion within a community
- In mid-January 2024 Steve Wilhelm sent a letter of support of the Subcommittee's Business to the GVR Board

GVR Highlights

- In Cy 2016 , as part of the market research conducted in the development GVR Strategic plan, GVR members expressed a desire for a café in conjunction with a comfortable space available for drop-in socialization and a gathering place for friends and neighbors.
- In the Cy 2018 GVR Member Survey, 74% who responded identified the need for a social and community gathering space.
- In Cy 2022 as part of the GVR five-year strategic plan, Goal #1 of GVR provides excellent facilities for members to participate in a variety of active and social opportunities. Under this Goal, Initiative 1.4 identified the need to expand/repurpose facilities to promote and encourage social gathering including the exploration of opening a coffee shop.
- On November 16, 2022, GVR adopted a motion: to continue moving forward with a vision of creating a social gathering recreation center... and by seeking a solution to provide a wide variety of food and beverage options (such as a vendor)
- During budget deliberations, FAC recommended approval of funds for the café and established a Subcommittee to develop a business plan. In November 2023 the GVR Board left these funds in the budget but stated their release was contingent on additional research.

Concept of a Café As Part of a Social Gathering Place

Prior Strategic plans and Ad Hoc Committees Identified the need for a social gathering place /café since 2015 (Part 1 of Business Plan)

Cy 2015 Strategic Master Plan Report



Pg 5 of the Executive Summary; “During the Community Outreach process, a recurring theme was Members’ request for a cafe, smoothie bar or similar space that fosters spontaneous community gathering. **However, operating a GVR café or cafe would finally provide members with, a comfortable available space to gather with friends**



Pg 9 included a survey on page 9 of other retirement communities across the country that had cafes

Key Points from Steve Wilhelm’s Cy 2018 Ad Hoc Committee

- Members completed a field survey of area cafes and compilation of data
- **Findings included**
 - A Great Good Place (GGP) or social gathering place within a GVR Clubhouse is a member amenity;
 - Social metrics, not financial metrics
 - Del Sol Clubhouse with a café is a GGP: it creates a reason to come to Clubhouse
 - **Staffing is critical to form relationships with customers;**
- Volunteers can be used to enhance the services; doesn’t replace direct staff
- Board and Management absolutely committed to success;



Vision and Goals of Del Sol Clubhouse with Café

Draft Vision Statement



Green Valley Recreation (GVR), by its very definition, is a Social Organization. What better way to highlight this fact than to encompass all aspects of social interaction with the Del Sol Clubhouse. This Clubhouse will be offering a proposed Billiards Room, Game Room and now the potential inclusion of the Del Sol Café where members, guests and even non-members can come for coffee, food and good conversation while enjoying the views.



The Del Sol Café is but a part of this overall plan where neighbors, groups and clubs can meet up to enjoy a good cup of coffee, or a bowl of hot soup on a winters day or sit back and relax with friends after taking a walk through the park or down Camino Del Sol Road



This is the embodiment of the social atmosphere that GVR provides to all.



Proposed Goals of Del Sol Bistro Café

- Provide a gathering spot for the GVR membership and others that offers an updated and accessible space for member events and activities and the ability to commune around limited food and beverage offerings
- Develop a greater sense of community by establishing stronger relationships with the GVR members and its club, thus helping to sustain the cafe operation
- Provide the café as an amenity whose purpose is to provide a gathering place, rather than a revenue generator for GVR

Summary of Financial Proforma /Options

Key Variables /model option

- Seating Capacity – 80 seating capacity
- **Customer time at café: assumed 1 hr. 15 minutes**
- Number of Days Open: 6 days
- Hours Per day: 8 hours 7 am-3 pm
- Purchase price per customer: range from \$5.00 to \$6.00
- Growth is phased in each month
- Staffing model:
 - The role of Café Manager is as 75% working manager, 25% administrative/marketing to community/GVR clubs etc
 - 2 FTE's – staff for 3 employees during busy cycle (9:00-11:30)
- Cost of Goods Sold:40% of
mers revenue; based on Sun
City

Key Results

- Break even in month 11 because café doesn't pay rent and utilities
- Proforma assumes the café sustainable at 30% of seating capacity or, on average, 154 customers per day.
- Assumes café manager oversees Café and space after hours;
 - 75% working manager
 - 15% café administrative
 - 10% after-hours (3pm- 9Pm) activity/event coordination with GVR Events coordinate/and Clubs Coordinator;
- **Option is to offer \$1.00 coffee/tea to all customers (could do all day or select hours 7-9 am to provide Del Sol Café as social gathering place**

Staffing model based on paid staff not volunteers

GVR Use of Volunteers

- GVR has 95 arts and entertainment volunteers, and they receive a free ticket; the Arts and Entertainment supervisor manages these volunteers
- Before the advent of the key cards, GVR used volunteers as fitness and pool monitors
- Café would be staffed by paid staff; volunteers could be used to enhance activities but would not be used to provide and oversee daily café operations

Reasons not to use Volunteers to Staff Café

- Volunteers will **not** provide:
 - Reliable maintenance and monitoring of equipment;
 - Thorough and reliable clean up of bathrooms, general and kitchen areas;
 - Consistent greeting and ability to build relationships;
 - Screening of non GVR members who need to pay an additional fee;
- A responsible approach to collecting money for food and beverages and for how that money might be used and accounted.
- It creates an insurance and licensing risk because we are not allowed to consistently serve food and beverages without AZ licensing. If we do it too much, it may open GVR up to scrutiny regarding AZ and IRS sales and UBIT taxes.
- Using volunteers and not employees to provide a daily food service puts GVR at risk for violation of and inability to assure compliance with safety, fire, and county facility licensing codes and requirements.
- Sun City suggested not using volunteers as it creates problems amongst the residents; not worth it.
- Costs would be incurred for training and monitoring

Other Options

Vendor Option

1. Vendor option was not available during discussion of the Subcommittee
2. Pro's:
 - a. Has experience operating a café
 - b. Less risk for GVR
 - c. GVR meets members need for a café as identified in surveys
3. Con's
 - a. GVR loses control of space while a café
 - b. More difficult to coordinate as a social gathering place
 - c. Lose control of offering special pricing
 - d. Requires additional coordination with GVR to market and coordinate special events;

Other

1. Volunteers/Coffee pot available; not clear about the availability of food
2. Pro's:
 - a. Starts GVR offering some level of service at Clubhouse
3. Con's
 - a. cost of using volunteers without any revenue stream; no social coordinator;
 - b. use of volunteers problematic due to reasons stated on prior slide
 - c. less conducive to social gathering place because of consistency of staffing with volunteers
 - d. it requires a license if ANY food is sold

FAC Subcommittee Report:

Key *Market Survey Results for the Development of a Del Sol Clubhouse Café (full results included in Back Up section)*



February 5, 2024

Survey Results: Response, Concept, Familiarity

- ✓ **Out of 23,000 potential responses, we received 2230 or roughly 10%**
- ✓ Responses between zip codes were 47% from 85614 and 53% from 85622
- ✓ Most respondents, 71%, live here year round
- ✓ **57% indicated they would support a food and beverage offering:**
 - 23% indicated maybe/unsure
 - 19% indicated no
 - Less than 1% did not respond
- ✓ **89% indicated they are familiar with the Del Sol Clubhouse and its location**
 - However, only 42% have visited the facility and 58% have not
 - 64% have used the Canoa Hills Trails Park



Survey Results: Hours of Availability Preferences

- ✓ Availability (hours of operation):
 - Mornings to early afternoon – 47%
 - Mornings to early evening – 43%
 - Mornings only – 10%

Survey Results: Estimated Use

- ✓ Estimated usage – most or 71% said they would use the café frequently or occasionally:
 - 27% said they would use the coffee shop frequently (once or twice a week)
 - 44% said they would use it occasionally (no more than twice a month)
 - 11% said they would use it infrequently (no more than twice every three months)
 - 19% left this question blank

Survey Results: Delivery Option

- ✓ Rankings for preferences on how to deliver food and beverages were:
 1. The highest ranked preference, or 35%, was for Café with limited beverages and food
 2. The second highest preference, or 32%, was for a Café with expanded beverages, food and alcohol but not a full restaurant
 3. The third preference, or 22%, was for using food trucks
 4. The fourth preference, or 10%, was for vending machines

Survey Results: Non GVR Member Access and Allowing Dogs

- ✓ Most or 59% agree that non GVR members should be allowed to use the Café but not the rest of the facility
 - 30% said no to this
 - 11% did not respond

- ✓ Regarding dogs:
 - 32% responded they should be allowed on both patios
 - Another 32% said they should be allowed on only one patio
 - 27% said dogs should not be allowed
 - 10% did not respond

Subcommittee Changes to the Corporate Policy Manual

Pet Policy

- Corporate Policy Manual to be amended to include pets on the front patio only
- Meets the needs of GVR members who own pets
- Opens customer base and helps to financially support the Café

Allow non GRV members to use the café only

- Change CPM to allow non GVR people to use café only for a recommended daily token fee of 1.00, similar to Elks Club
- Other areas in the Clubhouse are secure and require guest passes, which we propose be purchased at the café
- Changing CPM for this GVR Center recognizes Del Sol Club as a unique entity- **a clubhouse**
- Café is a business enterprise; needs to maximize revenues to benefit café and GVR overall

CPM NonMember Language

2. Guest Policy

- A. Guest privileges are intended for temporary visitors of a Regular Member, Assigned Member, Tenant, CRCF Resident, or Life Care Member of GVR and who live outside a twenty (20) mile distance from established GVR boundaries.
- B. GVR Members, Assigned Members, Life Care Members, and CRCF Residents may purchase one (1) annual guest card which allows for four (4) adults per visit with unlimited visits. Annual guest cards are valid through the end of the calendar year and fees are not prorated. No more than one (1) annual guest card may be purchased by a GVR Member regardless of the number of properties owned and may not be purchased for tenant-occupied properties.
- C. GVR Members, Assigned Members, Life Care Members, CRCF Residents, and Tenants may purchase daily guest cards which allow for four (4) adults on a specific day. Exception: Del Sol Clubhouse Café will use a token fee system for daily use when non-members purchase food or drink.

- Amend the CPM Fee Chart to provide a \$1.00 daily guest pass for the del Sol Clubhouse Café only

CPM – Pet Friendly Language

6. Use of GVR Facilities

A. Reservations

1. Reservations will be assigned in the following order:
 - Board of Directors
 - Recreation Staff (e.g., special events, classes, concerts, programs, annual festivals and performances)
 - Regularly scheduled club events (weekly and monthly)
 - Community events (e.g., HOA) and rentals
 - Club one-time special events or parties
 - Private member functions
 - Club additional ongoing activity requests
- Animals are not permitted in or on GVR property, except service animals, unless otherwise authorized by the GVR Chief Executive Officer (CEO) to accommodate community events or other special circumstances.
- OR: Due to the public or community walking trails, Del Sol Clubhouse will allow in the front patio seating areas only outdoor seating areas only leashed animals under the control of their handlers at all times, well-behaved, and do not create a disturbance or pose a threat to others. If an animal is not under control or behaves inappropriately, the handler will be asked to remove the animal from the premises.

Recommendation from Subcommittee

Adopt the Subcommittee report which includes the following:

- a. Release of the Cy 2024 funds and positions included in the budget to open a staff-operated cafe in the Del Sol Clubhouse, offering limited food and beverages;
- b. Approval of the CPM language change to allow access to NONGVR patrons for a nominal fee of \$1.00
 - 1. Staff raised the issue of capital costs to ensure security to other parts; need keypad at the gate going down the stairwell to the lower level; need keypad at the glass doors;
- c. approval of the CPM language change to allow pets on one of the patios. '
- d. Release the \$50K for the completion of the kitchen /cafe area and purchase of equipment and supplies.

FAC Discussion of February 20, 2024

- It was reported vendor option was a potentially viable option and staff needed time to explore it.
- Any vendor option would require a unique contract due to the sharing of space and marketing of entity to GVR members
- CPM language changes were needed regardless of whether it was a staff-operated or vendor-operated entity
- \$50K for capital items, such as electrical, plumbing, chairs, patio furniture and major supplies were needed to get the space ready for opening as close to the overall opening of Del Sol Clubhouse

FAC- Action Recommended to the Board

- Move a motion to **accept** the Subcommittee's Del Sol Café Report of February 9th (Passed FAC unanimously)
- Move three separate motions to implement sections of the Report that apply to either staff-operated or vendor-operated café;
 - Approval of the CPM language change to allow longer patrons for a nominal fee of \$1.00 (Passed 7-1 vote)
 - approval of the CPM language change to allow pets on one of the patios. (Passed 7-1 vote)
- Move to adopt the Staff's recommendation for the release of \$50K for startup (Passed FAC 7-1 Vote)

Summary

Del Sol Clubhouse with a café would be a gem of a social gathering place that meets the needs of our GVR members and would play a crucial role in fostering a sense of belonging and social cohesion within a community



Back-Up Slides

FAC Subcommittee Report:

Market Survey Results for Development of a Del Sol Clubhouse Café



February 5, 2024

Objectives of Survey

- Ideally obtain 10% survey response rate which will provide greater predictive value
- Obtain the input of the GVR membership to determine if the concept of developing a cafe within the Del Sol Clubhouse is directionally correct
- Get a sense of how familiar the membership is with the Del Sol facility
- Obtain input around potential use of a coffee shop, hours of availability, food and beverage options, delivery mode, and preferences regarding allowing non GVR members and dogs



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Survey Results: Food and Beverage Preferences

✓ Beverage preferences:

- Coffee – 19%
- Bottled Water – 13%
- Tea and Soda 12% each
- Wine – 9%
- Beer and fruit drinks - 8% each
- All of the above – 17%

✓ Food preferences:

- Lunch sandwiches – 15%
- Pastries, breakfast sandwiches, soup and salads – 12% each
- Desserts – 9%
- Quiches – 8%
- All of the above – 21%



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