



Building M
Committee of the Whole
January 13, 2016

Current Situation

- Infrastructure has long surpassed its expected life
- Operating in costly “run to fail” mode
- Cannot physically support new programs
- Interiors have degraded significantly
- Renovations included in the Campus Master Plan
- Used primarily by co-listed activities courses and 197 student athletes

MISSION FOR BUILDING M

Create an engaging educational center for the entire Harper community that encourages a holistic culture of wellness by providing opportunities through academics, recreation and athletics to support a healthy and active lifestyle.

Data Gathering

- Student input sessions (over 700 students participated)
- Campus wide survey
- Task force committee
- Partnership opportunities explored

Priority usage

Gym, multipurpose, fitness and wellness

1. Academics
2. Wellness / Student engagement opportunities
3. Athletics
4. Operator services fitness program and recreation
(i.e. Wellness & Health Service Provider, Park District, Harper College Continuing Education programs, other providers)
5. Other Partners
6. Tournaments / rentals
7. Other community users

DESIRED OUTCOMES

Ensure a mixture of program space is available to serve the variety of credit academic needs.

Increase the opportunities for student engagement through structured and non-structured programming.

Student employment and internship opportunities.

Build a shared vision for a signature multi-use facility with main program areas, classrooms, an indoor aquatic center, gymnasium and wellness /fitness services, multi-purpose areas and a campus health services /medical provider.

DESIRED OUTCOMES

Utilize best practice means and trends to help meet the needs of current and future students, faculty, staff, retirees and alumni.

Determine the optimal operational structure with metrics to ensure maximum return on the operations for Harper College and all partners.

Build a creative and strong revenue generating platform for the operations and long-term financial sustainability of the building.

Partnerships

- Health Services Provider – Northwest Community Hospital
- Aquatic Center Operations – Palatine Park District
- Management Services Operator - Centers

Financial Pro Forma

Capital

Incremental Operations

Capital

PROJECT CONSTRUCTION FUNDING/BUDGET

Capital Funds - Building M Project	\$23.8
Capital Funds - Swimming Pool	1.2
Funding from Bond and Interest Fund	<u>5.0</u>
Total Harper Funds Available	\$30.0
Aquatic Center Partner	<u>\$ 9.0</u>
Total Potential Funds Available	<u><u>\$39.0</u></u>
Estimated Cost	<u><u>\$39.0</u></u>

Incremental Operations Pro forma

Wellness and Sports Center							
Incremental Five Year Financial Projection							
	Pre-Opening	Year 1	Year 2	Year 3	Year 4	Year 5	
Revenue							
Memberships:							
Student Semester Fee	\$0	\$810,789	\$794,573	\$777,092	\$777,092	\$777,092	
Employees/Retiree	0	29,850	58,200	87,885	87,885	90,720	
Community/Alumni	0	27,000	40,500	56,000	84,000	116,000	
Aquatics Partner Cost Recovery	0	433,900	446,917	460,325	474,134	488,358	
Health Services Partner	0	127,000	129,540	132,131	134,773	137,469	
Programming/Classes	0	112,500	183,600	292,613	338,260	345,025	
Other	0	110,000	122,400	135,252	148,569	151,540	
Total Revenue	0	1,651,039	1,775,730	1,941,297	2,044,714	2,106,205	
Expenditures							
Maintenance & Custodial	0	659,600	679,388	699,771	720,765	742,385	
Management Fee & Staffing	186,300	651,801	690,982	731,947	753,056	774,774	
Utilities	0	545,400	561,762	578,615	595,973	613,853	
Fitness Equipment & Maintenance	0	250,000	257,500	265,226	273,181	281,377	
All Other	87,600	220,017	276,048	315,303	291,670	299,824	
Total Expenditures	273,900	2,326,818	2,465,680	2,590,862	2,634,645	2,712,213	
Current Cost Savings	425,343	627,343	646,163	665,548	685,515	706,080	
Net Excess/(Deficit)	\$151,443	(\$48,436)	(\$43,787)	\$15,983	\$95,584	\$100,073	
<p><i>Note - Aquatics Center Partner will pay the College an additional estimated annual fee of approximately \$45,000, which the College will hold and use exclusively for future large maintenance, repairs or replacement projects.</i></p>							

Revenue

- Researched and reviewed Moraine Valley Community College (full time student \$60.00per semester).
- Obtained Input from student survey (Cannon Design 3/15/2015).
 - 50% of students respondent price point of **\$25 per month**
 - 75% of students respondents price point of **\$20 per month**
- Input from student interviews and user focus groups

Membership Revenue

\$28 per semester Fulltime student fee and access to parking garage (Approximately \$7.00 per month)

\$23 per semester Part time student fee and access to parking garage (Approximately \$5.00 per month)

\$25 per month Employees and Retirees

\$45 per month Alumni / Community members

Options

1. Do Nothing – decision to close operations, withdraw athletics and health and wellness academic programs.
2. Replace critical infrastructure without changing building function or programs – \$20-22 million / serves no additional students.
3. Unique opportunity to leverage partners, improve building operations and programs, and increase student engagement - \$39 million.

Recommendation

Option # 3

Unique opportunity to leverage partners, improve building operations and programs, and increase student engagement - \$39 million.

