

C. V. Starr Community Center Phase 3

Operational Feasibility

Prepared by Ethan Newton, MCRPD District Administrator
December 4, 2016

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Executive Summary

To help aid decisions in choosing a final design for the C. V. Starr Community Center Phase 3, four design options are being presented based upon past community input and identified community center needs. The four options being presented are as follows:

Option D1: This option expands the current community center by 20,492 square feet and includes a 12,000 square foot gym, gymnastics/circus room and cardio/stretch room.

Option D2: This option expands the current community center by 20,459 square feet and includes a 12,000 square foot gym, gymnastics/circus room, cardio/stretch room and kid's club space.

Option E1: This option expands the current community center by 15,265 square feet and includes a 7,000 square foot gym, gymnastics/circus room and cardio/stretch room.

Option E2: This option expands the current community center by 15,434 square feet and includes a 7,000 square foot gym, gymnastics/circus room, cardio/stretch room and kid's club space.

For each of the four options, staff have prepared anticipated revenues, expenditures and the expected net change to the C. V. Starr Community Center's operating budget.

Table 1. Net Change to Operating Budget

	Option D1	Option D2	Option E1	Option E2
REVENUES				
General Admission	19,810	26,310	15,600	22,100
Registration	53,145	53,145	42,645	42,645
Rental	17,940	17,940	17,940	17,940
Total Revenues	90,895	97,395	76,185	82,685
EXPENDITURES				
Wages and Benefits	92,657	104,400	83,257	95,364
Utilities	108,146	107,972	80,560	81,452
Outreach	4,585	4,913	3,843	4,171
Maintenance	43,972	43,901	32,756	33,118
Operations	21,540	23,080	18,054	19,594
Total Expenditures	270,899	284,265	218,470	233,699
REVENUES OVER (UNDER)				
EXPENDITURES	(180,004)	(186,870)	(142,285)	(151,014)
Net Change in Operating Budget	(180,004)	(186,870)	(142,285)	(151,014)

In all four options, anticipated annual operating costs exceed revenues and will require additional funding to sustain. This is not unusual as community center operations rarely cover costs. Given the scale of this project, the geographic location and economics of the local area, complete cost recovery is not a realistic goal for sustaining operations of this expansion.

Start Up Budget, Owner Items, and FF&E

It is assumed that the construction budget will include soft costs (owner expenses) associated with furniture, fixtures and equipment (FF&E). Professional services such as architectural design fees are also assumed to be part of the construction budget. Therefore, startup funds are not reflected in the operational budgets contained in this document.

Long Term Operating Budget

Building a sustainable budget means that revenues and expenses will keep pace over time. This operating budget is developed with sustainable revenue generating components. It is anticipated that expenditures for personnel, supplies and services will increase 3-4% per year. In order to keep pace with rising expenditures and not lose ground, fees for admissions, programs, rentals and other services will need to be incrementally increased per year at a rate greater than the expenditures. Another option is to look toward alternative funding methods.

Recommendations for Financial Planning

Establish a Subsidy/Cost Recovery Philosophy

Developing and implementing a Subsidy / Cost Recovery Philosophy based upon the City of Fort Bragg and Mendocino Coast Recreation and Park District's missions will provide the foundation for setting fees and charges.

Consider Revisions to Fee Schedule to Increase Revenue Generation Potential

Review and revise existing policies regarding the fee schedule in relation to cost recovery philosophy, public-good/individual benefit, student/instructor ratios, class maximums and program costs.

Revenues

Revenue forecasts are based on anticipated general admission, registration and rentals associated with the proposed expansion to the C. V. Starr Community Center.

Revenue projections takes into account program and facility components, current fee levels as well as economic and geographic realities. The demand is based upon current program participation levels and does not guarantee equal or greater participation levels to meet projected levels.

General Admissions

General admission revenue include fees collected for drop-in activities, such as badminton, basketball, futsal, open gym, pickleball, teen nights, dances and skate nights.

Table 2. General Admission Revenue

	Option D1 Estimated Revenue Per Year	Option D2 Estimated Revenue Per Year	Option E1 Estimated Revenue Per Year	Option E1 Estimated Revenue Per Year
GENERAL ADMISSION REVENUE				
Drop In Badminton (16+) ¹²	1,560	1,560	1,040	1,040
Drop In Basketball (16+) ¹²	2,340	2,340	1,560	1,560
Drop In Futsal (16+) ¹²	2,080	2,080	2,080	2,080
Drop-In Volleyball (16+) ¹²	1,170	1,170	780	780
Kids Club ³	-	6,500	-	6,500
Memberships (monthly) ⁴	1,200	1,200	1,200	1,200
Open Gym ¹²	5,850	5,850	3,900	3,900
Pickleball ¹²	1,710	1,710	1,140	1,140
Teen Night / Dances / Skate Night ¹²	3,900	3,900	3,900	3,900
Total	19,810	26,310	15,600	22,100

¹ The lowest current drop-in fee is used for drop-in program estimates.

² Estimated revenue is reduced by 50% in anticipation that current members would account for 50% of participants.

³ Kids Club revenue is estimated with the assumption of 10 participants a day, 260 days a year with a \$5/day participant fee.

⁴ A membership revenue increase is estimated at the level of 20 monthly adult memberships.

Registrations

Registration revenue includes fees collected for registered activities, such as adult basketball league, camps, youth basketball league, gymnastics and hoopstars.

Table 3. Registration Revenue

	Option D1 Estimated Revenue Per Year	Option D2 Estimated Revenue Per Year	Option E1 Estimated Revenue Per Year	Option E1 Estimated Revenue Per Year
REGISTRATION REVENUE				
Adult Basketball League ^{1 2}	3,120.00	3,120.00	3,120.00	3,120.00
Youth Programs - Camps ³	31,500.00	31,500.00	21,000.00	21,000.00
Youth Programs - Coast Youth Basketball League ^{1 2}	5,200.00	5,200.00	5,200.00	5,200.00
Youth Programs - Gymnastics ^{1 2}	11,600.00	11,600.00	11,600.00	11,600.00
Youth Programs - Hoopstars ^{1 2}	1,725.00	1,725.00	1,725.00	1,725.00
Total	53,145.00	53,145.00	42,645.00	42,645.00

¹ Current fee rate is used to calculate registration revenue.

² Based upon historical participation and revenue data.

³ Camp registration fee of \$125 per session used to calculate revenue.

Rentals

Rental revenue includes fees collected for rental of spaces for activities, such as futsal and circus classes. General gym rentals are also anticipated for a variety of activities, including birthday parties, Quinceañeras, craft fairs, meetings, etc.

Table 4. Rental Revenue

	Option D1 Estimated Revenue Per Year	Option D2 Estimated Revenue Per Year	Option E1 Estimated Revenue Per Year	Option E1 Estimated Revenue Per Year
RENTAL REVENUE				
Futsal - Small Gym ¹	-	-	7,020	7,020
Futsal - Large Gym ¹	7,020	7,020	-	-
General Gym Rentals ²	3,120	3,120	3,120	3,120
Circus Classes (10 hours a week) ³	7,800	7,800	7,800	7,800
TOTAL	17,940	17,940	17,940	17,940

¹ Estimated with a projection of 468 hours of futsal per year at a rate of \$15/hr.

² Estimated with a projection of 104 hours of general gym rentals per year at a rate of \$30/hr.

³ Estimated with a projection of 520 hours of circus classes per year at a rate of \$15/hr.

Expenditures

Expenditures estimates are based on anticipated wages and benefits, utilities, outreach/marketing, maintenance, and operations to sustain programs and facility upkeep associated with the proposed expansion to the C. V. Starr Community Center.

Expenditure projections takes into account program and facility components. The projections are based upon the best available historical data, reasonable assumptions and does not guarantee actual expenditures to be equal or lesser than projected expenditure levels.

Wages and Benefits

Increase costs for wages and benefits are anticipated to properly support and sustain maintenance and program activities associated with the expansion of the community center.

Table 5. Wages and Benefits

	Option D1 Estimated Cost Per Year	Option D2 Estimated Cost Per Year	Option E1 Estimated Cost Per Year	Option E1 Estimated Cost Per Year
WAGES AND BENEFITS				
Assistant Coordinator - Programs ¹	25,902	25,902	25,902	25,902
Custodial/Maintenance Worker I ²	17,749	17,720	13,222	13,368
Custodial/Maintenance Worker II ²	19,102	19,071	14,229	14,387
Program staff (gymnasium programs) ³	24,758	24,758	24,758	24,758
Program staff (gymnastics program) ⁴	5,146	5,146	5,146	5,146
Program staff (Kids Club) ⁵	-	11,803	-	11,803
TOTAL	92,657	104,400	83,257	95,364

¹ Assistant Coordinator – Programs is estimated based upon being equivalent to Assistant Coordinator – Aquatics position and is estimated at a 0.50 FTE level.

² Wages and Benefits are estimated based upon current levels of the Custodial/Maintenance Worker position per square foot of building space applied to additional square feet of building space in each option.

³ Program staff for gymnasium programs is estimated based upon the current average cost of part-time program staff applied to the anticipated hours needed to support new programs.

⁴ Program staff for a gymnastic program is estimated based upon current rate of wages and benefits for gymnastics staff applied to support 200 hours of gymnastics a year.

⁵ Program staff for a Kids Club program is estimated based upon current rate of wages and benefits for youth program staff applied to support 260 days of a 3 hour of program.

Utilities

Increase costs for utilities are anticipated to properly support and sustain HVAC functions, lighting and general uses associated with the expansion of the community center.

Table 6. Utilities

	Option D1 Estimated Cost Per Year	Option D2 Estimated Cost Per Year	Option E1 Estimated Cost Per Year	Option E1 Estimated Cost Per Year
UTILITIES				
Electrical ¹	57,747	57,654	43,017	43,493
Propane ²	36,394	36,336	27,111	27,411
Water ³	14,005	13,982	10,433	10,548
TOTAL	108,146	107,972	80,560	81,452

¹ Electrical estimates are based upon current electrical costs (adjusted for non-aquatic spaces) applied to the square footage of additional space. Estimates assume a photovoltaic system installed on the new roof, but does not factor in a carport-style photovoltaic system installed in the parking lot areas.

² Propane estimates are based upon current propane costs (adjusted for non-aquatic spaces) applied to the square footage of additional space.

³ Water estimates are based upon current water costs (adjusted for non-aquatic spaces) applied to the square footage of additional space.

Outreach

Increase costs for outreach and marketing to support expansion of programs and use of the expanded community center include costs associated with recreation guides, flyers, online presence and advertisements.

Table 7. Outreach

	Option D1 Estimated Cost Per Year	Option D2 Estimated Cost Per Year	Option E1 Estimated Cost Per Year	Option E1 Estimated Cost Per Year
OUTREACH				
Outreach ¹	4,585	4,913	3,843	4,171
TOTAL	4,585	4,913	3,843	4,171

¹ Outreach estimates are based upon the current level of outreach/marketing the center currently allocates towards this purpose (5% of annual revenue) and applied to revenue associated with the additional space.

Maintenance

Increase costs for maintenance are anticipated to provide for proper maintenance of the expansion of the community center, including repair parts, equipment, tools, maintenance services and repair services.

Table 8. Maintenance

	Option D1 Estimated Cost Per Year	Option D2 Estimated Cost Per Year	Option E1 Estimated Cost Per Year	Option E1 Estimated Cost Per Year
MAINTENANCE				
Maintenance ¹	43,972	43,901	32,756	33,118
TOTAL	43,972	43,901	32,756	33,118

¹ Maintenance cost estimates are based upon current maintenance costs (adjusted for non-aquatic spaces) applied to the square footage of additional space.

Operations

Increase costs for operations are anticipated to provide for operation costs that support the expansion of the community center, including uniforms, equipment rental, professional services, insurance, training, recruitments, facility supplies and program supplies.

Table 9. Operations

	Option D1 Estimated Cost Per Year	Option D2 Estimated Cost Per Year	Option E1 Estimated Cost Per Year	Option E1 Estimated Cost Per Year
OPERATIONS				
Operations ¹	21,540	23,080	18,054	19,594
TOTAL	21,540	23,080	18,054	19,594

¹ Operations cost estimates are based upon the current level of operations the center currently allocates towards this purpose (24% of annual revenue) and applied to revenue associated with the additional space.