

Notes for three minutes Draper City Council

Mayor Walker and City Council.

My name is Gary Free 13561 Aintree Hill Cove, Draper

A you know I have submitted a memorandum of understanding regarding possibilities for construction of Civic Center with a 10,500 square foot Museum and Event Center. If signed, the MOU does not bind either party and can be cancelled with 30-day notice.

I think we have a common goal to see something like this happen if it does not have any significant cost to the city. The Foundation can be funded, and the construction cost of the museum improvements can be funded.

The feedback I am getting is that this project may not be able to be financially feasible after opening. My team has looked at these concerns and studied this extensively.

In most income properties the largest single operation expense is a commercial Real Estate property tax. As you know, city property is not taxed and with the foundation donation there will be no debt.

In the private world when event centers are built for income cashflow, they must pay property tax and most use debt. Assuming this is a \$6,000,000 market valuation with land and building the tax would be approximately \$31,500 The debt service on a concrete \$2.5 Million loan for 20 years at 6% would be a payment of \$17,910 per month or \$214,020 per year. This is a large advantage.

The savings for a free and clear property owned in with a non-profit status is about.

31,500

214929

\$246,000

That leaves the main operating expenses for this size and type of property.

Insurance \$1.20 SF 12,600

Maintenance \$2.50 SF 26,250

Utilities /\$2.28 SF 23,000

Other 5,000

Total \$66,850 (\$5,570 per month) or about one weekend Rental of the Event space.

In Salt Lake County, the average rental rate for a 5,000-square-foot event space with a food prep kitchen ranges from **\$250 to \$450 per hour** for short-term hourly rentals, or **\$2,000 to \$5,500 per event day**, depending heavily on the day of the week and the facility type. [1, 2]

A breakdown of the average pricing structures, standard venue styles, and typical hidden fees associated with this footprint in the local market details what to expect:

Average Rental Pricing Models

Rental Type	Price Range (Est. Total)	Market Details
Hourly Rate (Venues/Studios)	\$250 – \$450 / hour	Often requires a 3-to-4 hour minimum booking.
Weekday Full-Day Rate	\$2,000 – \$3,500 / day	Typically applies Monday through Thursday.
Weekend Full-Day Rate	\$3,500 – \$5,500+ / day	Fridays and Saturdays command peak pricing.

Local Venue Examples with Kitchen Access

A 5,000-square-foot venue typically accommodates up to **250 to 300 seated guests** or up to 400 for a standing reception. Venues offering this scale alongside kitchen access in the county fall into three distinct styles: [1, 2]

- **Commercial Kitchen Incubators:** Facilities like Square Kitchen in Salt Lake City feature front event spaces attached directly to expansive shared commercial kitchens. Event hosting packages often sit around **\$125 per hour** for basic setups, plus distinct cleaning fees. [1, 2, 3]
- **Modern Industrial Studios:** Venues such as **West Main Studio** or **The Studio Draper** offer roughly 5,000 square feet of versatile space equipped with fully functional kitchens. Daily flat rates typically center around **\$2,500 to \$4,500** depending on the day's demand. [1, 2]
- **Suburban Event Centers:** Spaces like the **Ladu Event Center** in Sandy offer larger footprints (around 9,000 sq ft) with customizable ballroom allocations and complete food prep kitchens starting with custom-quoted minimums around **\$350** for micro-rentals up into the thousands for full weekend blocks. [1, 2]

Critical Budget Factors & Hidden Costs

When evaluating the "all-in" cost of a kitchen-equipped venue, remember to account for these localized fees:

- **Setup & Breakdown Time:** Most hourly venues charge their full rate (or a slightly reduced **\$100–\$125/hr rate**) for the time you need to decorate, load in food, and clean up. [1, 2, 3]
- **Kitchen vs. Catering Rules:** Confirm whether the venue allows external caterers to use the prep kitchen freely or mandates a "preferred vendor list" or an in-house caterer. [1, 2, 3, 4, 5]
- **Cleaning & Janitorial Fees:** Venues providing food prep access almost universally attach a mandatory cleaning deposit or fee ranging from **\$100 to \$300**. [1, 2]
- **Amenities Included:** Check if the base rate covers dynamic rentals like tables, chairs, AV systems, and linens, or if those must be rented separately. [1]