

Mount Vernon Community Wellness Center Operations Study

Final Report
July 18, 2014



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Recreation Facility Planning and Operation Consultants

Table of Contents

Section	I	Executive Summary	1
Section	II	Market Review	7
Section	III	Project Issues.....	41
Section	IV	Comparisons with Other Facilities.....	51
Section	V	Operations Analysis	60
Section	VI	Project Recommendations.....	77
Section	VII	Appendix.....	81

EXECUTIVE SUMMARY

Mount Vernon Community Wellness Center Operations Study



Section I – Executive Summary

The following is a brief executive summary of the Mount Vernon Community Wellness Center Operations Study.

Market Review:

The focus of this indoor recreation center would be to serve the needs of the residents of Mount Vernon. A larger primary service area has been identified that includes the Mount Vernon and Lisbon School Districts. Additionally, a larger secondary service area that reaches beyond the school district boundaries has also been identified for comparative purposes.

Below are listed some of the market opportunities and challenges that exist with this project.

Opportunities

- The demographic characteristics in the Primary Service Area indicate a younger population.
- Both service areas have a relatively high median household income level.
- The population will continue to grow at a steady pace.
- There is not a comprehensive, family focused, public wellness/recreation center in the Mount Vernon area.
- The existing Cornell College and Mount Vernon Community Schools facilities are not able to adequately meet the indoor recreation needs within the market.
- There is no indoor public pool in the Mount Vernon area.
- A partnership with Cornell College and Mount Vernon Community Schools to develop and operate the center would greatly enhance the economic viability of the project.
- An indoor family focused wellness/recreation center improves the quality of life in a community and often serves to bring more unity to a diverse population base.

Challenges

- The demographics of the Secondary Service Area show a population that is older.

EXECUTIVE SUMMARY

Mount Vernon Community Wellness Center Operations Study



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- There are a number of existing private facilities in the greater Mount Vernon area. Most of these facilities have a strong fitness orientation.
 - The overall Secondary Service Area population is still somewhat undersized to support a significant public wellness/recreation center. As a result, to enhance the market, partnerships with other organizations (college and schools) will be important.
 - Funding not only the development but the operation of an indoor wellness/recreation center will have to be clearly defined.

Project Issues:

There are a number of issues that will have a possible significant impact on the planning for the Community Wellness Center.

Partnerships

The key to having this proposed wellness/recreation center become a reality is the establishment of equity partners with a number of other organizations in the Mount Vernon area. The role of potential equity partners in the project will also have an impact on many other areas including site, facility components, and funding. Potential equity partners include:

- City of Mount Vernon
- Cornell College
- Mount Vernon Community Schools
- Cedar Valley YMCA

Site

Based on the fact that the Community Wellness Center will likely have equity partners in the City of Mount Vernon, Cornell College and Mount Vernon Community Schools; selecting a site that will effectively serve the needs of each of the partners becomes paramount. However, while the needs of the college and schools are important, any site that is chosen must have easy access for the general public as they will be the largest user group and will also be the greatest source of revenue.

As a result, a site on the Cornell College campus is not recommended and the two sites located between the college and schools (North School and Cornell-10th) do not provide easy access for the public either. This means that either the Bryant Park, or sites south of the schools (West-

EXECUTIVE SUMMARY

Mount Vernon Community Wellness Center Operations Study



School, Stoner School, and East School) should be considered with the sites south of the schools preferred.

Facility Components

A preliminary program plan has been developed by Sauter Baty Associates for the Community Wellness Center and it includes the following possible components.

- Gymnasium with track
- Swimming pool (with lap lanes, zero depth entry, and diving)
- Fitness equipment area
- Group Exercise room
- Classroom (divisible)
- Conference room
- Support spaces (locker rooms, office space, lobby and storage area)

The priorities for spaces should include:

- Competitive swimming pool – This space is essential for the partnership with the schools and the college.
- Fitness space – Including this amenity is important to overall facility use and revenue generation.
- Gymnasium – This space is very versatile to support not only sports programs but also other activities and programs that require large spaces.

Funding and Operations

Funding both the cost of building the center as well as the anticipated cost of operating the facility will need to be determined.

- Capital Funding – It is clear that a variety of funding sources will be needed to develop the Community Wellness Center. The primary source of capital funding will be a partnership with a number of entities.
- Operations Funding – It is the opinion of Ballard*King & Associates that the proposed full facility will not be able to cover all of its on-going operating costs with revenue generated strictly from the center itself, if the center is operated as a true public facility. As a result there will need to be outside operational funding sources.

EXECUTIVE SUMMARY

Mount Vernon Community Wellness Center Operations Study



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- Operating Structure - Some important decisions will have to be made regarding a possible operating structure for the center. There are four possible operating scenarios.
 - City of Mount Vernon
 - Cedar Rapids Metro YMCA
 - New Non-Profit
 - Private

Realistically the most likely operations scenario is either as a City operated facility or as a YMCA.

Comparisons with Other Communities:

A basic comparison of three other similar recreation facilities in Iowa has been completed. These recreation centers include:

- North Liberty Community Center – North Liberty, Iowa
- Coralville Recreation Center – Coralville, Iowa
- “The W” – Wartburg-Waverly Sports & Wellness Center – Waverly, Iowa

General Conclusions

- The North Liberty and Coralville centers do not track operational expenses and revenues by the actual facilities themselves. Since these budgets include other operational costs and revenues beyond just the center itself, it makes direct comparisons more difficult.
- North Liberty and Coralville have very ala carte fee schedules which tend to lower overall levels of cost recovery.
- The W tracks its expenses and revenues for the center itself but the building has other Wartburg College athletic facilities attached.
- The W has a basic, straight forward, membership rate that helps promote higher revenues and improved cost recovery.
- Each of the centers operate with a substantial operational loss.
- Those centers that have partnerships with other entities are able to share some of the cost of operation.

EXECUTIVE SUMMARY

Mount Vernon Community Wellness Center Operations Study



Operations Analysis:

The following operations analysis has been completed for the planned Mount Vernon Community Wellness Center. Two different revenue options have been developed. The first is an aggressive approach to estimating use and revenues from membership/pass sales and programs taking place at the facility and the second is a more conservative option.

Category	Aggressive	Conservative
Expenditures	\$1,210,754	\$1,210,754
Revenues	\$900,951	\$733,196
Difference	-\$309,803	-\$477,558
Recovery Rate	74%	61%

Operational Tax Implications: The City of Mount Vernon has developed a projection of the property tax requirements to off-set the anticipated annual operational shortfall for the two different proforma options.

Aggressive Option - Operational shortfall of approximately \$300,000 annually.

- The City's taxable valuation at 1/1/2013 was \$147,045,485. The additional tax levy for \$300,000 would be approximately \$2.03 per \$1,000.
- A \$100,000 (current rollback value \$54,000) home would pay an additional \$110.98 per year in property taxes for the \$300,000 annual operational shortfall.
- For a \$250,000 home there would be an additional \$275 per year in property taxes for the \$300,000 shortfall.

Conservative Option - Operational shortfall of approximately \$477,000 annually.

- The City's taxable valuation at 1/1/2013 was \$147,045,485. The additional tax levy for \$477,000 would be approximately \$3.24 per \$1,000.
- A \$100,000 (current rollback value \$54,000) home would pay an additional \$175.18 per year in property taxes for the \$477,000 annual operational shortfall.
- For a \$250,000 home there would be an additional \$438 per year in property taxes for the \$477,000 shortfall.

Project Recommendations:

EXECUTIVE SUMMARY

Mount Vernon Community Wellness Center Operations Study



This section details specific recommendations for the Mount Vernon Community Wellness Center project.

Weight/cardiovascular fitness area- The presence of a large space for fitness activities in the building is essential to developing a strong revenue stream for the facility. More revenue per square foot can be generated from this recreation component than any other indoor amenity.

Pool- Another amenity that affects facility revenues and use is a pool and as a result, Ballard*King & Associates believes strongly that any community focused wellness/recreation center that is being built in most settings should include a recreationally oriented swimming pool as part of its facility components.

Programs- The success of community based wellness/recreation centers is dependent on developing a broad based appeal to the general public. The needs of youth, seniors, and families must be considered and their individual concerns and issues addressed.

Capital replacement fund- A plan for funding a capital replacement program should be developed before the facility opens.

Fees- The revenue projections were based on the concept of not having resident/non-resident fee differential. Since there is a relatively small resident population base, non-residents need to be encouraged to utilize the facility to improve the overall cost recovery rate.

Pass holder benefits – With revenues from long term passes making up the greatest single source of revenues, selling the benefits will be critical. This includes free basic land and water based fitness classes, and free drop-in child sitting. Other options include a 10%-15% discount on all fee based classes and services in the center, a free initial fitness assessment and 1-3 personal training sessions.

Partnerships- The financial performance of the center will also be dependent on the establishment of partnerships with Cornell College and Mount Vernon Community Schools. This will need to include assistance with capital to build the center as well as operational dollars to help cover the yearly shortfall.



Section II – Market Review

The City of Mount Vernon has engaged Ballard*King & Associates to complete an operations study for a planned new community wellness center.

The following is a summary of the basic demographic characteristics of the identified market areas along with potential participation rates of various activities for adults within the service areas.

Service Area: The focus of this indoor recreation center would be to serve the needs of the residents of Mount Vernon. However, it is also understood that the population of the community alone will not support the operation of an indoor recreation facility. Because of this operational reality a larger primary service area has been identified that includes the Mount Vernon and Lisbon School Districts. Additionally, a larger secondary service area that reaches beyond the school district boundaries has also been identified for comparative purposes.

Primary Service Areas are usually defined by the distance people will travel on a regular basis (a minimum of once a week) to utilize a facility or its programs. Secondary Service Areas are usually defined by the distance people will travel on a less consistent basis (a minimum of once a month) to utilize a facility or its programs. Use by individuals in the secondary area will primarily be limited to special events (tournaments, etc.).

Service areas can also vary in size with the types of components that are included in a facility. A center with active elements (weight cardiovascular equipment area, gym, track, etc.) will generally have a larger service area than a more passively oriented facility. Specialized facilities such as a sports field house, ice arena or large competitive aquatic venue will have even larger service areas that make them more of a regional destination.

Service areas can also be based upon a facility's proximity to major thoroughfares. Other factors impacting the use as it relates to driving distance are the presence of alternative service providers in the service area(s). Alternative service providers can have an impact upon membership, daily admissions and the associated penetration rates for programs and services.

MARKET REVIEW

Mount Vernon Community Wellness Center Operations Study



Table A - Service Area Comparison Chart:

	Primary Service Area	Secondary Service Area
Population:		
2010 Census	9,624	20,377
2013 Estimate	9,925	21,038
2018 Estimate	10,378	22,110
Households:		
2010 Census	3,279	7,422
2013 Estimate	3,413	7,715
2018 Estimate	3,605	8,158
Families:		
2010 Census	2,322	5,354
2013 Estimate	2,402	5,529
2018 Estimate	2,515	5,795
Average Household Size:		
2010 Census	2.60	2.58
2013 Estimate	2.59	2.57
2018 Estimate	2.58	2.56
Ethnicity:		
Hispanic	1.7%	1.7%
White	96.3%	96.8%
Black	0.7%	0.6%
American Indian	0.2%	0.2%
Asian	1.0%	0.8%
Pacific Islander	0.0%	0.009%
Other	0.4%	0.4%
Multiple	1.5%	1.3%
Median Age:		
2010 Census	34.1	37.5
2013 Estimate	34.8	38.2
2018 Estimate	35.8	38.6
Median Income:		
2013 Estimate	\$71,648	\$66,971
2018 Estimate	\$85,744	\$82,569
Household Budget Expenditures¹:		
Housing	113	110
Entertainment & Recreation	119	118

¹ This information is placed on an index with a reference point being the National average of 100.

MARKET REVIEW

Mount Vernon Community Wellness Center Operations Study

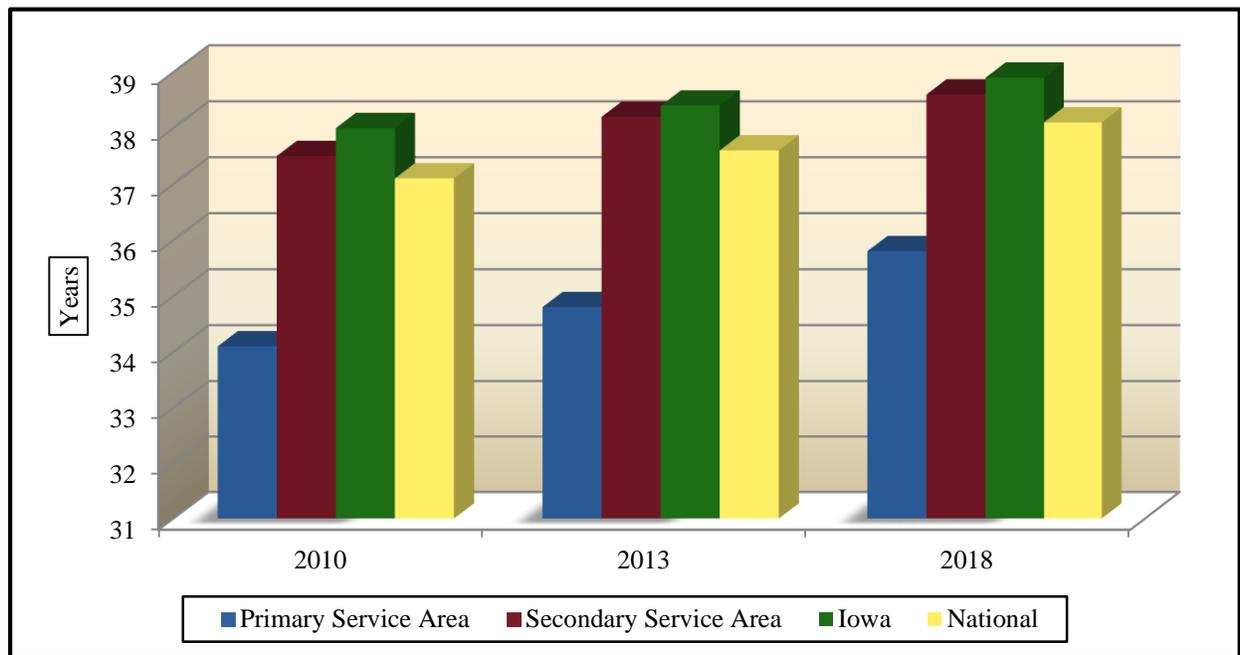


Median Age and Household Income: The median age and household income levels are compared with the national number as both of these factors are primary determiners of participation in recreation activities. The lower the median age, the higher the participation rates are for most activities. The level of participation also increases as the median income level goes up.

Table B – Median Age:

	2010 Census	2013 Projection	2018 Projection
Primary Service Area	34.1	34.8	35.8
Secondary Service Area	37.5	38.2	38.6
State of Iowa	38.0	38.4	38.9
Nationally	37.1	37.6	38.1

Chart A – Median Age



The median age for the Primary Service Area is significantly less than the National number while the Secondary Service Area and State of Iowa are greater than the National number. The Primary Service Area statistic take into account the presence of students at Cornell College.

MARKET REVIEW

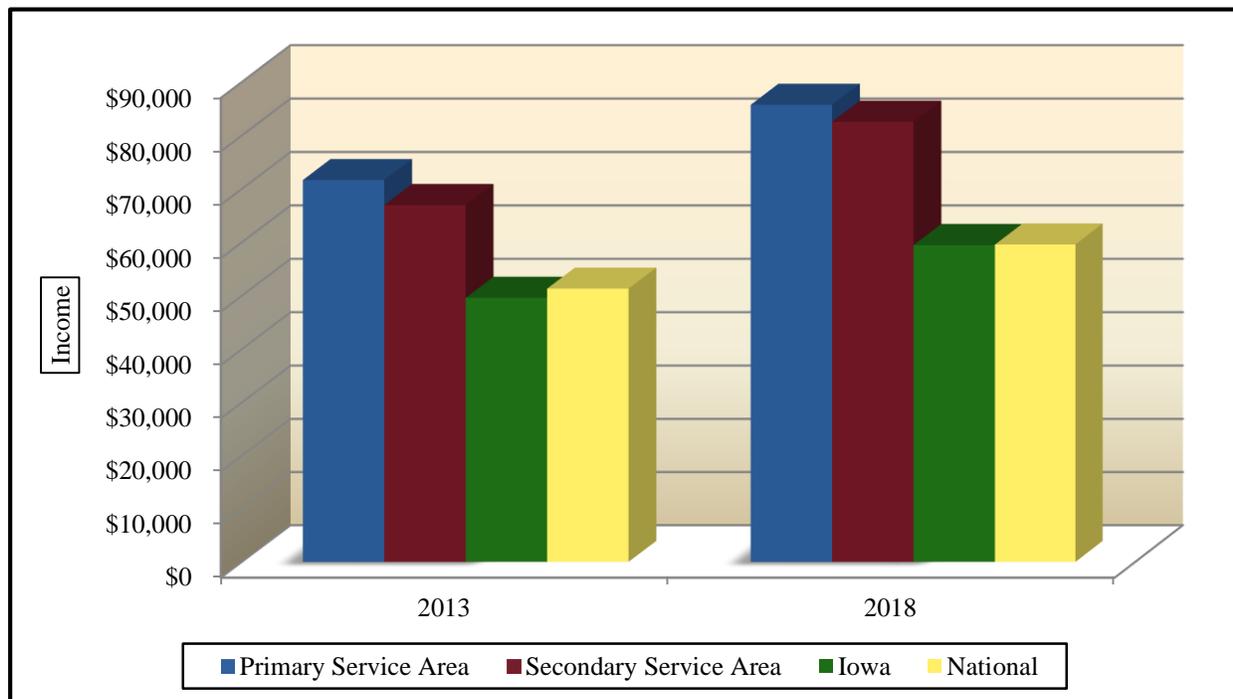
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Table C – Median Household Income:

	2013 Estimate	2018 Projection
Primary Service Area	\$71,648	\$85,744
Secondary Service Area	\$66,971	\$82,569
State of Iowa	\$49,606	\$59,486
Nationally	\$51,314	\$59,580

Chart B – Median Household Income



MARKET REVIEW

Mount Vernon Community Wellness Center Operations Study



Based upon 2013 projections the following narrative can be provided the service areas:

In the Primary Service Area service area the percentage of households with median income over \$50,000 per year is 66.3% compared to 51.5% on a national level. Furthermore, the percentage of the households in the service area with median income less than \$25,000 per year is 15.5% compared to a level of 24.0% nationally. These are relatively surprisingly numbers considering the number of college students in the area which tends to drive down the income levels in most communities.

In the Secondary Service Area service area the percentage of households with median income over \$50,000 per year is 66.0% compared to 51.5% on a national level. Furthermore, the percentage of the households in the service area with median income less than \$25,000 per year is 14.3% compared to a level of 24.0% nationally.

The median household income in the Primary Service Area and Secondary Service Area is greater than the State and National income level while the State level is slightly below the National numbers. This information must be balanced with the overall cost of living in the area and the Spending Potential Index(s) for Recreation.

MARKET REVIEW

Mount Vernon Community Wellness Center Operations Study



Household Budget Expenditures: In addition to taking a look at Median Age and Median Income, it is important to examine Household Budget Expenditures. In particular looking at housing information; shelter, utilities, fuel and public services along with entertainment & recreation can provide a snap shot into the cost of living and spending patterns in the services areas. The table below looks at that information and compares the service areas.

Table D – Household Budget Expenditures²

Primary Service Area	SPI	Average Amount Spent	Percent
Housing	113	\$23,974.96	30.5%
<i>Shelter</i>	<i>111</i>	<i>\$18,036.55</i>	<i>23.0%</i>
<i>Utilities, Fuel, Public Service</i>	<i>118</i>	<i>\$5,938.41</i>	<i>7.6%</i>
Entertainment & Recreation	119	\$3,886.46	4.9%

Secondary Service Area	SPI	Average Amount Spent	Percent
Housing	110	\$23,483.94	30.4%
<i>Shelter</i>	<i>109</i>	<i>\$17,710.95</i>	<i>22.9%</i>
<i>Utilities, Fuel, Public Service</i>	<i>114</i>	<i>\$5,773.00</i>	<i>7.5%</i>
Entertainment & Recreation	118	\$3,838.06	5.0%

State of Iowa	SPI	Average Amount Spent	Percent
Housing	88	\$18,685.73	30.1%
<i>Shelter</i>	<i>86</i>	<i>\$13,899.50</i>	<i>22.4%</i>
<i>Utilities, Fuel, Public Service</i>	<i>95</i>	<i>\$4,786.23</i>	<i>7.7%</i>
Entertainment & Recreation	95	\$3,080.02	5.0%

- SPI:** Spending Potential Index as compared to the National number of 100.
- Average Amount Spent:** The average amount spent per household.
- Percent:** Percent of the total 100% of household expenditures. **Note:** Shelter along with Utilities, Fuel, Public Service are a portion of the Housing percentage.

² Consumer Spending data are derived from the 2004 and 2005 Consumer Expenditure Surveys, Bureau of Labor Statistics. ESRI forecasts for 2013 and 2018.



Chart C – Household Budget Expenditures Spending Potential Index

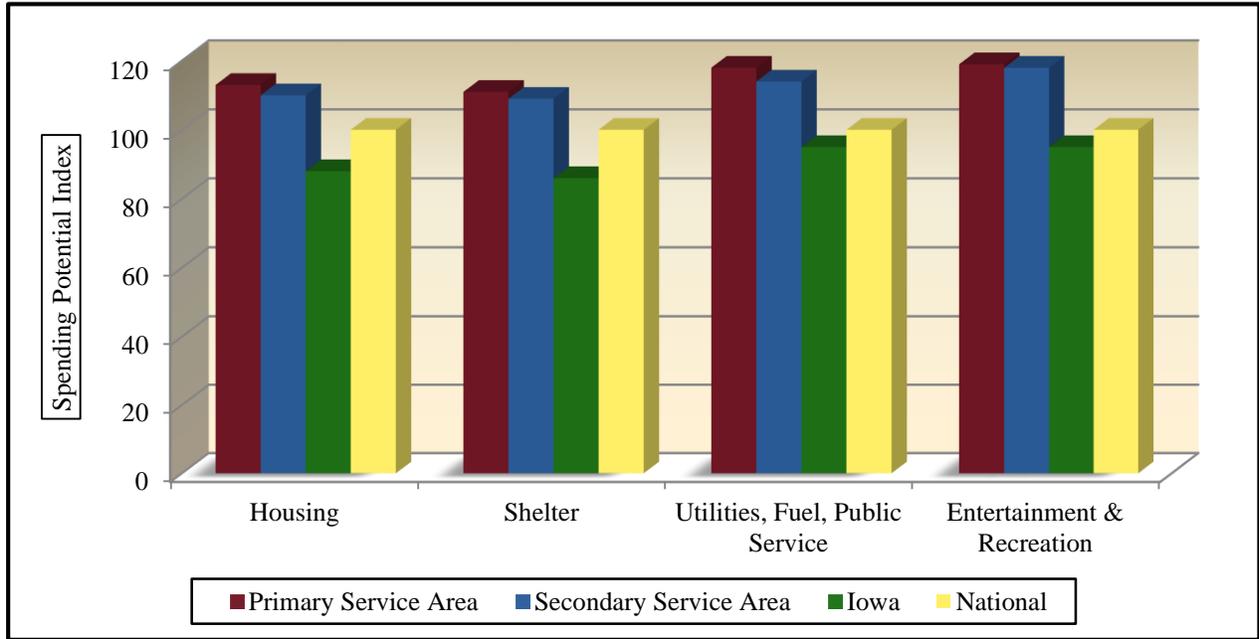


Chart C, illustrates the Household Budget Expenditures Spending Potential Index in the service areas. The index in the Primary Service Area and Secondary Service Area is greater than the National number, while the State of Iowa is lower than the National number. These numbers would indicate that as a whole more dollars are being spent which would also equate to a higher cost of living. This also provides some framework with which to further examine the median household income and the impact that it may or may not have on a future facility.

It will be important to keep this information in mind when developing fee structure and looking at an appropriate cost recovery philosophy.

MARKET REVIEW

Mount Vernon Community Wellness Center Operations Study



Recreation Expenditures Spending Potential Index: Finally through the demographic provider that B*K utilizes for the market analysis portion of the report, it is possible to examine the overall propensity for households to spend dollars on recreation activities. The following comparisons are possible.

Table E – Recreation Expenditures Spending Potential Index³

Primary Service Area	SPI	Average Spent
Fees for Participant Sports	116	\$136.94
Fees for Recreational Lessons	111	\$137.51
Social, Recreation, Club Membership	121	\$201.14
Exercise Equipment/Game Tables	112	\$75.90
Other Sports Equipment	115	\$9.83

Secondary Service Area	SPI	Average Spent
Fees for Participant Sports	115	\$135.33
Fees for Recreational Lessons	110	\$136.76
Social, Recreation, Club Membership	117	\$194.70
Exercise Equipment/Game Tables	112	\$75.72
Other Sports Equipment	119	\$10.15

State of Iowa	SPI	Average Spent
Fees for Participant Sports	82	\$96.52
Fees for Recreational Lessons	79	\$98.18
Social, Recreation, Club Membership	83	\$138.65
Exercise Equipment/Game Tables	88	\$59.74
Other Sports Equipment	107	\$9.14

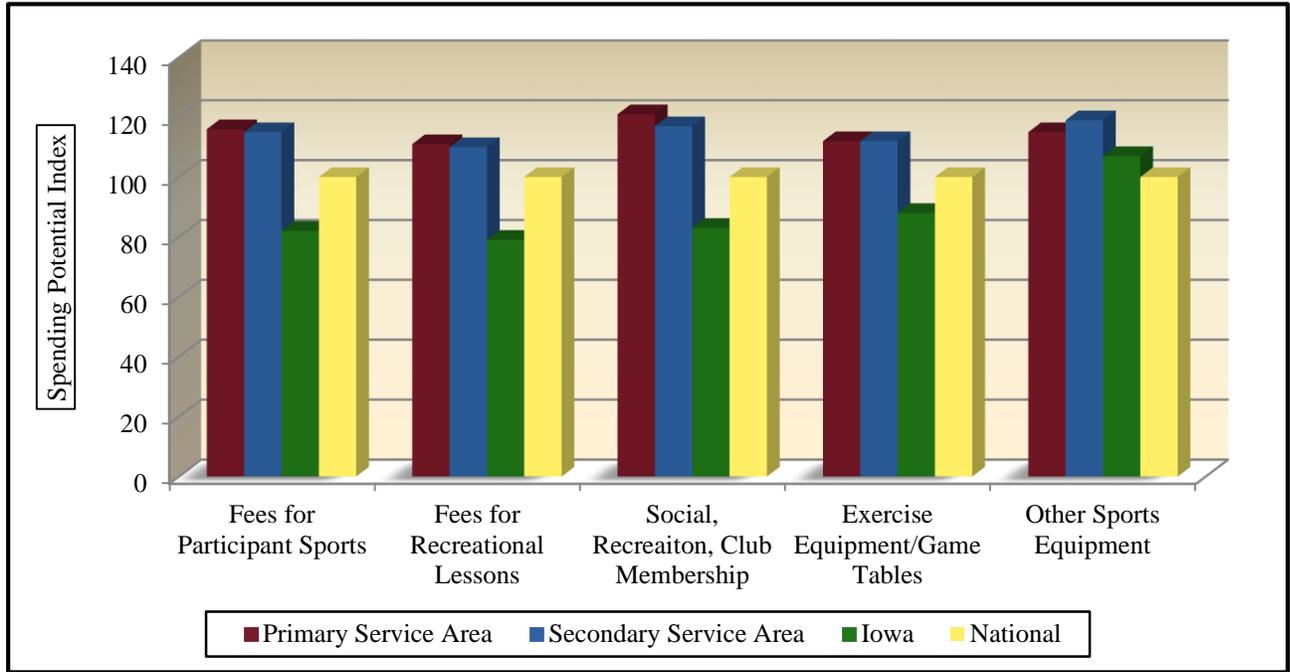
Average Amount Spent: The average amount spent for the service or item in a year.

SPI: Spending potential index as compared to the national number of 100.

³ Consumer Spending data are derived from the 2006 and 2007 Consumer Expenditure Surveys, Bureau of Labor Statistics.



Chart D – Recreation Spending Potential Index



The SPI for Entertainment & Recreation Services in the Primary Service Area and Secondary Service Area is greater than National index while the State of Iowa is less than the National index.

It is also important to note that these dollars are currently being spent, so the identification of alternative service providers and the ability of another facility to capture a portion of these dollars will be important.

Service Area Analysis:

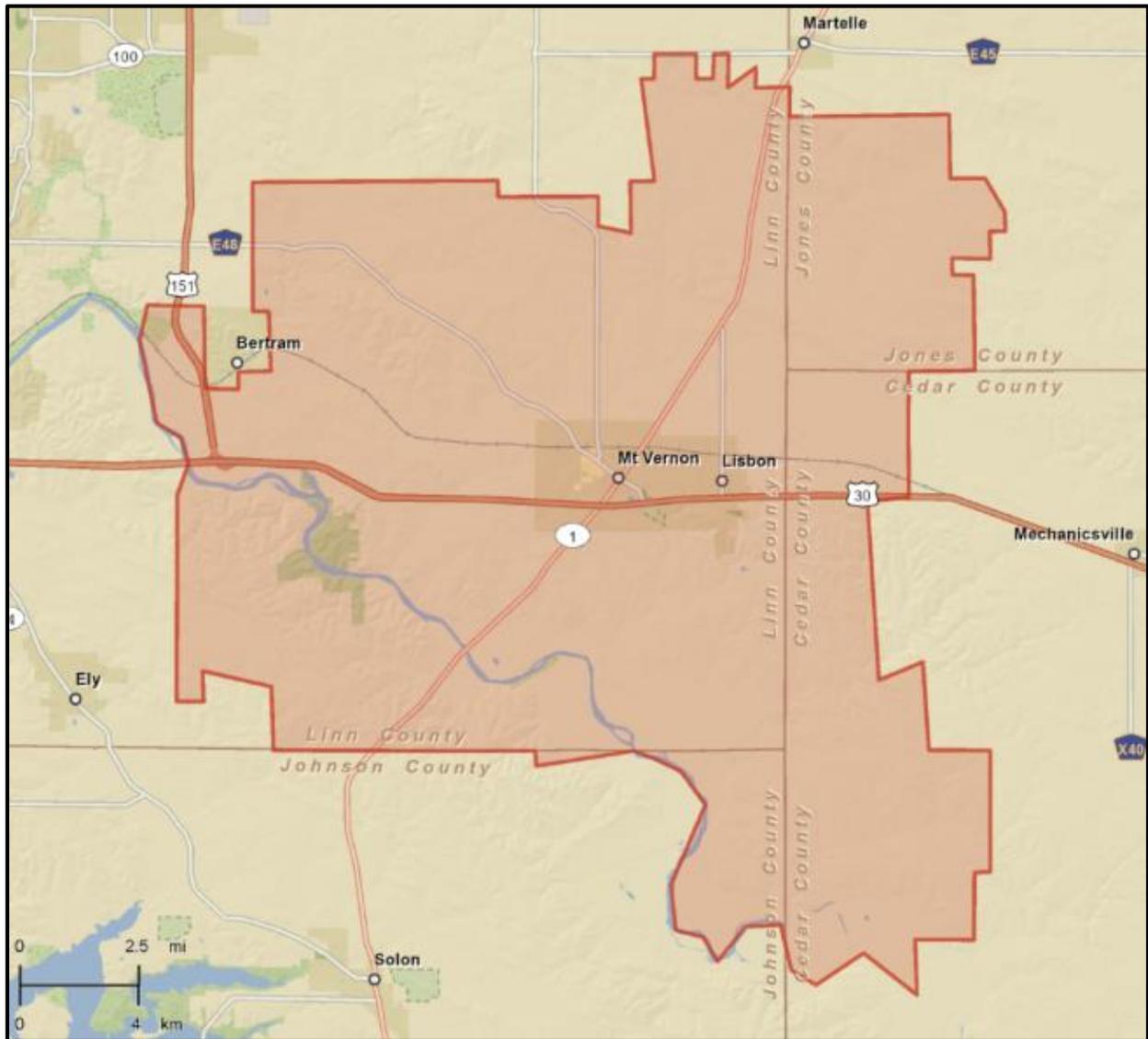
The following is a specific analysis of the Primary and Secondary Service areas.

MARKET REVIEW

Mount Vernon Community Wellness Center Operations Study



Map A – Primary Service Area



MARKET REVIEW

Mount Vernon Community Wellness Center Operations Study



Population Distribution by Age: Utilizing census information for the Primary Service Area, the following comparisons are possible.

Table F – 2013 Primary Service Area Age Distribution

(ESRI estimates)

Ages	Population	% of Total	Nat. Population	Difference
-5	583	5.9%	6.5%	-0.6%
5-17	1,773	17.8%	16.9%	+0.9%
18-24	1,642	16.6%	10.1%	+6.5%
25-44	2,108	21.2%	26.3%	-5.1%
45-54	1,339	13.5%	13.9%	-0.4%
55-64	1,258	12.7%	12.6%	+0.1%
65-74	740	7.5%	7.8%	-0.3%
75+	482	4.9%	6.1%	-1.2%

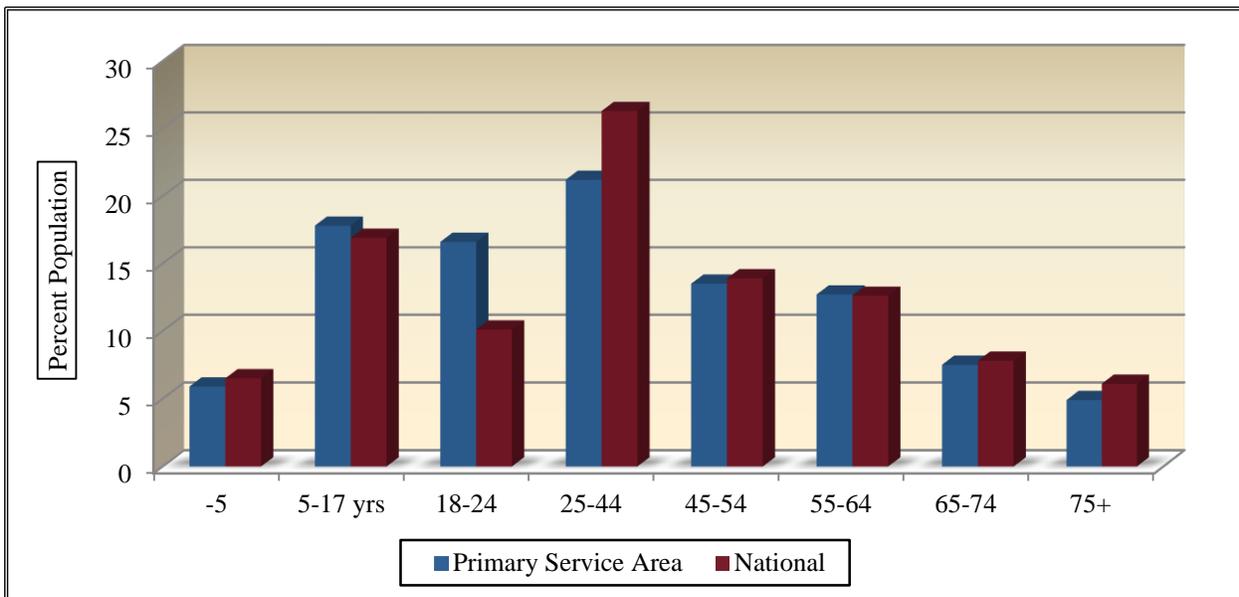
Population: 2013 census estimates in the different age groups in the Primary Service Area.

% of Total: Percentage of the Primary Service Area population in the age group.

National Population: Percentage of the national population in the age group.

Difference: Percentage difference between the Primary Service Area population and the national population.

Chart E – 2013 Primary Service Area Age Group Distribution



MARKET REVIEW

Mount Vernon Community Wellness Center Operations Study



The demographic makeup of the Primary Service Area, when compared to the characteristics of the national population, indicates that there are some differences with an equal or larger population in the 5-17, 18-24 and 55-64 age groups and a smaller population in the -5, 25-44, 45-54, 65-74 and 75+ age groups. The largest positive variance is in the 18-24 age groups with +6.5%, while the greatest negative variance is in the 25-44 age group with -5.1%. The large positive variance in the 18-24 age group reflects the presence of students at Cornell College.

MARKET REVIEW

Mount Vernon Community Wellness Center Operations Study



Population Distribution Comparison by Age: Utilizing census information from the Primary Service Area, the following comparisons are possible.

Table G – 2013 Primary Service Area Population Estimates

(U.S. Census Information and ESRI)

Ages	2010 Census	2013 Projection	2018 Projection	Percent Change	Percent Change Nat'l
-5	592	583	608	+2.7%	+3.0%
5-17	1,814	1,773	1,787	-1.5%	-0.7%
18-24	1,556	1,642	1,657	+6.5%	-0.4%
25-44	2,089	2,108	2,202	+5.4%	+4.2%
45-54	1,385	1,339	1,255	-9.4%	-7.7%
55-64	1,114	1,258	1,351	+21.3%	+15.7%
65-74	649	740	958	+47.6%	+39.5%
75+	426	482	561	+31.7%	+14.8%

Chart F – Primary Service Area Population Growth

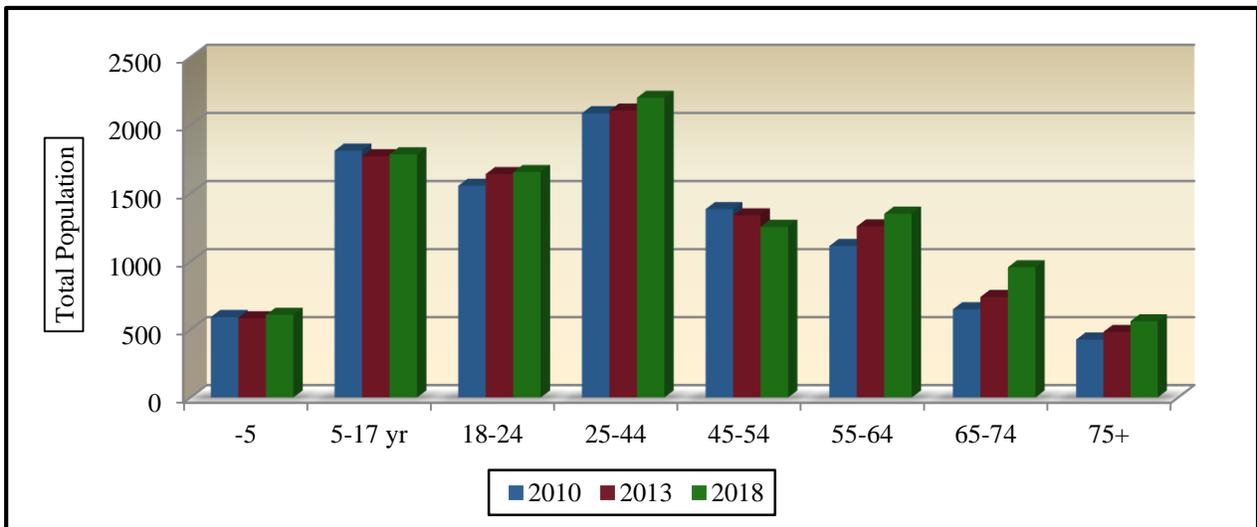


Table-G, illustrates the growth or decline in age group numbers from the 2010 census until the year 2018. It is projected that all of the age categories except 5-17 and 45-54 will see an increase in population or static growth. It must be remembered that the population of the United States as a whole is aging and it is not unusual to find negative growth numbers in the younger age groups and significant net gains in the 45 plus age groupings in communities which are relatively stable in their population numbers.

MARKET REVIEW

Mount Vernon Community Wellness Center Operations Study



Ethnicity and Race: Below is listed the distribution of the population by race and ethnicity for the Primary Service Area for 2013 population projections. Those numbers were developed from 2010 Census Data.

Table H – Primary Service Area Ethnic Population and Median Age

(Source – U.S. Census Bureau and ESRI)

Ethnicity	Total Population	Median Age	% of Population	% of IA Population
Hispanic	167	20.2	1.7%	5.6%

Table I – Primary Service Area Population by Race and Median Age

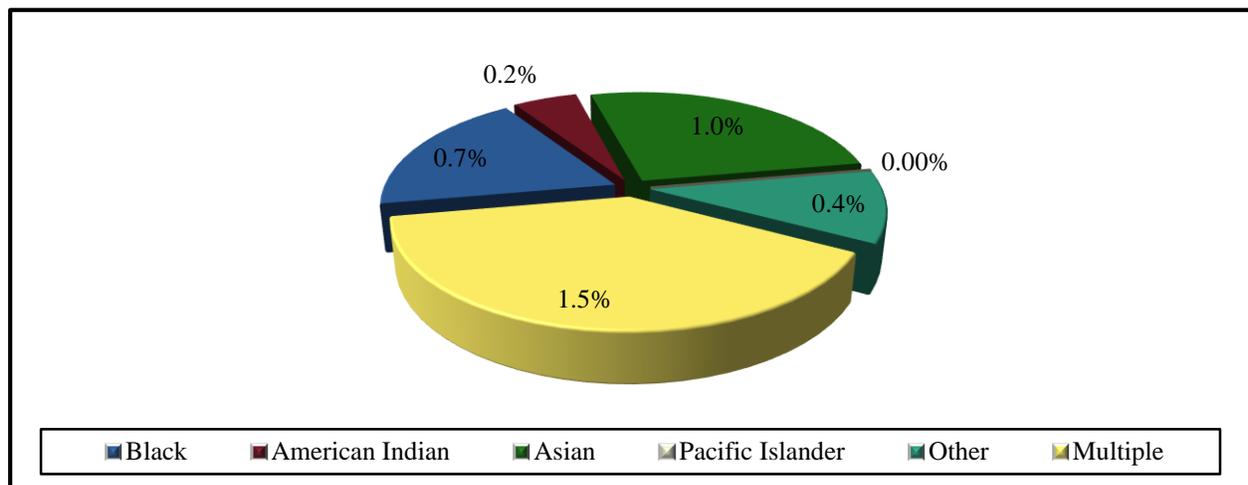
(Source – U.S. Census Bureau and ESRI)

Race	Total Population	Median Age	% of Population	% of IA Population
White	9,554	35.8	96.3%	90.6%
Black	68	20.3	0.7%	3.1%
American Indian	18	20.0	0.2%	0.4%
Asian	103	20.7	1.0%	1.9%
Pacific Islander	0	0.0	0.0%	0.1%
Other	37	22.2	0.4%	2.1%
Multiple	145	19.3	1.5%	1.9%

2013 Primary Service Area Total Population:

9,925 Residents

Chart G – Primary Service Area Non-White Population by Race



MARKET REVIEW

Mount Vernon Community Wellness Center Operations Study



Tapestry Segments: In addition to looking at the age group distribution, population growth along with ethnicity and race of the service area; B*K can further explore the service area by examining the various tapestry segments. The following table outlines the top 5 tapestry segments within the Primary Service Area and provides definitions for each of the tapestries.

Table J – Primary Service Area Tapestry Segment Comparison

(ESRI estimates)

	Primary Service Area		U.S. Households	
	Percent	Cumulative Percent	Percent	Cumulative Percent
Midland Crowd (26)	39.8%	39.8%	3.2%	3.2%
Cozy & Comfortable (18)	21.9%	61.7%	2.2%	5.4%
Metropolitans (22)	12.9%	74.6%	1.4%	6.8%
Exurbanites (07)	11.0%	85.6%	2.5%	9.3%
Salt of the Earth (25)	4.8%	90.4%	2.7%	12.0%

Midland Crowd (26) – With a growing population approximately 4% of the U.S. population identifies with this segment. The median age of 37 years parallels the U.S. and 62% of the households are married couple families; one half of them have children.

Cozy & Comfortable (18) – These residents are middle-aged married couples who are comfortably settled in their single-family homes in older neighborhoods. Most residents are married without children or married couples with school-aged or adult children. Most of these residents are white.

Metropolitans (22) – The residents of these communities prefer to live in older city neighborhoods. Approximately 50% of these households are singles who live alone or with others; 40% are married-couple families. Diversity is low; most of the population is white.

Exurbanites (07) – These residents prefer an affluent lifestyle in open spaces beyond the urban fringe. Although 40% are empty nesters, another 32% are married couples with children still living at home. There is little ethnic diversity, most residents are white.

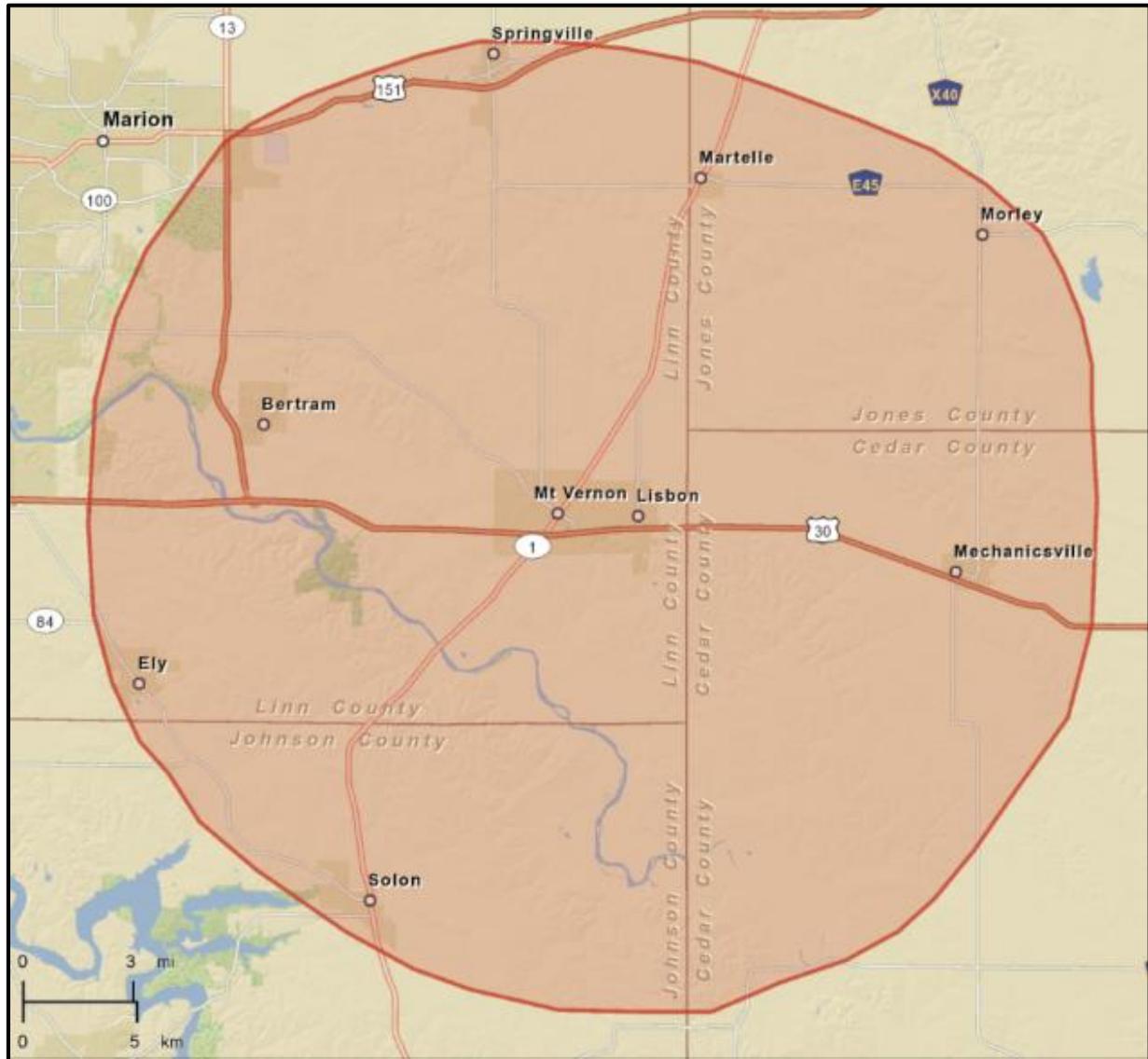
Salt of the Earth (25) – Within this tapestry 65% are married couples with and without children and 20% of the households are singles who live alone. These neighborhoods are the least diverse of the Tapestry segments.

MARKET REVIEW

Mount Vernon Community Wellness Center Operations Study



Map B – Secondary Service Area



MARKET REVIEW

Mount Vernon Community Wellness Center Operations Study



Population Distribution by Age: Utilizing census information for the Secondary Service Area, the following comparisons are possible.

Table K – 2013 Secondary Service Area Age Distribution

(ESRI estimates)

Ages	Population	% of Total	Nat. Population	Difference
-5	1,244	6.0%	6.5%	-0.5%
5-17	3,924	18.5%	16.9%	+1.6%
18-24	2,457	11.7%	10.1%	+1.6%
25-44	4,732	22.5%	26.3%	-3.8%
45-54	3,078	14.6%	13.9%	+0.7%
55-64	2,782	13.2%	12.6%	+0.6%
65-74	1,677	7.9%	7.8%	+0.1%
75+	1,142	5.4%	6.1%	-0.7%

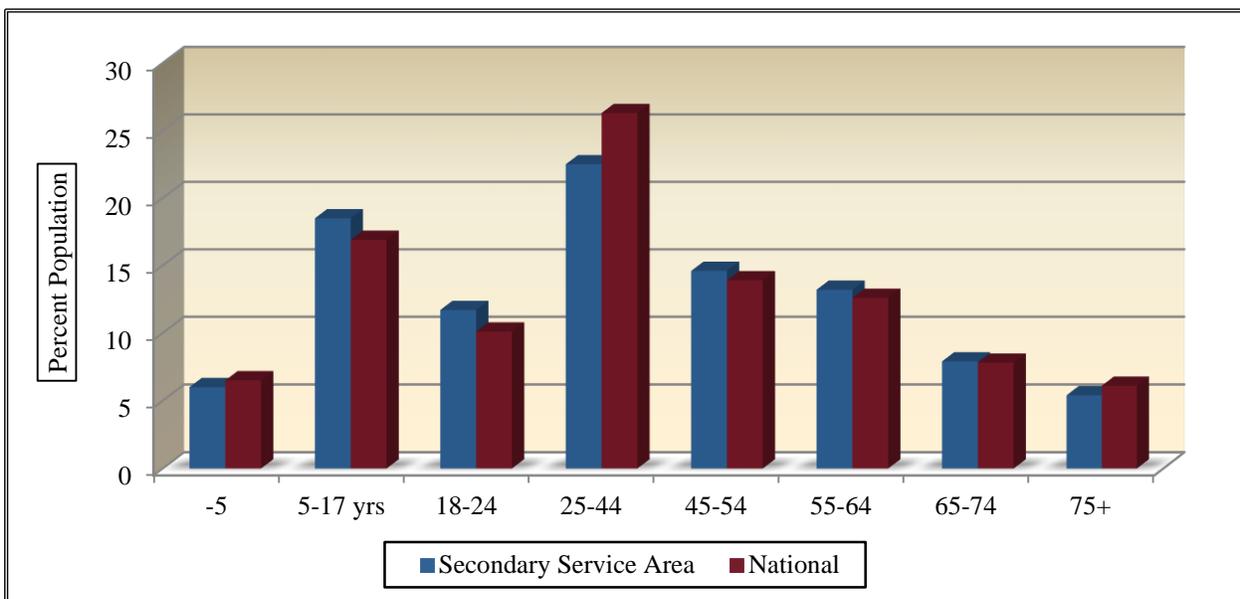
Population: 2013 census estimates in the different age groups in the Secondary Service Area.

% of Total: Percentage of the Secondary Service Area population in the age group.

National Population: Percentage of the national population in the age group.

Difference: Percentage difference between the Secondary Service Area population and the national population.

Chart H – 2013 Secondary Service Area Age Group Distribution



MARKET REVIEW

Mount Vernon Community Wellness Center Operations Study



The demographic makeup of the Secondary Service Area, when compared to the characteristics of the national population, indicates that there are some differences with an equal or larger population in the 5-17, 18-24, 45-54, 55-64 and 65-74 age groups and a smaller population in the -5, 25-44 and 75+ age groups. The largest positive variance is in the 5-17 and 18-24 age groups with +1.6%, while the greatest negative variance is in the 25-44 age group with -3.8%. This generally indicates fewer families with young children.

MARKET REVIEW

Mount Vernon Community Wellness Center Operations Study



Population Distribution Comparison by Age: Utilizing census information from the Secondary Service Area, the following comparisons are possible.

Table L – 2013 Secondary Service Area Population Estimates

(U.S. Census Information and ESRI)

Ages	2010 Census	2013 Projection	2018 Projection	Percent Change	Percent Change Nat'l
-5	1,257	1,244	1,318	+4.9%	+3.0%
5-17	4,009	3,924	3,943	-1.6%	-0.7%
18-24	2,239	2,457	2,523	+12.7%	-0.4%
25-44	4,720	4,732	4,942	+4.7%	+4.2%
45-54	3,144	3,078	2,923	-7.0%	-7.7%
55-64	2,486	2,782	3,029	+21.8%	+15.7%
65-74	1,465	1,677	2,119	+44.6%	+39.5%
75+	1,053	1,142	1,313	+24.7%	+14.8%

Chart I – Secondary Service Area Population Growth

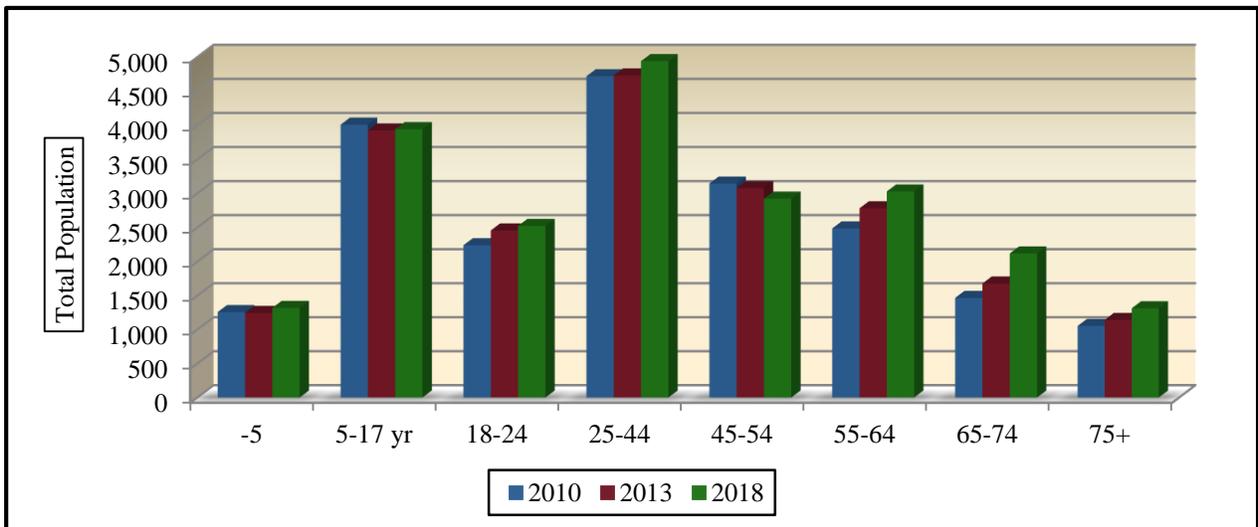


Table-L, illustrates the growth or decline in age group numbers from the 2010 census until the year 2018. It is projected that all of the age categories except 5-17 and 45-54 will see an increase in population or static growth. It must be remembered that the population of the United States as a whole is aging and it is not unusual to find negative growth numbers in the younger age groups and significant net gains in the 45 plus age groupings in communities which are relatively stable in their population numbers.

MARKET REVIEW

Mount Vernon Community Wellness Center Operations Study



Ethnicity and Race: Below is listed the distribution of the population by race and ethnicity for the Secondary Service Area for 2013 population projections. Those numbers were developed from 2010 Census Data.

Table M – Secondary Service Area Ethnic Population and Median Age

(Source – U.S. Census Bureau and ESRI)

Ethnicity	Total Population	Median Age	% of Population	% of IA Population
Hispanic	359	19.8	1.7%	5.6%

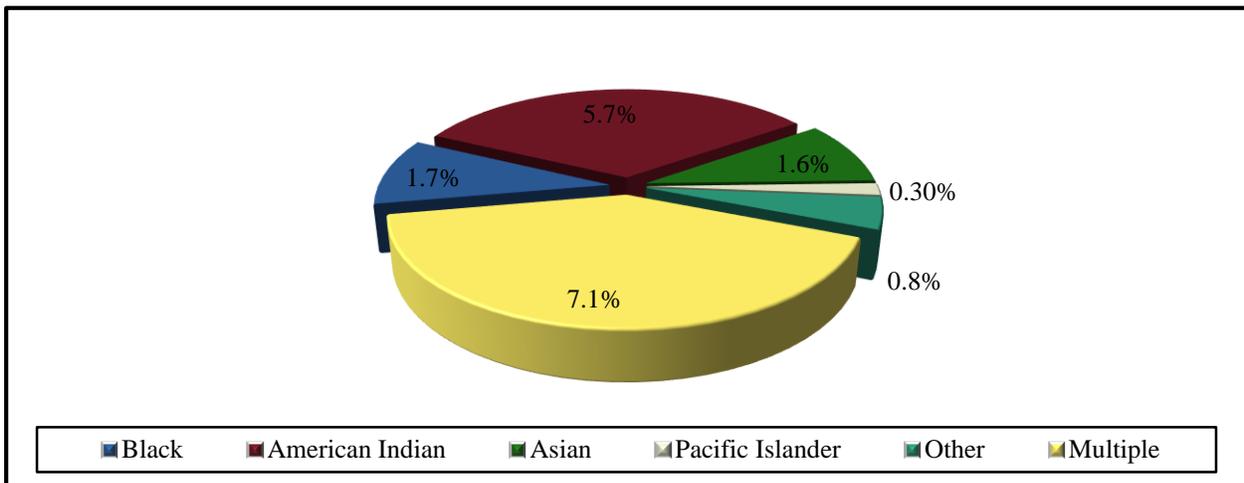
Table N – Secondary Service Area Population by Race and Median Age

(Source – U.S. Census Bureau and ESRI)

Race	Total Population	Median Age	% of Population	% of IA Population
White	20,369	38.9	96.8%	90.6%
Black	119	21.9	0.6%	3.1%
American Indian	34	30.8	0.2%	0.4%
Asian	159	21.1	0.8%	1.9%
Pacific Islander	2	18.0	0.009%	0.1%
Other	76	22.7	0.4%	2.1%
Multiple	279	17.3	1.3%	1.9%

2013 Secondary Service Area Total Population: 21,038 Residents

Chart J – Secondary Service Area Non-White Population by Race



MARKET REVIEW

Mount Vernon Community Wellness Center Operations Study



Tapestry Segments: In addition to looking at the age group distribution, population growth along with ethnicity and race of the service area; B*K can further explore the service area by examining the various tapestry segments. The following table outlines the top 5 tapestry segments within the Secondary Service Area and provides definitions for each of the tapestries.

Table O – Secondary Service Area Tapestry Segment Comparison

(ESRI estimates)

	Secondary Service Area		U.S. Households	
	Percent	Cumulative Percent	Percent	Cumulative Percent
Up & Coming Families (12)	21.8%	21.8%	4.1%	4.1%
Midland Crowd (26)	17.6%	39.4%	3.2%	7.3%
Exurbanites (07)	11.4%	50.8%	2.5%	9.8%
Salt of the Earth (25)	9.9%	60.7%	2.7%	12.5%
Cozy & Comfortable (18)	9.7%	70.4%	2.2%	14.7%

Up and Coming Families (12) – This segment represents Tapestry’s second highest household growth market. This segment is also the youngest of Tapestry’s affluent family markets. Residents are young, affluent families with younger children. Most of the residents are white, however diversity is increasing as the segment grows

Midland Crowd (26) – Approximately 4% of the U.S. population, identifies this segment as Tapestry’s largest. Of the residents in this segment 62% are married couple families, half of them have children. This segment is not ethnically diverse.

Exurbanites (07) – These residents prefer an affluent lifestyle in open spaces beyond the urban fringe. Although 40% are empty nesters, another 32% are married couples with children still living at home. There is little ethnic diversity, most residents are white.

Salt of the Earth (25) – Within this tapestry 65% are married couples with and without children and 20% of the households are singles who live alone. These neighborhoods are the least diverse of the Tapestry segments.

Cozy & Comfortable (18) – These residents are middle-aged married couples who are comfortably settled in their single-family homes in older neighborhoods. Most residents are married without children or married couples with school-aged or adult children. Most of these residents are white.



Demographic Summary

The following summarizes the demographic characteristics of the two service areas.

- The Primary Service Area’s population at approximately 10,000 individuals (2013 estimate) is relatively small to support a new wellness/recreation center. If the Secondary Service Area population is added in, then the total market is approximately 21,000 (2013 estimate). This is a better sized population to draw from for a wellness/recreation center.
- The population in both of the service areas is expected to grow at a reasonable pace in the next five years which will add additional recreation participants to the market.
- The demographic characteristics of the two service areas are somewhat different. The Primary Service Area has a younger population with higher median household income levels while the Secondary Service Area is older with a slightly lower median household income level.
- The cost of living in the area is slightly higher than most other areas of the state but the level of expenditures for entertainment and recreation are higher as well.
- There is virtually no minority population in the area.
- The demographic characteristics of the Primary Service Area are heavily impacted by Cornell College.
- Over the next five years the population of both service areas will see an increase in the under 5 and the senior age groups.

MARKET REVIEW

Mount Vernon Community Wellness Center Operations Study



Sports Participation: B*K can access information about Sports & Leisure Market Potential Index from our demographic provided. The following information illustrates participation rates for adults in various activities in the Secondary Service Area.

Table P – Market Potential Index for Adult Participation in Activities- Secondary Service Area

Adults participated in:	Expected Number of Adults	Percent of Population	MPI
Aerobics	759	10.0%	101
Basketball	653	8.6%	92
Ice Skating	226	3.0%	103
Jogging/Running	827	10.9%	102
Pilates	256	3.4%	102
Swimming	1,659	21.9%	113
Volleyball	262	3.5%	99
Walking for Exercise	2,433	32.1%	108
Weight Lifting	943	12.5%	105
Yoga	449	5.9%	101

Expected # of Adults: Number of adults, 18 years of age and older, participating in the activity.

Percent of Population: Percent of the service area that participates in the activity.

MPI: Market potential index as compared to the national number of 100.

This table indicates that the overall propensity for adults to participate in the various activities listed is above than the national number of 100 in all but 2 activities.

MARKET REVIEW

Mount Vernon Community Wellness Center Operations Study



Sports Participation Trends: Below are listed those sports activities that could take place in an indoor community recreation facility and the percentage of growth or decline that each has experienced nationally over the last 10 years (2003-2012).

Table Q – National Activity Trend (in millions)

Sport/Activity	2012 Participation	2003 Participation	Percent Change
Yoga ⁴	22.9	6.3	+263.5%
Wrestling ⁵	2.8	1.3	+115.4%
Running/Jogging	40.0	22.9	74.7%
Aerobic Exercising	44.8	28.0	60.0%
Gymnastics	5.7	3.9	46.2%
Exercise Walking	102.1	79.5	28.4%
Weight Lifting	31.1	25.9	20.1%
Workout @ Club	35.2	29.5	19.3%
Exercising w/ Equipment	57.7	48.6	18.7%
Swimming	48.6	47.0	3.5%
Volleyball	10.3	10.5	-1.0%
Basketball	25.6	27.9	-8.2%
Cheerleading	3.3	4.1	-19.5%
Billiards/Pool	21.8	30.5	-28.5%

2012 Participation: The number of participants per year in the activity (in millions) in the United States.

2003 Participation: The number of participants per year in the activity (in millions) in the United States.

Percent Change: The percent change in the level of participation from 2003 to 2012.

⁴ Since 2007 growth rate.

⁵ Since 2007 growth rate.



Recreation Activity and Facility Trends: There continues to be very strong growth in the number of people participating in recreation and leisure activities. The Physical Activity Council in its 2013 study indicated that 33% of Americans (age 6 and older) are active to a healthy level. However, the study also indicated that 28% of Americans were inactive. It is estimated that one in five Americans over the age of six participates in some form of fitness related activity at least once a week. American Sports Data, Inc. reported that membership in U.S. health clubs has increased by 10.8% from 2009 to 2010, and memberships in health clubs reached an all-time high of 50.2 million in 2010. Statistics also indicate that approximately 12 out of every 100 people of the U.S. population (or 12%) belong to a health club. On the other side most public recreation centers attract between 20% and 30% of a market area (more than once) during the course of a year. All of this indicates the relative strength of a market for a community recreation facility. However, despite these increases the American population as a whole continues to lead a rather sedentary life with an average of 25% of people across the country reporting that they engage in no physical activity (according to The Center for Disease Control).

One of the areas of greatest participant growth over the last 10 years is in fitness related activities such as exercise with equipment, aerobic exercise and group cycling. This is also the most volatile area of growth with specific interest areas soaring in popularity for a couple of years only to be replaced by a new activity for the coming years. Also showing particularly strong growth numbers are ice hockey and running/jogging while swimming participation remains consistently high despite recent drops in overall numbers. It is significant that many of the activities that can take place in an indoor recreation setting are ranked in the top fifteen in overall participation by the National Sporting Goods Association.

Aquatic Activity and Facility Trends: Without a doubt the hottest trend in aquatics is the leisure pool concept. This idea of incorporating slides, current channels, fountains, zero depth entry and other water features into a pool's design has proved to be extremely popular for the recreational user. The age of the conventional pool in most recreational settings has been greatly diminished. Leisure pools appeal to the younger children (who are the largest segment of the population that swim) and to families. These types of facilities are able to attract and draw larger crowds and people tend to come from a further distance and stay longer to utilize such pools. This all translates into the potential to sell more admissions and increase revenues. It is estimated conservatively that a leisure pool can generate up to 20% to 25% more revenue than a comparable conventional pool and the cost of operation, while being higher, has been offset through increased revenues. Of note is the fact that patrons seem willing to pay a higher user fee at a leisure pool than a conventional aquatics facility.

Another trend that is growing more popular in the aquatic's field is the development of a raised temperature therapy pool for rehabilitation programs. This has usually been done in association with a local health care organization or a physical therapy clinic. The medical organization either provides capital dollars for the construction of the pool or agrees to purchase so many hours of



pool time on an annual basis. This form of partnership has proven to be appealing to both the medical side and the organization that operates the facility. The medical sector receives the benefit of a larger aquatic center, plus other amenities that are available for their use, without the capital cost of building the structure. In addition, they are able to develop a much stronger community presence away from traditional medical settings. The facility operators have a stronger marketing position through an association with a medical organization and a user group that will provide a solid and consistent revenue stream for the center. This is enhanced by the fact that most therapy use times occur during the slower mid-morning or afternoon times in the pool and the center.

Despite the recent emphasis on recreational swimming and therapy, the more traditional aspects of aquatics (including swim teams, instruction and aqua fitness) remain as the foundation for many aquatic centers. The life safety issues associated with teaching children how to swim is a critical concern in most communities and competitive swim team programs through USA Swimming, high schools, and other community based organizations continue to be important. Aqua fitness, from aqua exercise to lap swimming, has enjoyed strong growth during the last ten years with the realization of the benefits of water-based exercise.

The multi-function indoor aquatic center concept of delivering aquatics services continues to grow in acceptance with the idea of providing for a variety of aquatics activities and programs in an open design setting that features a lot of natural light, interactive play features and access to an outdoor sundeck. The placing of traditional instructional/competitive pools, with shallow depth/interactive leisure pools and therapy water, in the same facility has been well received in the market. This idea has proven to be financially successful by centralizing pool operations for recreation service providers and through increased generation of revenues from patrons willing to pay for an aquatics experience that is new and exciting. Indoor aquatic centers have been instrumental in developing a true family appeal for community-based facilities. The keys to success for this type of center revolve around the concept of intergenerational use in a quality facility that has an exciting and vibrant feel in an outdoor like atmosphere.

Also changing is the orientation of aquatic centers from stand-alone facilities that only have aquatic features to more of a full-service recreation center that has fitness, sports and community based amenities. This change has allowed for a better rate of cost recovery and stronger rates of use of the aquatic portion of the facility as well as the other “dry side” amenities.

Due to the increasing recreational demands there has been a shortage in most communities of the following spaces:

- Gymsnasiums
- Pools (especially leisure pools)
- Weight/cardiovascular equipment areas
- Indoor running/walking tracks



- Meeting/multipurpose (general program) space
- Senior's program space
- Pre-school and youth space
- Teen use areas

As a result, many communities have attempted to include these amenities in public community recreation facilities. With the growth in youth sports and the high demand for school gyms, most communities are experiencing an acute lack of gymnasium space. Weight/cardiovascular space is also in high demand and provides a facility with the potential to generate significant revenues.

The success of most recreation centers is dependent on meeting the recreational needs of a variety of individuals. The fastest growing segment of society is the senior population and meeting the needs of this group is especially important now and will only grow more so in the coming years. Indoor walking tracks, exercise areas, pools and classroom spaces are important to this age group. Marketing to the younger more active senior (usually age 55-70) is paramount, as this age group has the free time available to participate in leisure activities, the desire to remain fit, and more importantly the disposable income to pay for such services.

Youth programming has always been a cornerstone for recreation services and will continue to be so with an increased emphasis on teen needs and providing a deterrent to juvenile crime. With a continuing increase in single parent households and two working parent families, the needs of school age children for before and after school child care continues to grow as does the need for preschool programming.

Recreation Facilities Market Orientation: Based on the demographic makeup of the service areas and the trends in indoor recreation amenities, there are specific market areas that need to be addressed with such community facilities. These include:

General:

1. Drop-in recreation activities - Critical to the basic operation of any community recreation center is the availability of the facility for drop-in use by the general public. This requires components that support drop-in use and the careful scheduling of programs and activities to ensure that they do not dominate the center and exclude the drop-in user. The sale of annual passes and daily admissions, potential strong revenue sources for a center, requires a priority for drop-in use.

2. Instructional programming - The other major component of a community recreation center's operation is a full slate of programs in a variety of disciplines. The center should provide instruction for a broad based group of users in a number of program areas. The primary emphasis should be on teaching basic skills with a secondary concern for specialized or advanced instruction.



3. Special events - There should be a market for special events including kid's birthday parties, community organization functions, sports tournaments and other special activities. The development of this market will aid significantly in the generation of additional revenues and these events can often be planned for before or after regular operating hours or during slow use times of the year. Care should be taken to ensure that special events do not adversely impact the everyday operations of the center.

4. Community rentals - Another aspect of a center's operation is providing space for rentals by civic groups or organizations as well as the general public. Gyms and multi-purpose rooms can be used as a large community gathering space and can host a variety of events from seminars, parties, receptions, arts and crafts sales and other events. It is important that a well-defined rental fee package is developed and the fee schedule followed closely. Rentals should not be done at the expense of drop-in use or programming in the center.

5. Social welfare programs – An emerging area for many centers is the use of space for social service activities and programs. Special population activities, teen assistance programs, childcare and other similar uses are now common in many facilities.

Specific market segments include:

1. Families - Within most markets an orientation towards family activities is essential. The ability to have family members of different ages participate in a variety of activities together or individually, is the challenge.

2. Pre-school children - The needs of pre-school age children need to be met with a variety of activities and programs designed for their use. From drop-in childcare to specialized pre-school classes, a number of such programs can be developed. Interactive programming involving parents and toddlers can also be beneficial. It is significant that this market usually is active during the mid-morning time frame, providing an important clientele to the facility during an otherwise slow period of the day. For parents with small children who wish to participate in their own activities, babysitting services are often necessary during the morning and early evening time slots.

3. School age youth - Recreation programming has tended to concentrate on this market segment and this age group should be emphasized at a center as well. This group requires a wide variety of programs and activities that are available after school or during weekend hours. Instructional programs and competitive sports programs are especially popular, as well as drop-in use of the facility.

4. Teens - A major focus of many community recreation center projects is on meeting the needs of teenagers in the community. There is a great debate among recreation providers throughout the



country on how to best provide recreation programming for this age group. Some believe that dedicated teen space is required to meet their needs while others find that it is the activities and approach that is more important. Serving the needs of this age group will often require the use of many areas of the center at certain “teen” times of use.

5. Seniors - As the population of the United States and the service areas continue to age, continuing to meet the needs of an older senior population will be essential. As has been noted, a more active and physically oriented senior is now demanding services to ensure their continued health. Social programs as well as weight training and cardiovascular conditioning have proven to be popular with this age group. Again, the fact that this market segment will usually utilize a facility during the slower use times of early to mid-day also is appealing. Providing services for this age group should be more of a function of time than space.

6. Business/corporate - This market has a variety of needs from fitness/wellness and instruction, to recreation and social. The more amenities and services that can be offered at one location the more appeal there is to this market segment. The business community should be surveyed to determine their specific needs and expectations.

7. Special needs population - This is a secondary market, but with the A.D.A. requirements and the existence of a number of recreation components, the amenities will be present to develop programs for this population segment. Association with health care providers and/or other social service agencies will be necessary to fully reach this market.

8. Special interest groups - This is a market that needs to be explored to determine the use potential from a variety of groups. These could include school functions, social service organizations and adult and youth sports teams. While the needs of these groups can be great, their demands on a center can often be incompatible with the overall mission of the facility. Care must be taken to ensure that special interest groups are not allowed to dictate use patterns for the center.

Service Area Providers: There are a very limited number of facilities in the greater Mount Vernon area that are supplying aquatic, recreation, fitness, and sports activities. The following is a brief review of each of the major providers in the area.

Cornell College – The college has the Sports Center which is a large fieldhouse with an indoor track and three basketball courts in the middle. At the Commons there is also a small fitness area that is open to students. The Sports Center has limited public use opportunities.

Mount Vernon City Hall – Has some space for community meetings and other activities. This consists of the Council Chamber and a small conference room.

MARKET REVIEW

Mount Vernon Community Wellness Center Operations Study



Southeast Linn Community Center – Located in Lisbon, this is a non-profit facility that serves a variety of age groups (including seniors) with recreation and social service programs. The facility serves a congregate meal on Sundays. The center has meeting and office space along with a kitchen.

Cornell College – Sports Center



Southeast Linn Community Center



Heritage Hall – This meeting room is on the upper floor of the Lisbon Public Library and is rented for meetings and small presentations.

Sleep Inn – The hotel has the only indoor pool in the immediate area and this is a small tank with a focus on serving the guests of the hotel.

Mount Vernon Pool – Located in Davis Park, this is the only public pool in the area. It is an outdoor pool with a summer season only. It serves the outdoor swimming needs of the community.

School Facilities – Both the Mount Vernon Community Schools and Lisbon Community Schools have a number of sports and recreation spaces in their buildings. This includes gyms, classroom spaces, auditoriums, cafeterias and other amenities. While most school facilities are open for community use, the first priority is school functions which limits public access.

Churches, Restaurants and Other Facilities – Besides the facilities noted above, a significant number of churches, restaurants and community service organizations have buildings that contain meeting and social event space.

In addition to the more general facilities noted above there are several private fitness oriented businesses located in Mount Vernon. These include:

MARKET REVIEW

Mount Vernon Community Wellness Center Operations Study



Elliott's Uptown Fitness Center – This small fitness center is located in the old middle school building.

Transformation Fitness – Also located in the old middle school building, this is a personal training business.

Elite Fitness – With frontage on highway 30, this is a fitness center that has 24 hour access.

Elliott's Uptown Fitness Center



Elite Fitness



It is likely that these existing private providers may have a concern over the possibility that a new public wellness center (if it contains fitness amenities) would adversely impact their market and they may very well oppose the project as a result. However, private fitness clubs typically serve very different clientele and usually do not compete head to head for the same users. It is conservatively estimated that well over 50% of the users of a public facility will have never been to a private facility and would have no interest in joining such a center.

This is a representative listing of alternative recreation facilities in the area and is not meant to be a total accounting of all service providers. There may be other facilities located in the greater Mount Vernon area that have an impact on the market as well.

After analyzing the other indoor recreation, sports and fitness providers, there should be a small market for a public wellness/recreation center in Mount Vernon. Despite the relatively small population in the market, there is no indoor public swimming pool in the area, limited gyms (school and college facilities only), and really no public access to fitness and wellness space. As a result the market is under served.

MARKET REVIEW

Mount Vernon Community Wellness Center Operations Study



Market for a Community Wellness Center: With any proposed community wellness/recreation center the issue of the size and qualification of the market for such a facility comes to the forefront.

Reviewing the characteristics of the various markets indicates:

The population of the Primary Service area is just below 10,000 (2013 estimate) which is not large enough to support a comprehensive community wellness center. Additional users will have to come from the Secondary Service Area which would place the total service area population at just over 21,000. This is a better sized population base to support a center.

The population of the area is expected to show steady growth for the next five years which will help to contribute a number of potential additional users for the facility.

The population of the Mount Vernon Primary Service Area is younger than the national median level and has a high median household income level. These demographic characteristics are heavily impacted by the presence of Cornell College. The Secondary Service Area has a population that is somewhat different with an older population and slightly lower household income level.

With the smaller population in the Secondary Service Area, it will be critical that the proposed center serve not only the needs of the general community but also the needs of Cornell College and Mount Vernon Community Schools.

The private sector hopes to capture between 10% and 15% of a market area (generally in a 3 to 5 mile radius of the club) while the public sector facilities target a market of 20% to 30% of an area within a 10 to 15 minute driving distance. Non-profits will have a market draw that is somewhere between the two. These differences are directly related to the business practices of the three types of entities. Private facilities are generally a membership based operation where revenues are almost exclusively derived from membership revenues and from program and service expenditures generated from these same individuals. As such it is relatively easy to project market dynamics (distance, eligible households, etc.) for this type of facility. The non-profit sector (YMCA's) takes the market a bit further, while still being largely membership based, they often have some limited daily admissions and actively pursue program only members. Program and service options also extend well beyond the sports and fitness area to include everything from child care, to cultural arts and social programs. This expands the market for recreation services to the 15% to 20% range. Public facilities on the other hand generally have readily accessible daily admissions, some form of extended passes as well as annual passes. In addition there are usually a large number of programs (again in areas beyond sports and fitness) that can be accessed without an annual pass and also a number of community functions and activities where no fee may be collected at all. Most community wellness/recreation centers operate on an ala carte system which greatly expands the market to a broader spectrum of users based on age, income and travel time. As a result the

MARKET REVIEW

Mount Vernon Community Wellness Center Operations Study



20% to 30% market penetration rate is obtainable and the geographic area served is generally much larger. It is not inconceivable that over the course of a year's time over 50% of a community's population will have come to a community wellness/recreation center for some use, function or activity. However, due to the variety of program and service options offered by the public sector, fewer annual passes are generally sold than private or non-profit facilities. On the other side it is relatively common to have individuals and families who have memberships at private or non-profit facilities to access public centers for certain services that are either not offered by the others or are not providing them in a manner that meets their needs.

The market realities put public and private facilities at the opposite end of the market spectrum with the non-profits in the middle but closer to the public market.

The ability of a fitness, sports or recreation facility to capture a market share is based in large part on the amenities that are included in a center, the variety of amenities available, the size of the facility and the fees that are going to be charged.

Based on the information noted above the following estimates are possible.

There are estimated to be approximately 21,000 individuals in the Secondary Service Area. If 5% are captured by the private sector (a small percentage since there are very few private providers) this would result in approximately 1,050 memberships.

Figuring that 5% of the market is being satisfied with the private providers that still leaves the difference between the public and private market rate at 25%. Since there are virtually no other similar public or non-profit providers in this market other than Cornell College and the school facilities, that potentially leaves at least 22% for a Mount Vernon Community Wellness Center. Capturing 22% of Mount Vernon Secondary Service area market would convert to approximately 4,620 users that could be potential annual pass holders.

Another method to analyze possible participation numbers is to look at the pre-qualified population that is likely to participate in wellness and sports activities and look at the realistic percentage of that market that can be captured by a facility. Weekly participation in active recreation activities from individuals in the Mount Vernon Secondary Service Area can be expected to be somewhere in the range of 15% to 20% of the population which equals approximately 3,150 to 4,200 individuals, (based on 2013 population estimates). If a new center were able to capture as little as 50% of this pre-qualified market this would convert to 1,575 to as many as 2,100 potential annual pass holders. Participation rates for more passive oriented facilities are more difficult to project due to the lack of reliable utilization rates for such activities, but the level of use is below that of a more active facility and the potential service area is also considerably smaller as well.



Market Conclusion:

Below are listed some of the market opportunities and challenges that exist with this project.

Opportunities

- The demographic characteristics in the Primary Service Area indicate a younger population.
- Both service areas have a relatively high median household income level.
- The population will continue to grow at a steady pace.
- There is not a comprehensive, family focused, public wellness/recreation center in the Mount Vernon area.
- The existing Cornell College and Mount Vernon Community Schools facilities are not able to adequately meet the indoor recreation needs within the market.
- There is no indoor public pool in the Mount Vernon area.
- A partnership with Cornell College and Mount Vernon Community Schools to develop and operate the center would greatly enhance the economic viability of the project.
- An indoor family focused wellness/recreation center improves the quality of life in a community and often serves to bring more unity to a diverse population base.

Challenges

- The demographics of the Secondary Service Area show a population that is older.
- There are a number of existing private facilities in the greater Mount Vernon area. Most of these facilities have a strong fitness orientation.
- The overall Secondary Service Area population is still somewhat undersized to support a significant public wellness/recreation center. As a result, to enhance the market, partnerships with other organizations (college and schools) will be important.
- Funding not only the development but the operation of an indoor wellness/recreation center will have to be clearly defined.



Section III – Project Issues

There are a number of issues that will have a possible significant impact on the planning for the Community Wellness Center.

Partnerships

The key to having this proposed wellness/recreation center become a reality is the establishment of equity partners with a number of other organizations in the Mount Vernon area. The role of potential equity partners in the project will also have an impact on many other areas including site, facility components, and funding. Potential equity partners include:

City of Mount Vernon – The City has a strong interest in seeing the project become a reality to support the broad based recreation needs of the greater Mount Vernon community. The role of the City is likely to be:

Facility Needs: A full service indoor recreation center that has a focus on wellness and includes a fitness area, gymnasium and pool.

Limitations: It will be difficult to bring this project to a reality unless there are other equity partners.

Operations and Funding: Part of the reason for bringing in additional partners for the project is the need to have additional funding sources for the center. The City would also prefer not to be the operator of the center.

Cornell College – The college has expressed possible interest in becoming a partner in the Community Wellness Center. Their role is likely to be:

Facility Needs: A competitive pool to serve not only the needs of students but also for future swim team use. The pool will need to be close to their campus but does not have to be physically located on the campus.

Limitations: The college does not see this facility being a student recreation center and they hope to develop a larger fitness area in the Commons or at the Sports Center. If this project does not move forward then the college will build their own aquatic center.

Operations and Funding: It is expected that the college would provide capital funding for the competitive pool and other support amenities and would contribute operational funding for this aspect of the center as well. It is not anticipated that there will be student fees available for operations funding.

PROJECT ISSUES

Mount Vernon Community Wellness Center Operations Study



Mount Vernon Community Schools – The schools also have an interest in becoming a partner in the Community Wellness Center. Their role is likely to be:

Facility Needs: Much like Cornell College, the schools are interested in having a competitive pool as part of the Community Wellness Center to allow for a high school swim team to be formed and also have the pool available for school curriculum needs. However, there is a recognition that the community could use a fitness area, gym and elevated track and the schools might be able to use some of the spaces as well. The facility should be in close proximity to the schools and could possibly be located on their property, but this will not be known until the location for the new school building is determined.

Limitations: While the schools interest in the project is strong, there are other priorities in front of the Community Wellness Center, this includes a sports field, a performing arts center and a new school building. It is also important that the city, and college are partners in the project.

Operations and Funding: The schools could provide capital for the project and possibly land for the facility along with some operational assistance.

Cedar Rapids Metro YMCA – The Y has long had an interest in the project and more specifically in operating the facility once it is built. The Y's role is likely to be:

Needs: If the Y is going to operate the center then it is critical that it have a significant fitness center, and gym space in a first phase and a pool may need to be part of a second phase. Other partners (college and schools) should be part of the project as well.

Limitations: The Y's interest in the project is directly tied to their operation of the facility as a YMCA. However, it could operate with many of the characteristics of a public recreation center. There will also need to be other equity partners in the project.

Operations and Funding: The Y would be willing to run the capital campaign to raise funds for the development of the project. Operationally they would need some financial assistance for at least the first 3 years above and beyond the fees generated by the facility itself.

Site

Based on the fact that the Community Wellness Center will likely have equity partners in the City of Mount Vernon, Cornell College and Mount Vernon Community Schools; selecting a site that will effectively serve the needs of each of the partners becomes paramount. However, while the needs of the college and schools are important, any site that is chosen must have easy access for



the general public as they will be the largest user group and will also be the greatest source of revenue.

As a result, a site on the Cornell College campus is not recommended and the two sites located between the college and schools (North School and Cornell-10th) do not provide easy access for the public either. This means that either the Bryant Park, or sites south of the schools (West-School, Stoner School, and East School) should be considered with the sites south of the schools preferred.

Facility Components

A preliminary program plan has been developed by Sauter Baty Associates for the Community Wellness Center and it includes the following possible components.

- Gymnasium with track
- Swimming pool (with lap lanes, zero depth entry, and diving)
- Fitness equipment area
- Group Exercise room
- Classroom (divisible)
- Conference room
- Support spaces (locker rooms, office space, lobby and storage area)

The priorities for spaces should include:

- *Competitive swimming pool* – This space is essential for the partnership with the schools and the college.
- *Fitness space* – Including this amenity is important to overall facility use and revenue generation.
- *Gymnasium* – This space is very versatile to support not only sports programs but also other activities and programs that require large spaces.

Component Configuration and Sizing

The following are a number of basic recommendations regarding the configuration and sizing of the key components that are planned for the center.

Swimming Pool – This is one of the key components for the project and crucial to bring the college and schools as active partners. However, essential to drawing community users to the center is a

PROJECT ISSUES

Mount Vernon Community Wellness Center Operations Study



more recreationally based pool. Pools are also the most expensive space to build and operate and as a result must be sized properly.

- The competitive pool should be at least an 8 lane by 25 yard pool. The ultimate size should be contingent on capital and operations funding levels of the college and schools.
- Having a separate diving well area is a nice amenity but not essential for community use or most competitive swim needs. Diving can take place in the main pool area as another option. The need for this element should be dictated by the other two partners. Also consider adding a drop slide to the diving area for greater recreational use.
- The zero depth entry area needs to be large enough to attract families and smaller children and should ideally have some interactive play features included. This space will likely need to be larger.
- Water temperature will be a major issue for the pool with a single tank. Competitive swimming desires a much cooler water temperature that is usually uncomfortable for recreation, swim lessons and many aqua exercise classes. A cooler pool will discourage recreational use. Water depth will also be an issue. For many aqua exercise and other programs being able to touch bottom will be critical.
- Add a 6-8 person spa (whirlpool) to the deck area.
- Strongly consider adding a 300 SF party/wet classroom to the pool area for birthday parties and the space can also be used as a support room for swim meets. Birthday parties are a strong revenue generator for most centers. If a dedicated space is not added then classroom and conference room space may need to be used for this purpose during certain hours.
- Purchase inflatables that can be added to the competitive pool area during recreational swim times.

Fitness – No other element in a center drives use and revenue as much as fitness related components. The sizing of these spaces directly impacts use and revenue. The fitness area is typically the most undersized area of most public recreation centers.

- The exercise equipment area at less than 1,500 SF is significantly undersized and should be at least 2,500 if not 3,000 SF. Without this large of an equipment area the center will have a limited membership base.
- The fitness area (group exercise room) does not need to be more than 2,000 SF but it does need at least a 200 SF storage room directly attached. Classes that are larger than this room

PROJECT ISSUES

Mount Vernon Community Wellness Center Operations Study



can be moved to the gym. Consider flipping the use of the exercise area and fitness area to better position the spaces to be effective.

Gymnasium/Track – The gym needs to be considered as a large multi-use space that can not only support traditional court sports but also fitness classes, walking, and other events.

- The majority of uses of the gym will be on the smaller cross court direction rather than the one full length court.
- Consider utilizing tip and roll bleachers rather than permanently mounted pull-out bleachers as they are more versatile.
- Having the perimeter of the gym available for walking during lower gym use times will be important and will need to be emphasized.

Other

- The multipurpose/classroom area will be essential to the center. This space will truly need to be multi-use as meetings, fitness classes, youth programs (and even drop-in child care) could be utilizing this space over the course of a day.
- A small catering kitchen (300 to 500 SF) will need to be added to the multipurpose/classroom area to have this space be effectively utilized for meetings, parties and other activities. However, this should not be a full commercial kitchen as the cost to build is too high and the operational needs are relatively low.

Support

- *Childcare* - There will need to be some provision for drop-in babysitting for young children of parents/care givers that are using the center during the morning and evening hours. This space is needed to support the fitness elements of the facility and without it, overall center revenues will be negatively impacted. Ideally a dedicated room of at least 700 SF (with a unisex toilet) should be provided but if this is not possible then at least a portion of the classroom area will need to be used for this purpose on a daily basis.
- *Family Change Rooms* – With a significant pool, having at least 3 family change rooms (shower, toilet, sink and changing area) will be absolutely essential. This space may be able to be carved out of the regular locker rooms.

PROJECT ISSUES

Mount Vernon Community Wellness Center Operations Study

- Office Space – In addition to private offices (only 2 are needed) the rest of the office area should have a series of work stations included. The office space itself is probably undersized and there will need to be significant storage available directly from this area.
- Storage – In general the allocation of space for storage in the building is not sufficient and needs to be increased for all areas and added to the multi/purpose classrooms, fitness and office areas.
- Mechanical – A separate area, beyond building mechanical, will need to be added for the pool's mechanical systems. This could require an area of over 700 SF depending on the pool systems that will be utilized.

Possible Phasing Options

It is recognized that due to capital budget concerns, the center may have to be phased. Sauter Baty Associates has developed some possible building and/or phasing options. Listed below are several phasing concerns.

- While the swimming pool is a critical element in the center it requires an equity partnership with the college and schools to not only fund the construction of the pool but also its operation. It is apparent that it will likely take some time before the partners are willing and able to move forward with the necessary funding for the pool. As a result this element will probably have to be a later phase of the center.
- For a first phase the facility will need to have enough elements to meet the needs of the community as well as to provide a strong revenue stream to help off-set operational costs. The key elements in a first phase include:
 - Fitness – Due to its value as a revenue producing element and its ability to draw a high number of users to the center, this element (weight/cardio equipment and group exercise space) will need to be included in a first phase of the project.
 - Gymnasium/Track – This is an important component to include in the center as it can serve a variety of sports, events, and activity needs. This element should be a priority in the first phase if there is not a pool.
 - Multipurpose/Classrooms – This space should be included in a first phase as well to give the center a well-rounded appeal and provide spaces for a variety of programs.

- Even though a swimming pool is the component that is in high demand by all the major project partners, it is not recommended that just a pool be built as a first phase of the project. This element by itself does not perform well enough financially to be the one major component of a first phase.

Funding and Operations

Funding both the cost of building the center as well as the anticipated cost of operating the facility will need to be determined.

Capital Funding – It is clear that a variety of funding sources will be needed to develop the Community Wellness Center.

- The primary source of capital funding will be a partnership with a number of entities.
 - City – It is anticipated that a possible source of funding for the project may come from the local option sales tax.
 - Cornell College – The college has indicated that they would be willing to be a funder of the aquatics portion of the facility and the necessary support amenities.
 - Mount Vernon Community Schools – Like the college it should be expected that the schools will provide capital funding assistance for the aquatics portion of the center.
 - Cedar Rapids Metro YMCA – The Y has indicated that they do not have any significant existing capital dollars to dedicate to the project but would help with a capital campaign to raise money in the community. This would only be the case if they are the operator of the center.
- Other possible sources of capital funding could come from:
 - Fundraising – A possible source of capital funding could come from a comprehensive fundraising campaign in the City and the surrounding area. Contributions from local businesses, private individuals and social service organizations should be targeted. To maximize this form of funding a private fundraising consultant may be necessary or utilize the YMCA for this purpose. Incorporating any equity partners in this effort will be essential.
 - Grants/Endowments – There are a number of grants and/or endowments that are available for parks and recreation projects. It is more difficult to fund active

PROJECT ISSUES

Mount Vernon Community Wellness Center Operations Study



recreation facilities than parks and open space from these sources, but an effort should be made to acquire funding from grants should be strongly pursued. Key areas that should be targeted for grants are serving youth, teens, seniors and families. In addition, green building technology and energy conservation grants could be available.

- Naming Rights and Sponsorships – Although not nearly as lucrative as for large stadiums and other similar facilities, the sale of naming rights and long term sponsorships could be a source of some capital funding as well. It will be necessary to hire a specialist in selling naming rights and sponsorships if this revenue source is to be maximized to its fullest potential. No lifetime naming rights should be sold; only 20 year maximum rights should be possible. Determining the level of financial contribution necessary to gain a naming right will be crucial. This could mean a contribution for up to 25% of the total cost of an entire project for overall facility naming rights or 50% to 100% for individual spaces within the facility itself.

Operations Funding – It is the opinion of Ballard*King & Associates that the proposed full facility will not be able to cover all of its on-going operating costs with revenue generated strictly from the center itself, if the center is operated as a true public facility. As a result there will need to be outside operational funding sources.

- It should be expected that the main source of operations funding beyond user fees will need to come from the partners in the project.
 - City of Mount Vernon – If the center is operated as a public facility then the City will need to be prepared to fund at least a portion of the anticipated annual operating shortfall.
 - Cornell College and Mount Vernon Community Schools – Any portion of the center (and especially the pool) that is used by either of these two partners should require a market driven fee for use. Even with this payment, these partners should be prepared to pay additional operational dollars to the center to cover costs. The swimming pool will be the greatest portion of the anticipated operational shortfall.
 - Cedar Rapids Metro YMCA – If the YMCA is the operator of the center they have indicated that they will need at least three years of operational funding assistance to balance out costs. The level of funding would have to be negotiated with the YMCA based on projected center revenues, the operational requirements, and the fee structure. However, the rate of annual subsidy funding should decrease each year to a zero amount in year four.

PROJECT ISSUES

Mount Vernon Community Wellness Center Operations Study



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- Other possible sources of capital funding could come from:
 - Sponsorships – The establishment of sponsorships for different programs and services as well as funding for different aspects of a facility’s operation is possible. But in most cases this provides a relatively low revenue stream for funding day to day operating costs for a center.
 - Grants – There are grants that are available for programs and services that serve the disadvantaged, youth, teens and seniors. In addition ongoing energy conservation efforts, public health initiatives and other social service oriented programs may be funded as well.
 - Endowment Fund – This would require additional fundraising to establish an operational endowment fund that would be designed to fund capital replacement and improvements at the center. It is often difficult to raise funds for operational endowments and the level of initial principal funding that is required is very high.

Operating Structure - Some important decisions will have to be made regarding a possible operating structure for the center. There are four possible operating scenarios.

- *City of Mount Vernon* – The City of Mount Vernon could be the actual operator of the center itself. However, this places a major staffing and funding load on the city (even with financial participation from the other partners) but this option ensures that the center will be operated as a true public center. The City does not have existing staff that could take on such a role and they do not have any experience with this type of facility.
- *Cedar Rapids Metro YMCA* – The Y has indicated a strong interest in operating the center as a YMCA. The organization has outstanding experience operating such facilities throughout the area and could probably manage the center more cost effectively than the City due to the fact that some administrative duties will be centralized into the Y’s existing system. The facility would operate as more of a membership based facility than an easily accessible public center (much higher rates for day passes) but there is the ability to negotiate an operations structure that is closer to the public realm. However, this will most likely require an additional level of operational subsidy each year. The other project partners will need to be prepared to support an operational shortfall for at least the first 3 years.
- *New Non-Profit* – This option is based on the equity partners forming a non-profit group that would act as the operational agent for the center. Each of the equity partners would have a representative(s) on a board. This would give the equity partners a direct voice in

PROJECT ISSUES

Mount Vernon Community Wellness Center Operations Study



the operations of the center but would require the formulation of another separate organization.

- *Private Operation* – Another option is to hire a private sports management company to operate the center. There are not a lot of strong private facility management companies that have experience operating more publicly focused recreation facilities.

Realistically the most likely operations scenario is either as a City operated facility or as a YMCA.

COMPARISON WITH OTHER FACILITIES

Mount Vernon Community Wellness Center Operations Study



How is the Operational Subsidy Funded: City's general fund

User Fees:

The center offers three different fee packages. This is a very cumbersome and difficult fee schedule to utilize and enforce.

Black & Gold – use of the weight and exercise areas and pools

1 Month	Resident	Non-Resident
Family	\$127	\$152
Couple	\$75	\$90
Individual	\$45	\$54
Senior Couple	\$60	\$72
Senior Individual	\$36	\$43
H.S./College/Military	\$36	\$43
Additional Member	\$8	\$10

6 Month	Resident	Non-Resident
Family	\$585	\$702
Couple	\$338	\$406
Individual	\$203	\$244
Senior Couple	\$271	\$325
Senior Individual	\$162	\$194
H.S./College/Military	\$162	\$194
Additional Member	\$30	\$36

Annual	Resident	Non-Resident
Family	\$959	\$1,151
Couple	\$547	\$656
Individual	\$327	\$392
Senior Couple	\$438	\$526
Senior Individual	\$261	\$313
H.S./College/Military	\$261	\$313
Additional Member	\$41	\$49

COMPARISON WITH OTHER FACILITIES

Mount Vernon Community Wellness Center Operations Study



Gold – use of the weight and exercise area only

Daily	Resident	Non-Resident
Individual	\$2	\$3
Senior	\$1	\$2

1 Month	Resident	Non-Resident
Family	\$90	\$108
Couple	\$45	\$54
Individual	\$25	\$30
Senior Couple	\$35	\$42
Senior Individual	\$20	\$24
H.S./College/Military	\$20	\$24
Additional Member	N/A	N/A

6 Month	Resident	Non-Resident
Family	\$450	\$540
Couple	\$225	\$270
Individual	\$125	\$150
Senior Couple	\$176	\$211
Senior Individual	\$100	\$120
H.S./College/Military	\$100	\$120
Additional Member	N/A	N/A

Annual	Resident	Non-Resident
Family	\$765	\$918
Couple	\$383	\$460
Individual	\$213	\$256
Senior Couple	\$299	\$359
Senior Individual	\$170	\$204
H.S./College/Military	\$170	\$204
Additional Member	N/A	N/A

COMPARISON WITH OTHER FACILITIES

Mount Vernon Community Wellness Center Operations Study



Silver – use of the pools only

Daily	Adult	Child
Individual	\$4	\$3

1 Month	Resident	Non-Resident
Family	\$51	\$61
Couple	\$38	\$46
Individual	\$25	\$30
Child	\$15	\$18
Senior Couple	\$32	\$38
Senior Individual	\$20	\$24
H.S./College/Military	\$20	\$24
Additional Member	\$8	\$10

6 Month	Resident	Non-Resident
Family	\$200	\$240
Couple	\$100	\$120
Individual	\$100	\$120
Child	\$60	\$72
Senior Couple	\$125	\$150
Senior Individual	\$80	\$96
H.S./College/Military	\$80	\$96
Additional Member	\$30	\$36

Annual	Resident	Non-Resident
Family	\$300	\$360
Couple	\$225	\$270
Individual	\$150	\$180
Child	\$90	\$108
Senior Couple	\$188	\$226
Senior Individual	\$120	\$144
H.S./College/Military	\$120	\$144
Additional Member	\$41	\$49

Note: There is no fee to use the track if you are a resident.

COMPARISON WITH OTHER FACILITIES

Mount Vernon Community Wellness Center Operations Study



Swim Passes

3-Month

Indoor Pool	Resident	Non-Res.
One Individual	\$100	\$125
Two Individuals	\$125	\$155
Additional	\$20	\$25

6-Month

Indoor Pool	Resident	Non-Res.
One Individual	\$150	\$175
Two Individuals	\$200	\$230
Additional	\$20	\$25

12-Month

Indoor Pool	Resident	Non-Res.
One Individual	\$200	\$250
Two Individuals	\$275	\$345
Additional	\$20	\$25

Pool & Exercise Passes

3-Month

Pool & Exercise	Resident	Non-Res.
One Individual	\$130	\$160
Two Individuals	\$185	\$225
Additional	\$30	\$37.50

6-Month

Pool & Exercise	Resident	Non-Res.
One Individual	\$210	\$250
Two Individuals	\$320	\$360
Additional	\$60	\$75

12-Month

Pool & Exercise	Resident	Non-Res.
One Individual	\$320	\$370
Two Individuals	\$515	\$600
Additional	\$120	\$150

COMPARISON WITH OTHER FACILITIES

Mount Vernon Community Wellness Center Operations Study



Exercise Room Passes

3-Month

Exercise	Resident	Non-Res.
One Individual	\$45	\$56
Two Individuals	\$90	\$112
Additional	\$45	\$56.25

6-Month

Exercise	Resident	Non-Res.
One Individual	\$90	\$112
Two Individuals	\$180	\$224
Additional	\$90	\$112.50

12-Month

Exercise	Resident	Non-Res.
One Individual	\$180	\$224
Two Individuals	\$360	\$450
Additional	\$180	\$225

Punch Cards

	10 Punch	20 Punch
Indoor Pool	\$32.50	\$65.00
Exercise Room	\$20.00	\$40.00
Racquetball	\$25.00	\$50.00
Tot Lot	\$10.00	\$20.00

Project Partners: The pool has a partnership with the school district, which pays for one-third of the operating cost.

COMPARISON WITH OTHER FACILITIES

Mount Vernon Community Wellness Center Operations Study



Guest Passes: Adult \$10
 Child \$5

Project Partners: This project is a partnership between the City of Waverly and Wartburg College.

General Conclusions

- The North Liberty and Coralville centers do not track operational expenses and revenues by the actual facilities themselves. Since these budgets include other operational costs and revenues beyond just the center itself, it makes direct comparisons more difficult.
- North Liberty and Coralville have very ala carte fee schedules which tend to lower overall levels of cost recovery.
- The W tracks its expenses and revenues for the center itself but the building has other Wartburg College athletic facilities attached.
- The W has a basic, straight forward, membership rate that helps promote higher revenues and improved cost recovery.
- Each of the centers operate with a substantial operational loss.
- Those centers that have partnerships with other entities are able to share some of the cost of operation.



Section V - Operations Analysis

The following operations analysis has been completed for the planned Mount Vernon Community Wellness Center. The following are the basic parameters for the project.

- The first year of operation will be 2017 or later. This budget represents the second full-year of operation.
- The presence of other providers in the market will remain the same.
- The center will be operated as a public agency by the City of Mount Vernon. Another option is having the YMCA operate the center and the possible implications of that arrangement is shown on the operations summary page.
- The center will be located at one of the sites noted above that enhances public use as well as allows for use by Cornell College and the schools.
- The college and schools will pay for use of the pool. All such pool uses will be guarded by facility staff.
- This operations estimate is based on a preliminary program and basic concept plan for the facility only. The program that has been utilized is basically Option A as developed by Sauter Baty Associates and a concept plan dated October 30, 2013. The only minor additions to the program is an 8 lane pool rather than 7 and a small kitchen to support the multipurpose/classroom space.
- Two different revenue options have been developed. The first is an aggressive approach to estimating use and revenues from membership/pass sales and programs taking place at the facility and the second is a more conservative option.
- No provision for any type of concessions has been shown (other than vending).

OPERATIONS ANALYSIS

Mount Vernon Community Wellness Center Operations Study



Division I - Expenditures

Expenditures have been formulated based on the costs that are typically included in the operating budget for this type of facility. The figures are based on the size of the center, the specific components of the facility and the projected hours of operation. Actual costs were utilized wherever possible and estimates for other expenses were based on similar facilities in the Midwest. All expenses were calculated as accurately as possible but the actual costs may vary based on the final design, operational philosophy, and programming considerations adopted by staff.

Facility Description – Competitive/lap pool with 8 lap lanes, diving well and zero depth entry, gymnasium, walk/jog track, weight/CV area, group exercise room, multipurpose/classroom, kitchen, lobby, locker rooms and administration area – **Approximately 37,000 sq.ft.**

Operation Cost Model:

Personnel	
Full-Time	\$233,550
Part-Time	\$553,204
TOTAL	\$786,754

Commodities	
Office Supplies (forms, paper, etc.)	\$8,000
Pool Chemicals	\$14,000
Maintenance/Repair/Materials	\$18,000
Janitor Supplies	\$15,000
Rec. Supplies	\$40,000
Uniforms	\$4,000
Printing/Postage (program brochure.)	\$25,000
Items for Resale	\$6,000
Other	\$2,000
TOTAL	\$132,000

OPERATIONS ANALYSIS

Mount Vernon Community Wellness Center Operations Study



Contractual	
Utilities (electric and gas) ⁶	\$148,000
Water/Sewer	\$10,000
Insurance (property & liability)	\$30,000
Communications (phone)	\$6,000
Contract Services ⁷	\$35,000
Rent Equipment	\$4,000
Marketing/Advertising	\$10,000
Training (staff time)	\$2,000
Conference	\$2,000
Trash Pickup	\$5,000
Dues & Subscriptions	\$2,000
Bank Charges (charge cards, EFT)	\$15,000
Other	\$3,000
TOTAL	\$272,000

Capital	
Replacement Fund	\$20,000
TOTAL	\$20,000

All Categories	
Personnel	\$786,754
Commodities	\$132,000
Contractual	\$272,000
Capital	\$20,000
TOTAL EXPENSE	\$1,210,754

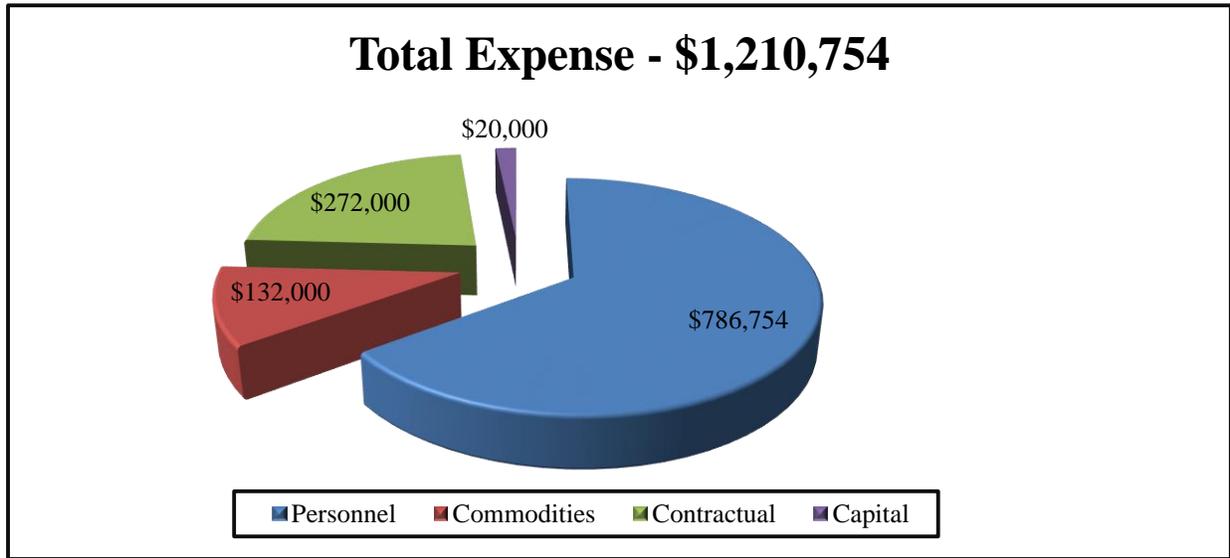
NOTE: *Line items not included in this budget are any vehicle costs.*

⁶ Rates are \$4.00 SF and include electric and natural gas. It should be noted that rates for gas has been very volatile and could result in a substantially higher cost for utilities over time.

⁷ Contract services cover maintenance contracts, control systems work, alarm, and other services.



Graphic Representation of Total Expenses:



OPERATIONS ANALYSIS

Mount Vernon Community Wellness Center Operations Study



Staffing Levels:

Full-Time Positions	Positions	Total
Facility Manager	1	\$45,000
Aquatic Supervisor	1	\$40,000
Head Lifeguard	1	\$28,000
Front Desk Sup./Acct. Clerk	1	\$30,000
Custodian/Maintenance	1	\$30,000
Salaries		\$173,000
Benefits (35%)		\$60,550
TOTAL	5	\$233,550

Note: Pay rates were determined based on basic City of Mount Vernon job classifications and wage scales for similar positions. The positions listed are necessary to ensure adequate staffing for the facility's operation. **The wage scales for both the full-time and part-time staff positions reflect an anticipated wage for 2017.**

OPERATIONS ANALYSIS

Mount Vernon Community Wellness Center Operations Study



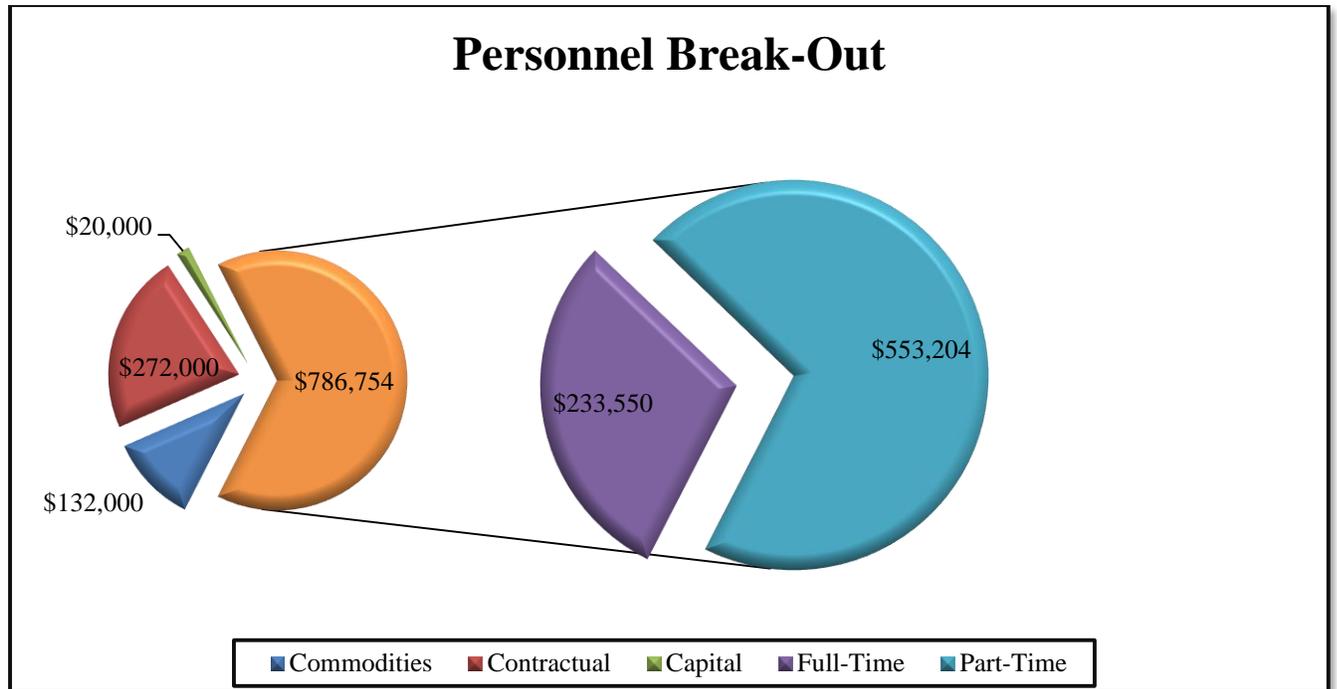
Part-Time Positions	Rate/Hour	Hours/Week
Front Desk Supervisor	\$11.00	98
Front Desk Attendant	\$9.50	32
Head Lifeguard	\$11.00	40
Lifeguard	\$10.00	269
Weight/CV Room Attendant	\$9.50	78
Custodian	\$11.00	107
Child Care Worker	\$9.50	102
Gym Attendant ⁸	\$9.50	37
Program Instructors⁹		
Aquatics	Variable	\$22,420
Fitness/General	Variable	\$86,606
Salaries		\$502,913
Benefits (10%)		\$50,291
TOTAL		\$553,204

⁸ This position is 26 weeks during the fall and winter seasons.

⁹ Program instructors are paid at several different pay rates and some are also paid per class or in other ways. This makes an hourly breakdown difficult. Aquatics includes lessons, aquatic exercise, private lessons and other activities. Fitness/General programs consist of sports leagues, fitness, birthday parties, and other activities.

OPERATIONS ANALYSIS

Mount Vernon Community Wellness Center Operations Study



OPERATIONS ANALYSIS

Mount Vernon Community Wellness Center Operations Study



Division II - Revenues

The following revenue projections were formulated from information on the specifics of the project and the demographics of the service area as well as comparing them to state and national statistics, other similar facilities and the competition for recreation services in the area. Actual figures will vary based on the size and make-up of the components selected during final design, market stratification, philosophy of operation, fees and charges policy, and priorities of use. Two different revenue options have been developed, one reasonably aggressive the other conservative.

Revenue Projection Models:

Fees	Aggressive	Conservative
Daily Fees	\$81,000	\$68,760
Monthly	\$248,625	\$200,772
Annual Passes	\$237,350	\$191,480
Rentals ¹⁰	\$61,500	\$51,300
TOTAL	\$628,475	\$512,312

Programs	Aggressive	Conservative
Aquatics	\$40,232	\$31,088
Fitness/General	\$204,744	\$164,796
Contract Programs	\$5,000	\$4,000
TOTAL	\$249,976	\$199,884

¹⁰ Rentals are based on the following:

		<u>Aggress.</u>	<u>Conser.</u>
Group Exercise Studio	\$65 x 20/hrs. =	\$1,300	\$1,040
Gymnasium	\$50 x 2/wk x 26 wks =	\$2,600	\$1,300
Multipurpose/Classroom	\$30 x 4/wk x 50 wks =	\$6,000	\$4,500
Multipurpose (Prime)	\$350 x 2/mon x 12 mon =	\$8,400	\$4,200
Kitchen	\$20 x 4/wk x 50 wks =	\$4,000	\$3,000
Lap Pool	\$48/6 lanes x 2hrs x 5 days x 13 wks (H.S.)	\$6,240	\$6,240
	\$75 x 4hrs x 4 meets (H.S.) =	\$1,200	\$1,200
	\$32/4 lanes x 2hrs x 5 days x 36 wks (H.S.)	\$11,520	\$11,520
	\$48/6 lanes x 2hrs x 5 days x 20 wks (Coll.)	\$9,600	\$9,600
	\$75 x 4hrs x 5 meets (Coll.) =	\$1,500	\$1,500
	\$75 x 20 hrs. =	\$1,500	\$1,200
Full Center	\$750 x 10/hrs. =	\$7,500	\$6,000

OPERATIONS ANALYSIS

Mount Vernon Community Wellness Center Operations Study

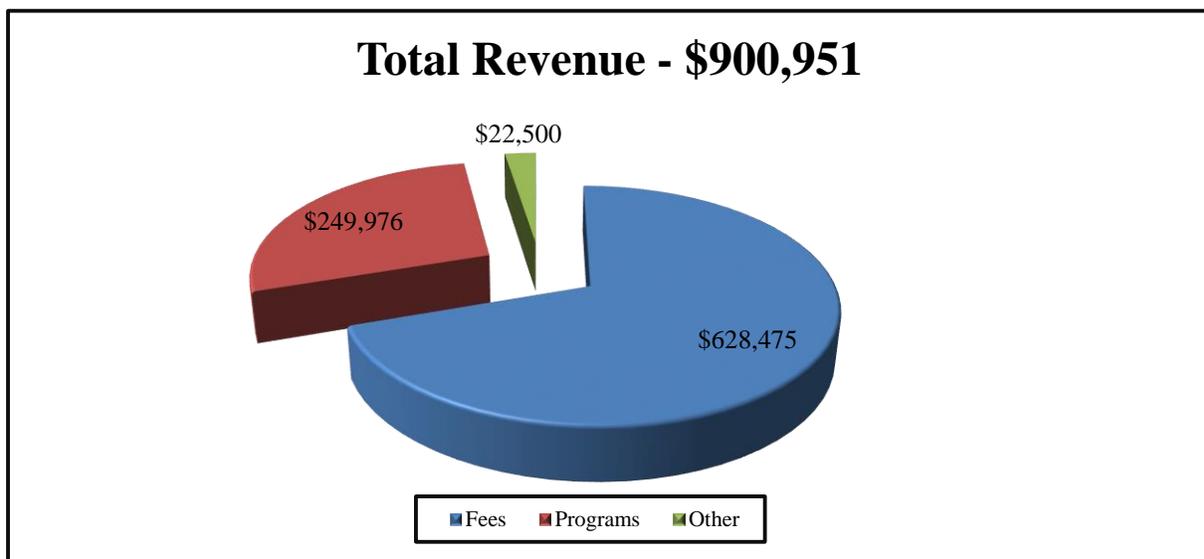


Other	Aggressive	Conservative
Resale Items	\$7,500	\$7,500
Special Events	\$2,000	\$2,000
Vending	\$8,000	\$6,500
Drop-in Child Care	\$5,000	\$5,000
TOTAL	\$22,500	\$21,000

All Categories	Aggressive	Conservative
Fees	\$628,475	\$512,312
Programs	\$249,976	\$199,884
Other	\$22,500	\$21,000
TOTAL REVENUE	\$900,951	\$733,196

Graphic Representation of Total Revenue

Aggressive

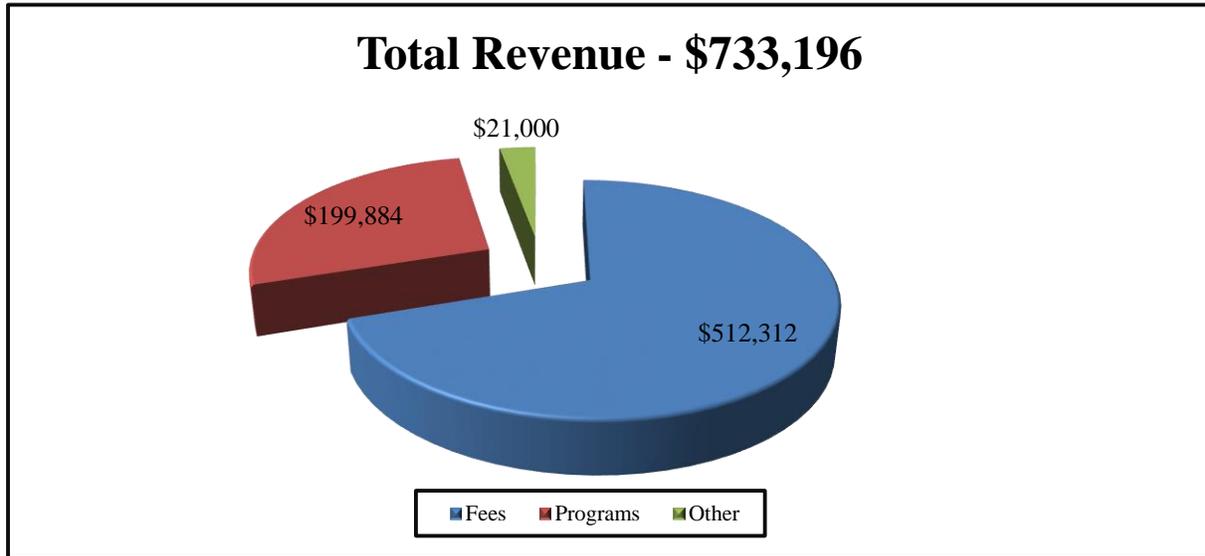


OPERATIONS ANALYSIS

Mount Vernon Community Wellness Center Operations Study



Conservative



OPERATIONS ANALYSIS

Mount Vernon Community Wellness Center Operations Study



Division III - Expenditure - Revenue Comparison

2nd Year of Operation

Category	Aggressive	Conservative
Expenditures	\$1,210,754	\$1,210,754
Revenues	\$900,951	\$733,196
Difference	-\$309,803	-\$477,558
Recovery Rate	74%	61%

This operations pro-forma was completed based on general information and a basic understanding of the project with a basic program and concept plan for the center. As a result, there is no guarantee that the expense and revenue projections outlined above will be met as there are many variables that affect such estimates that either cannot be accurately measured or are not consistent in their influence on the budgetary process.

1st Year Budget: Expenses for the first year of operation will be less than what is shown in the 2nd Year Budget but revenues are also expected to be lower (by as much as \$250,000) as the center ramps up to the memberships/pass numbers and program revenues that are shown in year two.

Future Years: Revenue growth in the first three years is attributed to increased market penetration and in the remaining years to continued population growth. In most recreation facilities the first three years show strong growth from increasing the market share of patrons who use such facilities, but at the end of this time period revenue growth begins to flatten out. Additional revenue is then spurred through increases in the population within the market area, a specific marketing plan to develop alternative markets, the addition of new amenities or by increasing user fees. It should be anticipated that the center will show a growing positive cash flow in years 3 and 4 but a small decline in year 5.

Operational Tax Implications: The City of Mount Vernon has developed a projection of the property tax requirements to off-set the anticipated annual operational shortfall for the two different proforma options.

Aggressive Option - Operational shortfall of approximately \$300,000 annually.

- The City's taxable valuation at 1/1/2013 was \$147,045,485. The additional tax levy for \$300,000 would be approximately \$2.03 per \$1,000.

OPERATIONS ANALYSIS

Mount Vernon Community Wellness Center Operations Study



-
- A \$100,000 (current rollback value \$54,000) home would pay an additional \$110.98 per year in property taxes for the \$300,000 annual operational shortfall.
 - For a \$250,000 home there would be an additional \$275 per year in property taxes for the \$300,000 shortfall.

Conservative Option - Operational shortfall of approximately \$477,000 annually.

- The City's taxable valuation at 1/1/2013 was \$147,045,485. The additional tax levy for \$477,000 would be approximately \$3.24 per \$1,000.
- A \$100,000 (current rollback value \$54,000) home would pay an additional \$175.18 per year in property taxes for the \$477,000 annual operational shortfall.
- For a \$250,000 home there would be an additional \$438 per year in property taxes for the \$477,000 shortfall.

Other Amenity Options:

In addition to the core building that is outlined in this operations plan, there are several other amenities that are being considered for the center. Each of these options is noted below along with the possible operations impact.

Wet Classroom – If this space is added to the center, it should be located next to the aquatic area where it can be utilized for birthday parties, aquatic programs and swim meets (as noted in the Project Issues section). Adding this space would result in an overall net positive gain in revenue in the range of \$15,000 to \$20,000 a year.

Pool Seating – Having seating for the pool will be essential for use (and financial participation in the project) by Cornell College and Mount Vernon Community Schools. This element by itself does not contribute in a positive way to the cost recovery level of the center but is still a necessary space. It is important to identify the actual requirements for seating and not to overbuild this aspect of the pool.

Gymnasium Seating – Having seating in the gym area is not as critical as in the pool but some accommodation for this is needed. However, seating should be handled by tip and roll bleachers with seating up to 20 per section and no more than four sections total. Being able to accommodate seating will require slightly larger floor space in the gym but the operational impacts would be minimal.

OPERATIONS ANALYSIS

Mount Vernon Community Wellness Center Operations Study



Conference Area with Kitchen – Accommodating these uses in the center could increase the size and magnitude and the center significantly. In order to serve as a viable conference facility, the size of the classroom/seminar area would need to be more than double (at least 5,000 SF) in size and be divisible into 3 to 4 smaller spaces. In addition, a larger kitchen would be needed but a full commercial kitchen is not recommended. An enlarged catering kitchen would be sufficient. To determine the possible operational impact of adding these spaces to the center would depend on how the space is utilized and the fees that could be charged for use. It is anticipated that adding these spaces would ultimately lower the cost recovery level by \$20,000 to as much as \$40,000 a year.

YMCA Operation:

It is recognized that the Cedar Rapids Metro YMCA could be the operator of the center and could probably do so with a lower rate of subsidy than what is shown in this proforma. This would be possible through the centralization of some operational functions within the Y's existing staffing structure but also with higher membership rates that are more in line with the Stoney Point YMCA. However, an anticipated operational shortfall of between \$150,000 and \$200,000 would still need to be funded for at least the first three years of operation (this estimate has not been verified by the YMCA).

OPERATIONS ANALYSIS

Mount Vernon Community Wellness Center Operations Study



Division IV - Fees and Attendance

Projected Fee Schedule: Revenue projections and attendance numbers were calculated from this fee model. The fee schedule has been figured NOT utilizing a non-resident fee (City of Mount Vernon) fee differential.

Category	Daily Fee	Monthly Bank Draft ¹¹	Paid in Full Yearly
Youth (up to age 18)	\$5.00	\$25.00	\$250
College (proof of status)	\$6.00	\$30.00	\$315
Adult (18-64)	\$8.00	\$50.00	\$550
Senior (65+)	\$5.00	\$25.00	\$250
Household (max 2 adults/2 youth)*	N/A	\$75.00	\$850

* Each additional adult living in the same household is \$25/monthly or \$275; each additional youth is \$10/monthly or \$125.

Monthly/Paid in Full Passes include free drop-in child care, basic land and water fitness classes and discounts on programs and services.

Fitness	\$8.00	Per class
Rentals	\$65/hr	Group Exercise Studio
	\$50/hr	Gym
	\$30/hr	Multipurpose/Classroom (per section, non-prime time)
	\$350/4 hr	Multipurpose/Classroom (3 sections, 4 hour min., prime time)
	\$20/hr	Kitchen
	\$75/hr	Lap Pool
	\$8/hr	Lap Pool-per lane
	\$125/hr	Full Pool
	\$750/hr	Full Center
Child Care	\$3.00/per hour (Drop-in Child Care is included in 6 and 12 month passes)	

¹¹ If the monthly rate is stopped and the restarted a fee equal to one month's payment will have to be paid.

OPERATIONS ANALYSIS

Mount Vernon Community Wellness Center Operations Study



Admission Rate Comparisons: The above rates were determined based on the competition in the greater Cedar Rapids and central Iowa area for comparable facilities.

Stoney Point YMCA

Type of Membership	Joining Fee (Monthly Draft)	Monthly Bank Draft	Paid in Full Yearly
Youth (up to 18 yrs.)	\$15.00	\$18.50	\$198
College	\$30.00	\$25.00	\$288
Adult (18-64)	\$50.00	\$63.00	\$711
Senior (65+)	\$50.00	\$53.00	\$600
1 Adult Household	\$75.00	\$77.50	\$883
Couple Household	\$75.00	\$86.00	\$977
2 Adult Household	\$75.00	\$94.00	\$1,075
3 Adult Household	\$75.00	\$110.00	\$1,256
Locker		\$5.00	\$60.00

Cedar Valley SportsPlex- Waterloo

Category	Daily Fee	Monthly Bank Draft	Paid in Full Yearly
Youth	\$5.00	\$21.00	\$240
College	\$6.00	\$26.00	\$300
Adult	\$8.00	\$41.00	\$480
Senior (65+)	\$5.00	\$21.00	\$240
Family	\$15.00	\$62.00	\$720

Note: Rates do not include sales tax. Monthly bank draft if halted requires a reactivation fee of between \$10 and \$30 to start again.

The SportsPlex also has a club locker room available for an extra fee:

Type of Membership	Monthly Fee	Annual Fee
Adult	\$20	\$240
Senior	\$20	\$240
Family	\$35	\$420

OPERATIONS ANALYSIS

Mount Vernon Community Wellness Center Operations Study



Attendance Projections: The following attendance projections are the basis for the revenue figures that were identified earlier in this report. The admission numbers are affected by the rates being charged, the facilities available for use and the competition within the service area. The figures are also based on the performance of other similar facilities in other areas of the country. These are averages only and the yearly figures are based on 360 days of operation.

Aggressive

Yearly Paid Admissions	Description	Facility
Daily	35 admissions/day	12,600
Monthly (Bank Draft)	362 sold annually	37,648
Annual (Paid in Full)	363 sold annually	37,752
Total Yearly		88,000
Total Daily		244

NOTE: The 725 memberships are based on selling to approximately 10% of the households (3,605 in 2018) in the Primary Service Area, and 8% of the households (4,553 in 2018) in the Secondary Service Area. Memberships are based on 104 admissions a year. Family passes are counted as a single admission.

Conservative

This option is approximately 20% less than the Aggressive option noted above.

Yearly Paid Admissions	Description	Facility
Daily	30 admissions/day	10,800
Monthly (Bank Draft)	292 sold annually	30,368
Annual (Paid in Full)	292 sold annually	30,368
Total Yearly		71,536
Total Daily		199

NOTE: The 584 memberships are based on selling to approximately 8% of the households (3,605 in 2018) in the Primary Service Area, and 6.5% of the households (4,553 in 2018) in the Secondary Service Area. Memberships are based on 104 admissions a year. Family passes are counted as a single admission.

OPERATIONS ANALYSIS

Mount Vernon Community Wellness Center Operations Study



Hours of Operation: The projected hours of operation of the Mount Vernon Community Wellness Center are as follows:

Days	Hours
Monday - Friday	5:00am – 9:00pm
Saturday	8:00am – 6:00pm
Sunday	10:00am – 6:00pm
Total Hours Per Week	98

Hours usually vary some with the season (longer hours in the winter, shorter during the summer), by programming needs, use patterns and special event considerations.

PROJECT RECOMMENDATIONS

Mount Vernon Community Wellness Center Operations Study



Section VI - Project Recommendations

The following section details specific recommendations for the Mount Vernon Community Wellness Center project. Remarks are grouped by areas of interest.

Programs and Facilities: The design, image and quality of a wellness/recreation facility has a direct impact on its ability to attract and keep users. Thought should be given to the building layout as it pertains to user control and access, during the final design phase of the project. A visible open design which highlights the different activity areas and encourages participation from the user as well as the non-user, is essential to generating excitement and revenue. As much natural light as possible needs to be incorporated into the design while not compromising safety and promoting and maintaining energy efficiency in every way possible. The intent is to build a "smart building" that gives Mount Vernon the most for its money and the user a sense of quality and value.

Weight/cardiovascular fitness area- The presence of a large space for fitness activities in the building is essential to developing a strong revenue stream for the facility. More revenue per square foot can be generated from this recreation component than any other indoor amenity. It also allows the center to have a higher rate structure due to the value such an amenity has in the market place.

Pool- Another amenity that affects facility revenues and use is a pool and as a result, Ballard*King & Associates believes strongly that any community focused wellness/recreation center that is being built in most settings should include a recreationally oriented swimming pool as part of its facility components. The idea of incorporating slides, current channels, fountains, zero depth entry and other water features into a pool's design has proved to be extremely popular for the drop-in user. Leisure pools appeal to the younger kids (who are the largest segment of the population that swims) and to families. These types of facilities are able to attract and draw larger crowds and people tend to come from a further distance and stay longer to utilize such pools. Of note is the fact that users seem willing to pay a higher fee for the use of a facility when it includes a pool (even if they are not a swimmer). The simple fact that there is a leisure pool in a center will drive pass sales and use in the center, especially family passes.

Programs- The center should not be designed specifically to handle the once a year event or activity but should have the versatility to adapt to these needs within reason. Long term programming and facility needs of the community, businesses, and special interest groups should be identified and integrated into the operations plan for this facility.

The success of community based wellness/recreation centers is dependent on developing a broad based appeal to the general public. The needs of youth, seniors, and families must be considered and their individual concerns and issues addressed. Programs that are intergenerational in nature

PROJECT RECOMMENDATIONS

Mount Vernon Community Wellness Center Operations Study



and those that are specifically oriented towards certain population segments will both need to be developed. The needs of Cornell College, Mount Vernon Community Schools and the business community must also be considered if these markets are to be developed.

Consideration should be given to contracting for certain programs or services, especially those that are very specialized in nature. Any contracted programs or services should require a payment of a percentage of the fees collected (at least 30%) back to the center.

It is important to realize that the center must have a balance between program and drop-in use of the various components of the facility. The pool, gym and weight/fitness areas are of particular concern. If these areas do not have substantial times set aside on a daily basis for drop-in use then revenues generated from pass sales will be in jeopardy.

Budget and Fees: The success of this project depends on a number of budget factors, which need special consideration. An operational philosophy must be developed and priorities for use must be clearly identified. The revenue figures contained in this document are based on the principal that the facility will have a strong membership/pass and program orientation. A goal of consistently covering 60% to 75% of operational expenses with revenues should be attainable but it is not likely that 100% of operational costs can be covered by operational revenues. However, it should be realized that most public indoor sports, fitness, and recreation facilities have similar difficulties. Maximizing revenue production should be a primary goal. Care must be taken to make sure that a fees and charges policy is consistently followed for all users. No form of revenue production should be given away.

Capital replacement fund- A plan for funding a capital replacement program should be developed before the facility opens. The American Public Works Association recommends between 2% and 4% of replacement cost be budgeted annually for capital items. Costs for maintenance and contract services should be lower than the amount budgeted for the first year since most equipment will still be under warranty.

Fees- The revenue projections were based on the concept of not having resident/non-resident fee differential. Since there is a relatively small resident population base, non-residents need to be encouraged to utilize the facility to improve the overall cost recovery rate. It is estimated that 20% to 30% of all users could be non-residents.

Fees paid for individual programs do not allow the user to utilize the center on a drop-in basis. The payment of the drop-in fee should allow the user access to all areas of the center that are open to drop-in use. There should not be separate fees for different portions of the building (such as the pool, gym, track or weight room).

PROJECT RECOMMENDATIONS

Mount Vernon Community Wellness Center Operations Study



A senior discount fee schedule was developed for the facility, but it should be considered as a marketing tool rather than a discount based on need. Another option is to offer a limited morning or daytime discount rate that would be available to anyone using the facility during this slower period of the day. This would work much like a senior discount without having to label it as one. With the fee structure that has been proposed, it will be necessary to develop a scholarship program for those individuals that cannot afford the basic rates. Established criteria such as eligibility for the school lunch program should be utilized to determine need rather than spending the time and aggravation of developing and administering a new system.

To promote the sale of long term memberships/passes it is absolutely essential that a system be set up that allows for the automatic withdrawal from the pass holder's checking/charge account on a monthly payment. Without this option it will be impossible to meet the projected sales of memberships/passes. The center will need to decide if there will be the requirement that a pass holder sign an agreement for a 12 month contract before going month-to-month or just allowing month-to-month from the outset. More and more private facilities are allowing such an arrangement without the 12 month commitment.

Pass holder benefits – With revenues from long term passes making up the greatest single source of revenues, selling the benefits will be critical. This includes free basic land and water based fitness classes, and free drop-in child sitting. Other options include a 10%-15% discount on all fee based classes and services in the center, a free initial fitness assessment and 1-3 personal training sessions.

Pre-selling memberships/passes – Approximately 3 to 6 months before the facility opens there should be a program in place to begin the pre-sale of “charter passes” to promote sales. A goal should be to pre-sell between 25% and 50% of all budgeted passes prior to opening the facility.

Marketing plan- A marketing plan for the facility as well as its programs and services is essential. This document should target specific markets, programs, facilities and user groups. It needs to be an active document that is utilized by the Facility Manager to guide all marketing efforts. This plan should be updated yearly. Special emphasis must be placed on promoting not only long term passes but also programs to establish a strong revenue base.

Another focus of the marketing plan could be the development of a comprehensive sponsorship program for the entire facility. This program could provide an additional revenue stream for the center.

Staffing- Staffing costs are the biggest single operating expense and alternative options need to be investigated if costs are to be significantly reduced. The use of volunteers, trading facility use for labor and other similar ideas, deserve consideration as methods to reduce staffing budgets. The pay rates for both part-time and full-time personnel were determined based on the need to attract

PROJECT RECOMMENDATIONS

Mount Vernon Community Wellness Center Operations Study



well-qualified employees and minimize staff turnover rates. It is important to budget for an adequate level of staffing in all areas. One of the biggest mistakes in operations comes from understaffing a facility and then having to come back and add more help later. Maintenance staffing is of particular concern and is most often where cuts are made. Detailed job descriptions should be written for all staff and areas of responsibility need to be clearly defined. An adequate training fund is essential to a well-run facility. An emphasis needs to be placed on the importance of image and customer service in all training programs.

The key to opening a wellness/recreation facility and have it operate smoothly is hiring the necessary staff well in advance and having them well organized, properly trained and comfortable with the building's features. They need to be ready to hit the ground running with policies and procedures in place, and a marketing and maintenance program under way. However, this will require the establishment of a start-up budget and funding in advance of user revenues.

Partnerships- The financial performance of the center will also be dependent on the establishment of partnerships with Cornell College and Mount Vernon Community Schools. This will need to include assistance with capital to build the center as well as operational dollars to help cover the yearly shortfall.

Computerized operations- The center will need to have a fully computerized point of sale software system in place the day the center opens. This includes daily admissions, pass sales, program registration and all other financial transactions taking place in the building. There are several software systems available that can fill this role.

Section VII - Appendix

Part-Time Staff Hours

Program Staff Projections

Program Revenue Projections

Admission Revenue Projections



Part-Time Staff Hours:

Front Desk - 1 scheduled to work any hours that the center is open, plus a second staff member (Front Desk Attendant) on weekday evenings (5:00pm to 9:00pm) and weekends (noon-6:00pm). The Front Desk Coordinator/ Accounting Clerk position will also assist (mornings and early afternoon).

Weight/Cardio Room Supervisor

Days	Time	Hours	Employees	Days	Total Hours/Week
Mon-Fri	5:00A-12:00P	7	1	5	35
	4:00P-9:00P	5	1	5	25
Saturday	8:00A-1:00P	5	1	1	5
	1:00P-6:00P	5	1	1	5
Sunday	10:00A-1:00P	3	1	1	3
	1:00P-6:00P	5	1	1	5
TOTAL					78

Custodian/Building Attendant

Days	Time	Hours	Employees	Days	Total Hours/Week
Mon-Fri	4:00P-9:00P	5	1	5	25
	9:00P-1:00A	4	2	5	40
Sat & Sun	7:00A-11:00A	4	1	2	8
	11:00A-3:00P	4	1	2	8
	3:00P-6:00P	3	1	2	6
	6:00P-11:00P	5	2	2	20
TOTAL					107

Child Care Worker

Days	Time	Hours	Employees	Days	Total Hours/Week
Mon-Fri	8:00A-1:00P	5	2	5	50
	4:00P-8:00P	4	2	5	40
Saturday	10:00A-4:00P	6	2	1	12
TOTAL					102



Gym Attendant

Days	Time	Hours	Employees	Days	Total Hours/Week
Mon-Fri	4:00-9:00P	5	1	5	25
Sat & Sun	Noon-6:00P	6	1	2	12
TOTAL					37

NOTE: *This position is 26 weeks only during the winter months.*

Lifeguard Staffing

Hours: 5:00A-9:00P Monday-Friday
 8:00A-6:00P Saturday
 10:00A-6:00P Sunday

Summer Season (June, July, August & Holidays, 15 wks)

Days	Time	Hours	Employees	Days	Total Hours/Week
Mon-Fri	5:00A-9:00A	4	2	5	40
	9:00A-1:00P	4	2	5	40
	1:00P-7:00P	6	4	5	120
	7:00P-9:00P	2	2	5	20
Saturday	8:00A-1:00P	5	2	1	10
	1:00P-6:00P	5	4	1	20
Sunday	10:00A-1:00P	3	2	1	6
	1:00P-6:00P	5	4	1	20
TOTAL					276



Fall, Winter, & Spring Seasons (September – May, 37wks)

Days	Time	Hours	Employees	Days	Total Hours/Week
Mon-Fri	5:00A-8:00A	3	2	5	30
	8:00A-11:30A	3.5	2	5	35
	11:30A-1:00P	1.5	2	5	15
	1:00P-3:00P	2	2	5	20
	3:00P-8:00P	5	4	5	100
	8:00P-9:00P	1	2	5	10
Saturday	8:00A-1:00P	5	2	1	10
	1:00P-6:00P	5	4	1	20
Sunday	10:00A-1:00P	3	2	1	6
	1:00P-6:00P	5	4	1	20
TOTAL					266

NOTE: This schedule is based on a guard rotation concept but not utilizing the Head Guard in the rotation schedule (approximately 80 hrs. a week additional). Based on the pool's basic configuration, schedule and estimated use patterns, this level of lifeguard staffing will be necessary to ensure adequate protection for swimmers. This is an estimate of anticipated guard hours only and actual needs could vary depending on the final pool design, actual use patterns, and hours of operation.



Aquatics Program Staffing

This is a representative sample of possible aquatic programming in the center.

Swim Lessons

Season	Staff Rate/Class	Classes/Day	Days	Weeks	Total
Summer	\$5.00	12	5	8	\$2,400
Spring/Fall	\$5.00	9	2	16	\$1,440
Winter	\$5.00	9	2	8	\$720
TOTAL					\$4,560

Note: Instructors are paid \$10/hour classes are 30 minutes in length.

Water Aerobics

Season	Staff Rate/Class	Classes/Week	Weeks	Total
Summer	\$20.00	9	14	\$2,520
Spring/Fall	\$20.00	9	26	\$4,680
Winter	\$20.00	9	12	\$2,160
TOTAL				\$9,360

Private Swim Lessons

Lessons/Week	Staff Rate/Lesson	Weeks	Total
5	\$10.00	50	\$2,500
TOTAL			\$2,500

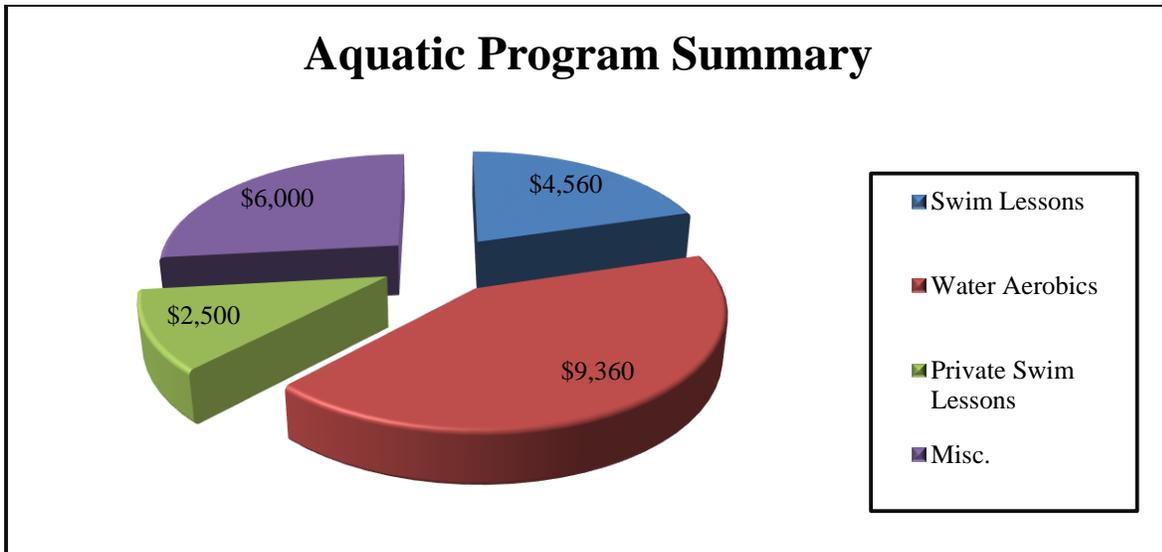
Miscellaneous

Staff	Staff Rate/Class	Classes/Week	Weeks	Total
1	\$20.00	6	50	\$6,000
TOTAL				\$6,000



Aquatic Program Staffing

Category	
Swim Lessons	\$4,560
Water Aerobics	\$9,360
Private Swim Lessons	\$2,500
Miscellaneous	\$6,000
TOTAL	\$22,420



General Programs

This is a representative sample of possible general programming in the center.

Adult Leagues (basketball & volleyball) –2 ten week seasons a year

League	Position	Staff	Rate/Game	Game/Wk	Weeks	Total
Basketball	Officials	2	\$20.00	3	20	\$2,400
	Scorer	1	\$9.50	3	20	\$570
Volleyball	Off/Scorer	1	\$20.00	3	20	\$1,200
TOTAL						\$4,170

Youth Leagues (indoor soccer & basketball) –2 ten week seasons a year

League	Position	Staff	Rate/Game	Game/Wk	Weeks	Total
Soccer	Officials	2	\$15.00	6	20	\$3,600
	Scorer	1	\$9.50	6	20	\$1,140
Basketball	Officials	2	\$15.00	6	20	\$3,600
	Scorer	1	\$9.50	6	20	\$1,140
TOTAL						\$9,480

Youth Sports Camps

League	Position	Staff	Rate/Hr.	Number	Hours	Total
Basketball	Coaches	2	\$20.00	1	16	\$640
Volleyball	Coaches	2	\$20.00	1	16	\$640
Other	Coaches	2	\$20.00	1	16	\$640
TOTAL						\$1,920

APPENDIX
Mount Vernon Community Wellness Center Operations Study



Fitness

Day	Staff	Rate/Class	Classes/Week	Weeks	Total
Mon, Wed, Fri	1	\$20.00	12	52	\$12,480
Tue, Thu	1	\$20.00	9	52	\$9,360
Weekend	1	\$20.00	4	52	\$4,160
TOTAL					\$26,000

Weight Training

Staff	Rate/Class	Classes/Week	Weeks	Total
1	\$20.00	3	52	\$3,120
TOTAL				\$3,120

Personal Trainer

Staff	Rate/Session	Sessions/Week	Weeks	Total
1	\$25.00	7	52	\$9,100
TOTAL				\$9,100

Youth/Teen Activities

Staff	Staff Rate/Class	Classes/Week	Weeks	Total
1	\$11.00	6	36	\$2,376
TOTAL				\$2,376

Summer Day Camp

Staff	Staff Rate/Hour	Hours/Week	Weeks	Total
1	\$11.00	40	10	\$4,400
5	\$9.50	40	10	\$19,000
TOTAL				\$23,400

Birthday Parties

Staff	Staff Rate/Party	Parties/Week	Weeks	Total
1	\$11.00	4	52	\$2,288
TOTAL				\$2,288



General Interest

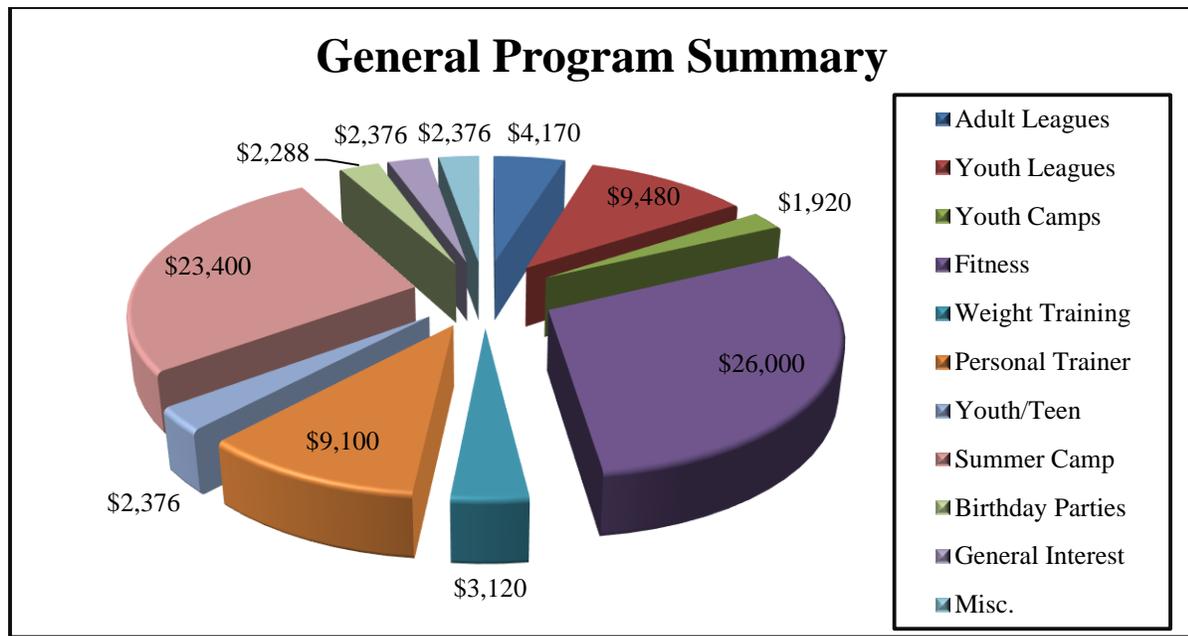
Staff	Staff Rate/Class	Classes/Week	Weeks	Total
1	\$11.00	6	36	\$2,376
TOTAL				\$2,376

Miscellaneous (dance, martial arts, etc.)

Staff	Staff Rate/Class	Classes/Week	Weeks	Total
1	\$11.00	6	36	\$2,376
TOTAL				\$2,376

General Program Staffing

Category	
Adult Leagues	\$4,170
Youth Leagues	\$9,480
Youth Camps	\$1,920
Fitness	\$26,000
Weight Training	\$3,120
Personal Training	\$9,100
Youth/Teen Activities	\$2,376
Summer Day Camp	\$23,400
Birthday Parties	\$2,288
General Interest	\$2,376
Miscellaneous	\$2,376
TOTAL	\$86,606



NOTE: Some programs and classes will be on a contractual basis with the center, where the facility will take a percentage of the revenues charged and collected. These programs have not been shown in this budget as a result.



Program Revenue Estimates

Aquatics

This is a representative sample of possible aquatic programming and revenue at the center.

Aggressive Option

Swim Lessons

Title	Classes	Fee	Sessions/ Weeks	Total Revenue
<i>Summer</i>	12 classes/4 per class	\$40.00	4 sessions	\$7,680
<i>Spring/Fall</i>	9 classes/4 per class	\$40.00	2 sessions	\$2,880
<i>Winter</i>	9 classes/4 per class	\$40.00	1 session	\$1,440
<i>Private Lessons</i>	5 classes/wk	\$20.00/cl.	50 weeks	\$5,000
			TOTAL	\$17,000

Water Aerobics

Title	Classes	Fee	Sessions/ Weeks	Total Revenue
<i>Summer</i>	9 classes/3 per class	\$8.00/cl.	14 weeks	\$3,024
<i>Spring/Fall</i>	9 classes/3 per class	\$8.00/cl.	26 weeks	\$5,616
<i>Winter</i>	9 classes/3 per class	\$8.00/cl.	12 weeks	\$2,592
			TOTAL	\$11,232

Other

Title	Classes	Fee	Sessions/ Weeks	Total Revenue
<i>Misc.</i>	6 classes/5 per class	\$8.00/cl.	50 weeks	\$12,000
			TOTAL	\$12,000

Total Aquatics Program Revenue

\$40,232



Conservative Option

Swim Lessons

Title	Classes	Fee	Sessions/ Weeks	Total Revenue
<i>Summer</i>	12 classes/3 per class	\$40.00	4 sessions	\$5,760
<i>Spring/Fall</i>	9 classes/3 per class	\$40.00	2 sessions	\$2,160
<i>Winter</i>	9 classes/3 per class	\$40.00	1 session	\$1,080
				\$0
<i>Private Lessons</i>	5 classes/wk	\$20.00/cl.	50 weeks	\$5,000
TOTAL				\$14,000

Water Aerobics

Title	Classes	Fee	Sessions/ Weeks	Total Revenue
<i>Summer</i>	9 classes/2 per class	\$8.00/cl.	14 weeks	\$2,016
<i>Spring/Fall</i>	9 classes/2 per class	\$8.00/cl.	26 weeks	\$3,744
<i>Winter</i>	9 classes/2 per class	\$8.00/cl.	12 weeks	\$1,728
TOTAL				\$7,488

Other

Title	Classes	Fee	Sessions/ Weeks	Total Revenue
<i>Misc.</i>	6 classes/4 per class	\$8.00/cl.	50 weeks	\$9,600
TOTAL				\$9,600

Total Aquatics Program Revenue

\$31,088



General Programs

This is a representative sample of possible general programming and revenue at the center.

Aggressive Option

Adult Leagues

Title	Classes	Fee	Seasons	Total Revenue
<i>Basketball</i>	6 teams	\$650.00	2 seasons	\$7,800
<i>Volleyball</i>	6 teams	\$550.00	2 seasons	\$6,600
TOTAL				\$14,400

Youth Leagues

Title	Teams	Players	Fee	Seasons	Total Revenue
<i>Soccer</i>	12 teams	10/team	\$60.00	2 seasons	\$14,400
<i>Basketball</i>	12 teams	10/team	\$60.00	2 seasons	\$14,400
TOTAL					\$28,800

Youth Sports Camps

Title	Classes	Fee	Camps	Total Revenue
<i>Basketball</i>	20 kids	\$75.00	1 camp	\$1,500
<i>Volleyball</i>	20 kids	\$75.00	1 camp	\$1,500
<i>Other</i>	20 kids	\$75.00	1 camp	\$1,500
TOTAL				\$4,500

Fitness

Title	Classes	Fee	Weeks	Total Revenue
<i>Fitness Classes</i>	25 classes/3 per class	\$8.00/cl.	52 weeks	\$31,200
<i>Weight Training</i>	3 classes/3 per class	\$8.00/cl.	52 weeks	\$3,744
<i>Personal Training</i>	7 sessions	\$40.00	52 weeks	\$14,560
TOTAL				\$49,504



Other

Title	Classes	Fee	Sessions/ Weeks	Total Revenue
<i>Youth/Teen</i>	3 classes/10 per class	\$35.00/sess.	4 sessions	\$4,200
<i>Summer Day Camp</i>	50 per week	\$150/wk.	9 weeks	\$67,500
<i>Birthday Parties</i>	4 per week	\$140/pty.	52 weeks	\$29,120
<i>General Interest</i>	3 classes/8 per class	\$35.00/sess.	4 sessions	\$3,360
<i>Misc.</i>	3 classes/8 per class	\$35.00/sess.	4 sessions	\$3,360
TOTAL				\$107,540

Total General Program Revenue

\$204,744



Conservative Option

Adult Leagues

Title	Classes	Fee	Seasons	Total Revenue
<i>Basketball</i>	6 teams	\$650.00	2 seasons	\$7,800
<i>Volleyball</i>	6 teams	\$550.00	2 seasons	\$6,600
TOTAL				\$14,400

Youth Leagues

Title	Teams	Players	Fee	Seasons	Total Revenue
<i>Soccer</i>	12 teams	10/team	\$60.00	2 seasons	\$14,400
<i>Basketball</i>	12 teams	10/team	\$60.00	2 seasons	\$14,400
TOTAL					\$28,800

Youth Sports Camps

Title	Classes	Fee	Camps	Total Revenue
<i>Basketball</i>	16 kids	\$75.00	1 camp	\$1,200
<i>Volleyball</i>	16 kids	\$75.00	1 camp	\$1,200
<i>Other</i>	16 kids	\$75.00	1 camp	\$1,200
TOTAL				\$3,600

Fitness

Title	Classes	Fee	Weeks	Total Revenue
<i>Fitness Classes</i>	25 classes/2 per class	\$8.00/cl.	52 weeks	\$20,800
<i>Weight Training</i>	3 classes/2 per class	\$8.00/cl.	52 weeks	\$2,496
<i>Personal Training</i>	7 sessions	\$35.00	52 weeks	\$12,740
TOTAL				\$36,036

APPENDIX
Mount Vernon Community Wellness Center Operations Study



Other

Title	Classes	Fee	Sessions/ Weeks	Total Revenue
<i>Youth/Teen</i>	3 classes/8 per class	\$35.00/sess.	4 sessions	\$3,360
<i>Summer Day Camp</i>	45 per week	\$120/wk.	9 weeks	\$48,600
<i>Birthday Parties</i>	4 per week	\$120/pty.	52 weeks	\$24,960
<i>General Interest</i>	3 classes/6 per class	\$35.00/sess.	4 sessions	\$2,520
<i>Misc.</i>	3 classes/6 per class	\$35.00/sess.	4 sessions	\$2,520
TOTAL				\$81,960

Total General Program Revenue

\$164,796



Admission Revenue Worksheets:

Aggressive Option

Daily

Category	Fee	# Per Day	Revenue	Days	Total
Adult	\$8.00	15	\$120		
Youth	\$5.00	10	\$50		
College	\$6.00	5	\$30		
Senior	\$5.00	5	\$25		
		35	\$225	360	\$81,000
TOTAL					\$81,000

Monthly Fee

Category	Fee	Months	# Sold	Revenue	
Adult	\$50	12	80	\$48,000	
Youth	\$25	12	10	\$3,000	
College	\$30	12	40	\$14,400	
Senior	\$25	12	32	\$9,600	
Household	\$75	12	200	\$180,000	
TOTAL			362	\$255,000	
				10% of pass holders/loss of 25% of revenue	-\$6,375
TOTAL					\$248,625

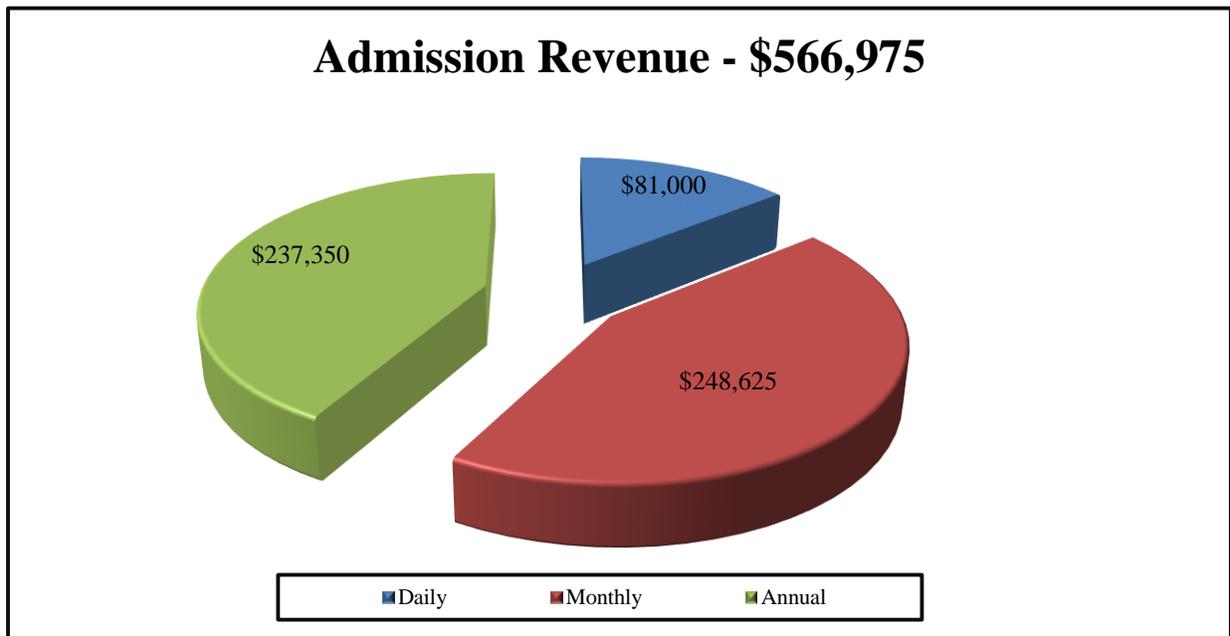
Yearly Passes

Category	Fee	# Sold	Revenue
Adult	\$550	80	\$44,000
Youth	\$250	10	\$2,500
College	\$315	40	\$12,600
Senior	\$250	33	\$8,250
Household	\$850	200	\$170,000
TOTAL		363	\$237,350
TOTAL			\$237,350



Revenue Summary

Aggressive



APPENDIX 

Mount Vernon Community Wellness Center Operations Study

Conservative Option

Daily

Category	Fee	# Per Day	Revenue	Days	Total
Adult	\$8.00	12	\$96		
Youth	\$5.00	8	\$40		
College	\$6.00	5	\$30		
Senior	\$5.00	5	\$25		
		30	\$191	360	\$68,760
TOTAL					\$68,760

Monthly Fee

Category	Fee	Months	# Sold	Revenue	
Adult	\$50	12	64	\$38,400	
Youth	\$25	12	8	\$2,400	
College	\$30	12	32	\$11,520	
Senior	\$25	12	26	\$7,800	
Household	\$75	12	162	\$145,800	
TOTAL			292	\$205,920	
				10% of pass holders/loss of 25% of revenue	-\$5,148
TOTAL				\$200,772	

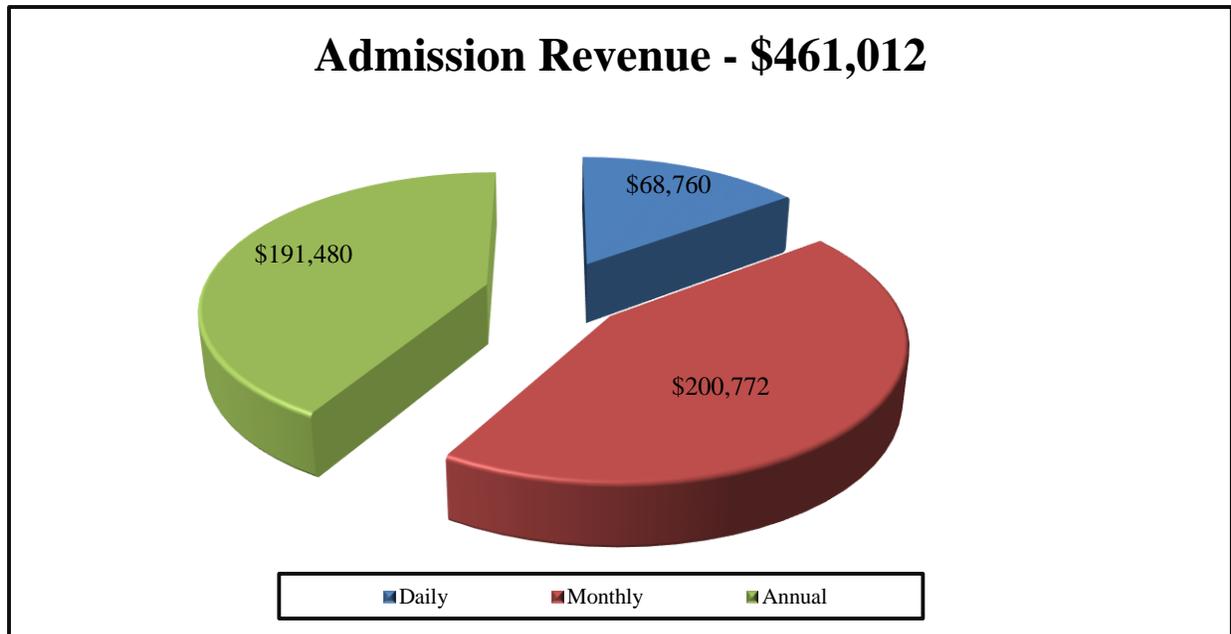
Yearly Passes

Category	Fee	# Sold	Revenue
Adult	\$550	64	\$35,200
Youth	\$250	8	\$2,000
College	\$315	32	\$10,080
Senior	\$250	26	\$6,500
Household	\$850	162	\$137,700
TOTAL		292	\$191,480
TOTAL			\$191,480



Revenue Summary

Conservative



NOTE: *These work sheets were used to project possible revenue sources and amounts. These figures are estimates only, based on basic market information and should not be considered as guaranteed absolutes. This information should be utilized as a representative revenue scenario only and to provide possible revenue target ranges.*