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

<table>
<thead>
<tr>
<th>Fund Type</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Funds - Building M Project</td>
<td>$23.8</td>
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<tr>
<td>Capital Funds - Swimming Pool</td>
<td>1.2</td>
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<tr>
<td>Funding from Bond and Interest Fund</td>
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<td>Total Harper Funds Available</td>
<td>$30.0</td>
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<tr>
<td>Aquatic Center Partner</td>
<td>$ 9.0</td>
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<tr>
<td>Total Potential Funds Available</td>
<td>$39.0</td>
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Estimated Cost: $39.0
## Incremental Operations

### Pro forma

**Wellness and Sports Center**

**Incremental Five Year Financial Projection**

<table>
<thead>
<tr>
<th></th>
<th>Pre-Opening</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
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<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Memberships:</td>
<td></td>
<td></td>
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<tr>
<td>Student Semester Fee</td>
<td>$0</td>
<td>$810,789</td>
<td>$794,573</td>
<td>$777,092</td>
<td>$777,092</td>
<td>$777,092</td>
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<tr>
<td>Employees/Retiree</td>
<td>0</td>
<td>29,850</td>
<td>58,200</td>
<td>87,885</td>
<td>87,885</td>
<td>90,720</td>
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<tr>
<td>Community/Alumni</td>
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<td>27,000</td>
<td>40,500</td>
<td>56,000</td>
<td>84,000</td>
<td>116,000</td>
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<td>Aquatics Partner Cost Recovery</td>
<td>0</td>
<td>433,900</td>
<td>446,917</td>
<td>460,325</td>
<td>474,134</td>
<td>488,358</td>
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<td>Health Services Partner</td>
<td>0</td>
<td>127,000</td>
<td>129,540</td>
<td>132,131</td>
<td>134,773</td>
<td>137,469</td>
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<td>Programming/Classes</td>
<td>0</td>
<td>112,500</td>
<td>183,600</td>
<td>292,613</td>
<td>338,260</td>
<td>345,025</td>
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<tr>
<td>Other</td>
<td>0</td>
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<td>122,400</td>
<td>135,252</td>
<td>148,569</td>
<td>151,540</td>
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<td><strong>Total Revenue</strong></td>
<td>0</td>
<td>$1,651,039</td>
<td>$1,775,730</td>
<td>$1,941,297</td>
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<td><strong>Expenditures</strong></td>
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<td></td>
<td></td>
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<tr>
<td>Maintenance &amp; Custodial</td>
<td>0</td>
<td>659,600</td>
<td>679,388</td>
<td>699,771</td>
<td>720,765</td>
<td>742,385</td>
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<td>Management Fee &amp; Staffing</td>
<td>186,300</td>
<td>651,801</td>
<td>690,982</td>
<td>731,947</td>
<td>753,056</td>
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<td>Utilities</td>
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<td>561,762</td>
<td>578,615</td>
<td>595,973</td>
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<td>Fitness Equipment &amp; Maintenance</td>
<td>0</td>
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<td>257,500</td>
<td>265,226</td>
<td>273,181</td>
<td>281,377</td>
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<tr>
<td>All Other</td>
<td>87,600</td>
<td>220,017</td>
<td>276,048</td>
<td>315,303</td>
<td>291,670</td>
<td>299,824</td>
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<tr>
<td><strong>Total Expenditures</strong></td>
<td>273,900</td>
<td>2,326,818</td>
<td>2,465,680</td>
<td>2,590,862</td>
<td>2,634,645</td>
<td>2,712,213</td>
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<td><strong>Current Cost Savings</strong></td>
<td>425,343</td>
<td>627,343</td>
<td>646,163</td>
<td>665,548</td>
<td>685,515</td>
<td>706,080</td>
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<td><strong>Net Excess/(Deficit)</strong></td>
<td>$151,443</td>
<td>($48,436)</td>
<td>($43,787)</td>
<td>$15,983</td>
<td>$95,584</td>
<td>$100,073</td>
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*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.*
Revenue

• Researched and reviewed Moraine Valley Community College (full time student $60.00 per 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.