

# Wellness Center Evaluation

## Committee Report (Release to Board of Supervisors- rev 1)

January 25, 2012

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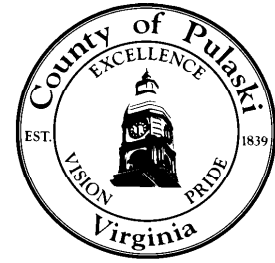
### **Presented by Wellness Center Committee Representatives:**

#### **Facilitators:**

Mr. Anthony Akers, Pulaski County Director of Parks and Recreation  
Mr. Dan Grubb, Massie District

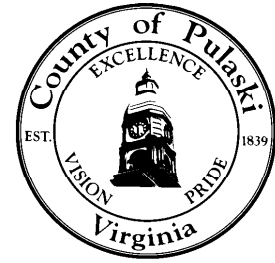
#### **Members:**

Ms. Pam Chitwood, Robinson District  
Mr. Ranny Akers, Previous Pulaski County Board of Supervisors, Ingles District  
Mr. Kevin Meredith, Ingles District  
Ms. Ashley Coble, Draper District  
Ms. Melissa Twine, Walker District  
Mr. Sam Patterson, Walker District  
Mr. Dave Hart, Department of Parks and Facilities, Town of Pulaski  
Mr. Peter Huber, County Administrator Pulaski County



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## **I. Background**

In December 2010, the Pulaski County Board of Supervisors authorized the formation of a Wellness Center Committee to research the county's options regarding a potential facility to address the recreation and wellness needs of Pulaski County. The authority provided to this committee was to document our process and submit our findings to the Pulaski County Board of Supervisors for their consideration of options moving forward.

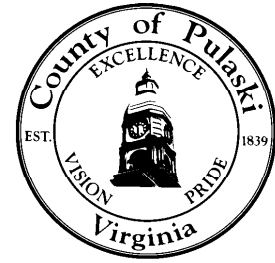
Committee members were nominated and approved by the Board of Supervisors. The composition of this committee was developed with the goal of providing a diverse set of perspectives and a balanced representation from the five districts in Pulaski County.

## **II. Pulaski County State of the Union**

Since 1990 the New River Valley has experienced steady population growth of a rate of over 8% (over a ten year period). It is interesting to note, Pulaski County has experienced an approximate 2% decline in population from 2000 to 2008.

Today's home buyers are more selective than they have ever been. Statistics show potential buyers not only look at home prices, proximity to work and education, but they also explore the recreational offerings. While we in Pulaski County have numerous outdoor experiences and Randolph Park as strong resources, we do not have a Wellness/Indoor Recreation facility as do our nearby counterparts. Today, many Pulaski County residents travel to Wytheville, Radford and Montgomery County to supplement their recreation needs not currently met in our jurisdiction.

While the lack of an adequate Wellness/Indoor Recreation facility is obviously not the only factor for our decline in growth, it is without a doubt an item of consideration when people select a location to purchase a home and live. In addition, there is a component of lost opportunities regarding jobs and tax revenues as our residents travel elsewhere to meet their indoor recreation and wellness needs.



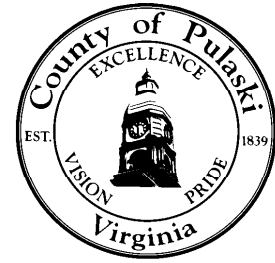
### III. Physical Health of Pulaski County

The following statistics have been pulled from the 2011 Heath District report for the New River Valley:

Adult Smoking Percentage	30%	Highest in the New River Valley
Adult Obesity	26%	
Physical Inactivity	24%	
Deaths from Heart Disease	390	Per 100,000 – Highest in New River Valley
Deaths from Prescription Drugs	25.7	Per 100,000 – Highest in New River Valley

Please note that these are just a sampling of the statistics available in the 2011 Heath District report and we encourage everyone to read the report in its entirety. However, the statistics are sobering. Pulaski County lags behind other counties in New River Valley in many categories as it pertains to our physical health.

Pulaski County is not alone in facing the challenges of smoking, obesity, physical inactivity, heart disease and deaths from prescription drugs. However, we feel Pulaski County's leaders need to be cognizant of these challenges and work to develop a vision of our future that includes actions to address these issues.



#### **IV. Pulaski County's Randolph Park Experience**

In light of Pulaski County evaluating the feasibility of a Wellness Center, it is representative to look at Randolph Park as an indicator of what impact a facility can make on the economics and our residents.

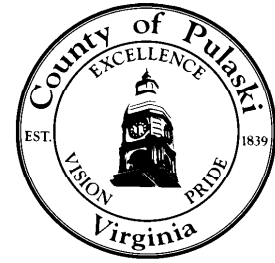
Since the grand opening of Randolph Park in June of 2001, it has proven to be an extremely popular facility over the past eleven years. Most of the park amenities can be used free of charge other than the pool and rental of shelters. The pool and shelter facilities generate revenue that accounts for 70% of our annual park-operating budget. Through 2011, the annual pool attendance averages 49,750 patrons during the summer from Memorial weekend through Labor Day. This accounts for a daily average of 565 patrons. The pool facility generates a seasonal average of \$170,000 in revenues.

The four sheltered facilities remain in high demand and are booked solid during the summer months as well. Revenues from rental of these facilities average \$13,000 per summer. The demand for these types of outdoor sheltered facilities warrants the need for another potential shelter.

From early spring to late fall; we host numerous tournaments at our baseball/softball complex consisting of teams from around Virginia and our neighboring states. These tournaments have a major impact on our local economy as most teams that travel to our county stay in the motels located off of the Dublin area interstate corridor. Our local fast food and sit down restaurants boast of a major increase in patrons during these tournament weekends.

The park generates an average of \$5,000 per summer from field reservation fees. Hosting weekend tournaments is somewhat limited April through July of each year due to our high priority on allowing our local citizens usage of the facility. The major dividends from hosting these tournaments come from teams from outside our area patronizing our places of business for their weekend needs.

Randolph Park has proven to meet our local outdoor needs for our citizens as well as patrons from a variety of other areas. The park regularly attracts patrons up to a sixty-mile radius during the summer months. Randolph Park has proven to be one of the best investments our County has made toward dramatically enhancing our quality of life!



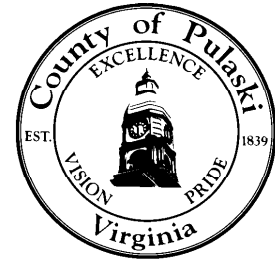
## V. Evaluation Criteria

We were directed by the Board to investigate the feasibility of the wellness center in three different scenarios:

- a. Remodel of TMD Industrial Facility
- b. New Construction
- c. Remodel of 2 Regional Facilities ( YMCA and vacant Riverlawn School)

Previous citizen input from surveys conducted in 2005 and 2010 provided our committee a means to establish the following evaluation criteria to assist in our discussions, research and evaluation of options available to Pulaski County as it pertains to a future Wellness Center for our citizens:

- a. **Location** – it is important that a future facility be centrally located to best serve the needs of Pulaski County residents. Proximity to Interstate 81 and local lodging and restaurants increases the marketability of a facility for hosting regional based events such as tournaments and camps. Proximity to Pulaski County High School is also a consideration to provide a cost effective means to allow our high school athletic programs to realize the benefits of a facility of this nature.
- b. **Amenities** – based on committee input and prior citizen survey responses the following amenities were considered minimum requirements:
  - Walking track (Indoor)
  - Cardio and Weight Equipment
  - Two Basketball Courts
  - Indoor Swimming Pool
  - Lockers / Showers (Men-Women-Family Changing Rooms)
  - Multi-use rooms
  - Senior Citizen Programs
  - Child care area for parents utilizing facility
  - Handicap accessible features



An indoor pool / water park is an amenity that is frequently requested. **In weighing feasibility, both capital and operating, it was determined that our recommendations should allow for this as a future option for consideration.**

In discussions with other municipalities, it was recommended we not limit our options for growth and expansion. We should anticipate growth and future needs in our recommendations to ensure this facility meets the needs of our county for years to come. The most consistent recommendation we received was not to undersize our facility.

**c. Capital Expenditures**

This is defined as the capital investment necessary to purchase, renovate or construct the facility under evaluation. This does not take into consideration the annual operating and maintenance costs for such a facility.

**d. Operating Expenses**

This is defined as the annual cost for operation of the facilities under consideration. This includes but is not limited to: staffing cost, utilities, insurance and maintenance.

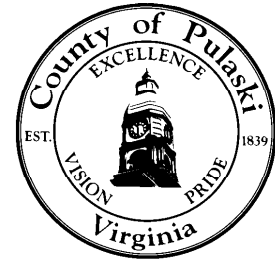
**e. Revenues**

This is defined as annual revenue generating capabilities for the facility under consideration. This includes but is not limited to: membership fees for Pulaski County and non-County residents, direct revenue benefits from facility rental for tournaments, food service revenue, rental fees for meetings and other special events such as parties, reunions and camps.

**f. Other items for Consideration**

This category is defined as other items we have discovered in our analysis that merit consideration. This includes but is not limited to: potential increase in tax revenues, health benefits associated with exercise, strengthening of recreation programs, strengthening of middle and high school athletic programs and more active and involved youth.

This category also includes information that could affect future costs and revenues or could be utilized in Pulaski County's future long term planning.



## VI. Overview of Committee Process

As a committee, we have embraced our responsibilities to thoroughly evaluate options available to Pulaski County and vowed to set aside our jurisdictional differences to objectively present solutions beneficial to Pulaski County as a whole.

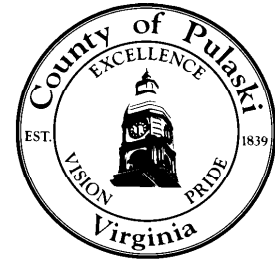
Our committee has held the following meetings at the designated locations. Meeting minutes are available for Board of Supervisors review.

- January 4<sup>th</sup>, 2011 - County Administration Building
- February 1<sup>st</sup>, 2011 – County Administration Building
- February 16<sup>th</sup>, 2011 – On-site visit to Carroll County Wellness Center
- March 1<sup>st</sup>, 2011 – County Administration Building
- May 3<sup>rd</sup>, 2011 – County Administration Building
- June 7<sup>th</sup>, 2011 – County Administration Building
- July 26<sup>th</sup>, 2011 – County Administration Building
- August 23<sup>rd</sup>, 2011 – County Administration Building
- December 6<sup>th</sup>, 2011 – County Administration Building

The committee visited and benchmarked area indoor recreation facilities reviewing the following criteria:

- a. Construction Costs
- b. Size
- c. Annual Operating Budget
- d. Programs and Facility Features
- e. Membership Rate Structure

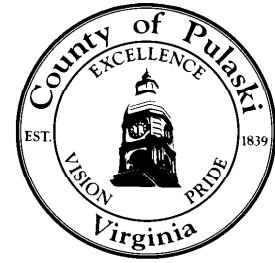
Sites visited were: Wytheville Community Center, Carroll County Wellness Center, Green Ridge Center, Salem YMCA, and Radford Fitness Center.



Initial meetings focused on the topic of a central Wellness Center versus several smaller satellite locations. One of the potential satellite locations presented for consideration was the previous Riverlawn Elementary School. Upon inspection from the staff at OWPR, this location was removed from consideration given currently layout, structural and site limitations. Their conclusion was this facility and location was not suitable for potential renovation as a Wellness Center.

It was determined that a central facility would be preferable for the following reasons:

1. **Larger number of Amenities Available** – more attractive facility for residents and greater potential to host other events such as tournaments and camps.
2. **County Unification** – Separate facilities would only foster greater rivalry and separation within the jurisdictions of Pulaski County. Central facility has the potential to bring us together across community boundaries.
3. **Capital Expenditure** – Initial cost for multiple regional facilities would exceed the cost for a single facility. Basic amenities would need to be duplicated at each location.
4. **Operational expenses** - Multiple facilities would be more expensive to maintain and staff from a yearly operational cost standpoint.



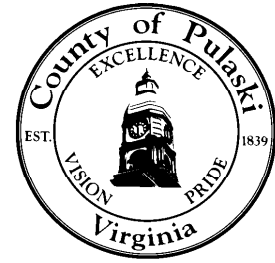
## VII. Statement Regarding “Good Faith” Estimates

This committee has worked hard from a “good faith” perspective to provide a realistic analysis of the feasibility of a proposed Wellness Center for Pulaski County.

Please find following the basis for our evaluations:

1. OWPR, an Architectural/Engineering firm based in Blacksburg, Virginia provided guidance on our estimates pertaining to new construction cost, renovation costs and general operating expenses. Mr. Randy Jones, CEO and Mr. Andy Grant, Project Architect were instrumental in providing timely estimates for items under consideration. Both of these individuals are Pulaski County residents and have been very supportive of our process.
2. Personnel costs were estimated and provided by Pulaski County Recreation Director, Mr. Anthony Akers. Mr. Akers has direct experience in estimating personnel requirements through managing the county’s resources at Randolph Park and within our current recreation department. As a result of his current responsibilities in Pulaski County, Mr. Akers is cognizant of where personnel resources could be shared or combined to achieve the greatest utilization and productivity.
3. Overall operational expenses are the most difficult to estimate in the initial years due to the varying nature of facilities and amenities in the marketplace. As a result, we factored into our equation general/miscellaneous expenses to attempt to be conservative in our projections.

It is important to note, while our evaluation was thorough and exhaustive, we recommend this information be utilized as a general basis for analyzing the feasibility of the options considered. Once a direction is determined, we would recommend a more comprehensive study be performed to develop actual pro forma projections for a Wellness Center in Pulaski County.



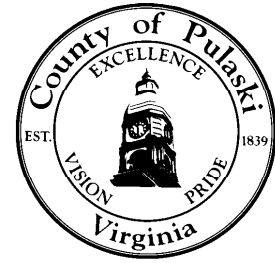
**VIII. Membership Framework for Financial Analysis**

Our committee was very cognizant of the need to provide a recommendation that would not place a tax burden on the citizens of Pulaski County. Our recommendation is that taxes are not increased as a method to generate the necessary operating revenue to support this facility on an ongoing basis.

As a result, a primary goal in establishing fee structures embodied the premise that this facility should be self supporting from an annual operating standpoint. While the fees proposed are in-line and reasonable, we recognize that there may be some citizens in Pulaski County that do not have the financial means to utilize this facility based on our fee structure recommendations. It is our committee’s recommendation that a scholarship fund and process for eligibility be established to ensure citizens are not denied access to this Wellness Center, based on need.

**Proposed Membership Fee Structure:**

<b>Membership Options</b>	<b>Base Rate per Month</b>	<b>Daily Rate</b>	<b>Non-resident Rate per Month</b>	<b>Non- resident Rate Daily</b>
<b>Family</b> <i>(couple with children)</i>	\$57	\$15	\$70	\$20
<b>Adult plus one</b>	\$47	\$10	\$60	\$15
<b>Individual Adult</b> <i>(age 18 to 54)</i>	\$37	\$6	\$50	\$8
<b>Teen</b> <i>(age 13-17)</i>	\$29	\$5	\$40	\$6
<b>Individual Age 55+</b>	\$29	\$4	\$40	\$6
<b>Couple Age 55+</b>	\$39	\$7	\$50	\$9



**Note:** The average membership rates of our neighboring New River Valley indoor wellness facilities, (excluding Radford City and Christiansburg due to free resident usage), are as follows:

Family (per month)	\$60
Individual Adult (per month)	\$33
Individual Adult (daily)	\$8.8
Individual Teen (daily)	\$5.8

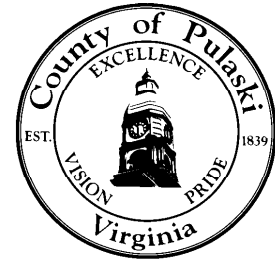
### Estimating Membership Participation in Pulaski County

While previous surveys show strong support of Pulaski County citizen’s willingness to participate in a membership program in conjunction with a Wellness Center, it is difficult to extrapolate survey results to obtain accurate estimates due to the fact that survey respondents are not necessarily representative of the overall population.

Statistically speaking, the most accurate predictor of citizen participation in a membership program is to find another County in Southwest Virginia with similar demographics. In performing our research and analysis we believe Smyth County is the most reliable predictor of membership participation in Pulaski County based on population characteristics.

Following is a comparison based on current US Census data:

	<b>Smyth</b>	<b>Pulaski</b>
County Population	32,208	34,872
Age < 5 years old	5.4%	5%
Age <18 years old	20.7%	19%
Age >65 years old	17.7%	17.7%
Median Household Income	\$35,614	\$40,239
# Households	13,171	14,698



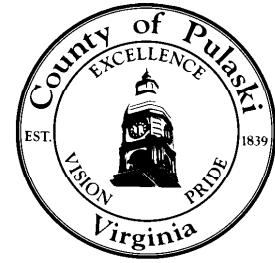
Smyth County Wellness and Recreation Center currently has the following membership:

556	Individual
209	Member plus one
470	Family
417	Senior

Based on the amenities available, these actual membership numbers for Smyth County have been utilized as a basis for our membership estimates.

There are two important concepts to convey in conjunction with our estimates:

1. Membership estimates and revenues vary with our options as a result of amenities available. Facilities with more options for recreation and wellness provide a greater appeal to a wider segment of the population. Facilities with unique characteristics also have a higher potential for attracting participation from localities outside of Pulaski County and the New River Valley. Larger facilities with more and unique amenities generate higher revenues.
2. It will take some time to realize the membership estimates included in this report. Many ideas have been shared and discussed ranging from discounts during the first six months of operation, promotions, and reduced fees for longer term commitments. It is recommended that a coordinated marketing program be put in place to decrease the time necessary to meet or exceed the estimates in this report. It is also important to note that many new facilities such as Green Ridge in Roanoke have reached and exceeded their revenue estimates in less than 12 months.



## IX. Analysis of Options for Consideration

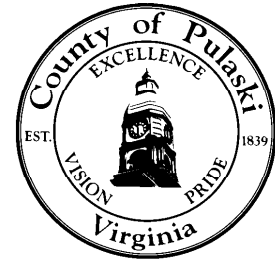
### a. TMD Facility

**Overview:** The former TMD Friction facility, located in the Corporate Center, is a 145,000 square foot facility with 30 acres of land. It was purchased by the Industrial Development Authority in 2010 for \$1.9 million. Prior to the purchase, a study was conducted by OWPR Architectural Firm regarding the feasibility of converting the facility into an indoor wellness center. OWPR provided a forty page report, along with facility design, demonstrating the viability of the proposed renovation as a wellness center. This report was previously submitted to the Board of Supervisors for review.

As proposed this facility would be 164,000 square feet. The increase in square footage is a result of the addition of a second floor walking and running track. The size of this facility is roughly three times larger than the other options for consideration. As a result, it provides unique options for amenities, tournaments and future growth.

**Amenities:** The following amenities are proposed for this option:

- Walking/Running Track
- Four (4) Basketball Courts
- Two (2) Indoor Soccer Fields
- Wrestling Room
- Four (4) Baseball Batting Cages
- Tennis Court
- Indoor Playground
- Rock Climbing/Ropes
- Four (4) Racquetball Courts
- Aerobics Rooms
- Cardiovascular Rooms
- Weight Room
- Cafeteria
- Meeting/Rental Rooms
- Child Care Facilities
- Senior Activities Rooms
- Teen/Game Room
- Meeting and Office Space (available for rental)



**Location:** The geographic center of Pulaski County is located at the intersection of Cougar Trail Road and Alexander Road. (Landmark United Auto Workers Union Hall). The TMD facility is located two miles from the center of the county. It is situated between the Town of Pulaski and Town of Dublin, the two most highly populated areas of the county. Driving distance from Pulaski is 7 miles and 4 miles from Dublin.

In addition, the TMD facility is within 2 miles of Interstate 81, one half mile from Pulaski County High School and 1 mile from Randolph Park. It is located within a few minutes of several hotels, restaurants and Wal-Mart; making it attractive as a revenue generator for Pulaski businesses serving the participants of tournaments and events hosted at the Wellness Center.

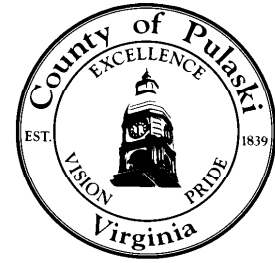
**Capital Expenditure:** As noted above, the TMD Friction facility is currently owned by the Pulaski County Industrial Development Authority. It was obtained for a cost of 1.9 million. In evaluation of this facility, the renovation proposed would cost approximately 4 million dollars. Bringing the total cost for this 164,000 square foot facility with 30 acres of land to 5.9 million dollars.

**Operating Expenses:** Approximate cost for annual operating expenses is \$2.5 per square foot (estimate provided by OWPR). This includes all operational expenses such as utilities and costs associated with basic maintenance and repairs. At 164,000 square feet the estimated annual operational expenses for this facility would be \$410,000.

Insurance is estimated at \$20,000 and we have included, as a buffer, \$12,000 per month for a total annual expense of \$144,000 to cover general business and unanticipated expenses. This expense estimate is intended to cover items such as: computer systems infrastructure, marketing programs and sports equipment.

Personnel costs for this facility would include all estimated staffing and benefits associated with the operation and management of this facility. Annual estimate of personnel costs would be \$350,000 (provided by Mr. Anthony Akers).

Combining operational and staffing costs, we estimate annual operating expenses to be **\$924,000.**



**Projected Revenues:** Given the size of the facility, number of amenities and the potential to host camps and tournaments, the TMD facility presents the greatest potential for on-going annual revenue generation.

**Membership Revenue:**

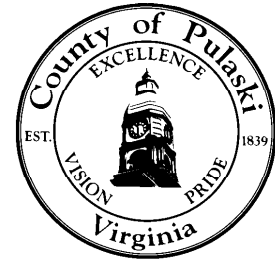
75 Teens @ \$ 29 per month	\$ 2,175.00
525 Individuals @ \$37 per month	\$ 19,425.00
200 Couples @ \$47 per month	\$ 9,400.00
500 Families @ \$57 per month	\$ 28,500.00
400 Seniors @ \$29 per month	\$ 11,600.00
100 Senior Couples @ \$39 per month	\$ 3,900.00

Total Monthly Revenue \$ 74,075.00

**Total Memberships – 1,775**

Membership Annual Revenue Expectations	\$ 888,900.00
Day Pass Annual Revenues	\$ 27,500.00
Tournament Revenues	\$ 65,000.00
Special Events / Meeting Revenues	\$ 15,000.00
Food Service	\$ 25,000.00

**Total Revenue Expectations \$ 1,021,400.00**



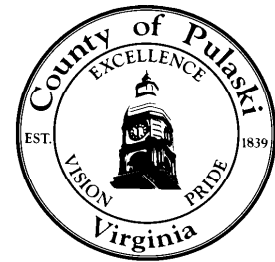
### **Other Items for Consideration**

Currently, the TMD facility is being marketed by Pulaski County as a potential location for an industrial organization. At this time, the TMD facility is partially occupied by James Hardie Industries. It is our understanding that this facility is not under consideration by a long term tenant and no arrangements or contracts are pending. Removing this facility from consideration from an industrial perspective could result in lost opportunities. It is also important to note that a successful Wellness Center would have a positive impact on the future marketability of Pulaski County and make our county more attractive to current and future employers. Attached to this proposal and located in the addendum is a letter from the Chamber of Commerce expressing the perceived benefits of a Wellness Center in Pulaski County.

The TMD facility has the strongest potential to increase overall business activity and tax revenues as a result of the large and unique amenities available. This would provide unique facilities to serve as a ideal facility for indoor soccer tournaments, racquetball and basketball tournaments.

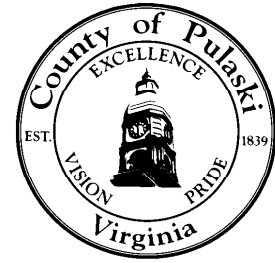
As a result of its close proximity to Pulaski County High School this option provides a great opportunity to leverage this indoor facility to benefit our VHSL athletic programs. In addition, the size of this facility provides flexibility in scheduling and sharing resources to ensure members are not adversely impacted by this partnership. The soccer, baseball, track, football, tennis, volleyball and other programs would all potentially benefit from access to this indoor facility.

An additional item of consideration is the fact that the TMD facility includes 30 acres of land. Currently, it is necessary to utilize the Randolph Park fields for more than one sport. For instance, baseball fields are used also for soccer in the fall. The land associated with the TMD Facility would provide growth options for additional soccer or football fields to accommodate future recreation needs.



While the TMD Building, as of last inspection, is in good working condition, the two items of foreseeable future expense would be a possible roof replacement and parking lot paving. To remove the existing roof and replace with a single ply membrane system would cost approximately \$1,350,000. To repave the existing lot with 2" topping for the three front lots would be approximately \$650,000. Both of these estimates have been provided by OWPR.

A final item that merits future analysis would be the consideration of a potential road extension from Bob White Boulevard to Peppers Ferry Road or Route 11 near the Country Club. A road extension of this nature would provide enhanced accessibility to many residents of Pulaski County.



## **b. New Construction**

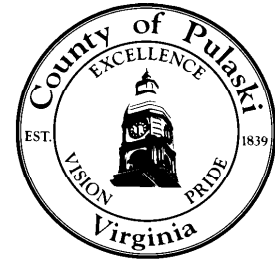
**Overview:** For purposes of evaluation, our Committee would recommend the utilization of current land available on the premises of Randolph Park for the construction of a new Wellness Center. Based on feedback from surrounding facilities, our recommendation is for a minimum facility size of 65,000 -75,000 square feet. A 70,000 square foot facility is used for this analysis.

**Location:** The geographic center of Pulaski County is located at the intersection of Cougar Trail road and Alexander Road. (Landmark United Auto Workers Union Hall). The proposed location of New Construction is less than one mile from the center of the county. It is situated between the Town of Pulaski and Town of Dublin, the two most highly populated areas of the county. Driving distance from Pulaski is 7 miles and 4 miles from Dublin.

In addition, this location is within one mile of Interstate 81 and one mile from Pulaski County High School. It is located within a few minutes of several hotels, restaurants and Wal-Mart, making it attractive as a revenue generator for Pulaski businesses serving the participants of tournaments and events hosted at the Wellness Center.

**Amenities:** The following amenities are proposed for this option:

- Indoor Walking/Running Track
- 2 Basketball Courts (Could be utilized for soccer, volleyball, etc. as well)
- Cardiovascular Room
- Aerobics Rooms
- Rock Climbing/Ropes
- Indoor Playground
- Senior Activity Room
- Cardiovascular Rooms
- Weight Room
- Meeting/Rental Rooms
- Child Care Facilities
- Teen/Game Room



**Capital Expenditure:** The proposed new construction option would be located on the current land associated with Randolph Park and consequently would require no additional funding for the purchase of land. We would anticipate some expense associated with the grading and preparation of the site for construction that is not included in this report.

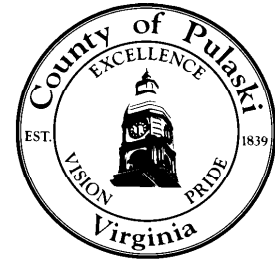
The costs we have for new construction is based on square footage estimates provided by OWPR at \$165 per square foot. The proposed new construction would be a 70,000 square foot facility resulting in an estimated cost of \$11,550,000.

**Operating Expenses:** Approximate cost for annual operating expenses is \$2.5 per square foot (estimate provided by OWPR). This includes all operational expenses such as utilities and costs associated with basic maintenance and repairs. At 70,000 square feet the estimated annual operational expenses for this facility would be \$175,000.

Insurance is estimated at \$20,000 and we have included, as a buffer, \$12,000 per month for a total annual expense of \$144,000 to cover general business and unanticipated expenses. This expense estimate is intended to cover items such as: computer systems infrastructure, marketing programs and sports equipment.

Personnel costs for this facility would include all estimated staffing and benefits associated with the operation and management of this facility. Annual estimate of personnel costs would be \$300,000 (provided by Mr. Anthony Akers).

Combining operational and staffing costs, we estimate annual operating expenses to be approximately **\$639,000**.



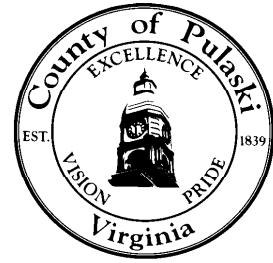
**Projected Revenues:** New construction would potentially provide Pulaski County with a quality facility located on the grounds of Randolph Park. It would provide strong potential for membership and daily revenues.

**Membership Revenue:**

50 Teens @ \$ 29 per month	\$ 1,450.00
425 Individuals @ \$37 per month	\$ 15,725.00
175 Couples @ \$47 per month	\$ 8,225.00
425 Families @ \$57 per month	\$ 24,225.00
375 Seniors @ \$29 per month	\$ 10,875.00
75 Senior Couples @ \$39 per month	\$ 2,925.00
Total Monthly Revenue	\$ 63,425.00
<b>Total Memberships – 1,525</b>	

Membership Annual Revenue Expectations	\$ 761,100.00
Day Pass Annual Revenues	\$ 15,000.00
Tournament Revenues	\$ 35,000.00
Special Events / Meeting Revenues	\$ 1,000.00
Food Service	\$ 5,000.00

**Total Revenue Expectations** **\$ 817,100.00**

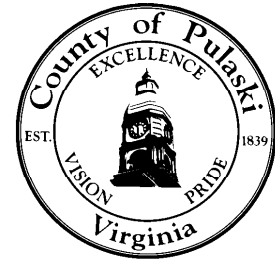


### **Other Items for Consideration**

New Construction provides the benefit of designing and constructing a Wellness Center specific to the needs of Pulaski County. Based on anticipated cost of new construction it would be cost prohibitive to consider some of the amenities envisioned in the TMD facility such as indoor soccer.

Location on the premises of Randolph Park brings some benefits and also some challenges for consideration. Existing parking, shelters, gazebos, Frisbee golf and running trails utilization would most likely increase. While we envision existing parking would most likely support membership access, it is possible additional parking could be necessary to accommodate tournament participants.

Due to the limitations and increased access that a Wellness Center would bring to Randolph Park, it would become very important to coordinate activities to ensure resources were not overscheduled.



### c. Renovation and Expansion of Existing Hensel Eckman YMCA

**Overview:** The Hensel Eckman YMCA in Pulaski has been in operation since the mid 1970's. Other than a few small exercise facilities in our community, the YMCA has been the only provider of indoor wellness in our county for a number of years. Currently, the YMCA is privately owned, but there have been discussions and proposals put forth that would create a partnership between Pulaski County and the YMCA with the goal of maintaining and expanding the services available to our residents.

The YMCA is approximately a 25,000 square foot facility; this proposal would entail a renovation of the existing facility and a proposed 27,500 square foot expansion. Bringing this facility's total size to 52,500 square feet.

**Location:** The YMCA is located in the Town of Pulaski just off of Route 11. It is approximately 8 miles from the geographic center of Pulaski County. As a result, this location is not as accessible to Interstate 81, lodging, restaurants and other options under consideration.

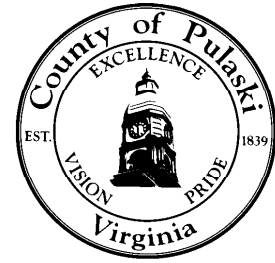
**Amenities:** The following amenities are proposed for this option:

Existing to be renovated:

- Existing Gymnasium
- Cardiovascular Room
- Weight Room
- Swimming Pool
- Childcare
- Racquetball Court

Expansion to include the following:

- Indoor Walking/Running Track
- Two basketball courts
- Exercise Rooms



**Capital Expenditure:** For evaluation purposes, we are not associating a cost for the county to acquire the existing land and current YMCA Hensel Eckman facility. The capital expenditures expense estimated here is for the renovation of the existing facility and a 27,500 square foot expansion to include an indoor walking/running track, two full size basketball courts and exercise rooms.

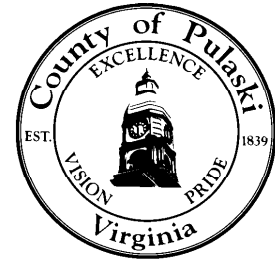
The estimate provided for this renovation and addition by OWPR is \$5,650,000. This estimate is founded in the new construction cost estimate of 27,000 square feet @ \$165 per square foot (\$4,455,000) and roughly \$45 per square foot for the 25,000 renovation (\$1,125,000) for a total of \$5,650,000.

**Operating Expenses:** Approximate cost for annual operating expenses is \$2.5 per square foot (estimate provided by OWPR). This includes all operational expenses such as utilities and costs associated with basic maintenance and repairs. At 52,500 square feet the estimated annual operational expenses for this facility would be \$131,250.

Insurance is estimated at \$15,000 and we have included, as a buffer, \$10,000 per month for a total annual expense of \$120,000 to cover general business and unanticipated expenses. This expense estimate is intended to cover items such as: computer systems infrastructure, marketing programs and sports equipment.

Personnel costs for this facility would include all estimated staffing and benefits associated with the operation and management of this facility. Annual estimate of personnel costs would be \$250,000 (provided by Mr. Anthony Akers) in the event staffing would be provided by Pulaski County employees. This committee has not attempted to estimate personnel costs if staffing were to be performed by YMCA employees.

Combining operational and staffing costs, we estimate annual operating expenses to be approximately **\$516,250**.



**Projected Revenues:** The YMCA renovation expansion would provide the fewest amenities and lowest square footage of the options under consideration. In addition, the location is not as well suited for the county as a whole from an access standpoint. These items were taken into consideration in the estimated projected membership.

**Membership Revenue:**

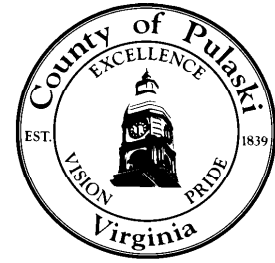
45 Teens @ \$ 29 per month	\$ 1,305.00
330 Individuals @ \$37 per month	\$ 12,210.00
150 Couples @ \$47 per month	\$ 7,050.00
300 Families @ \$57 per month	\$ 17,100.00
325 Seniors @ \$29 per month	\$ 9,425.00
50 Senior Couples @ \$39 per month	\$ 1,950.00

Total Monthly Revenue \$ 49,040.00

**Total Memberships – 1,200**

Membership Annual Revenue Expectations	\$ 588,480.00
Day Pass Annual Revenues	\$ 8,000.00
Tournament Revenues	\$ 15,000.00
Special Events / Meeting Revenues	\$ 1,000.00
Food Service	\$ 5,000.00

**Total Revenue Expectations \$ 617,480.00**



### **Other Items for Consideration**

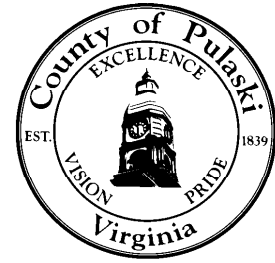
The Hensel Eckman YMCA facility elicits both strong support and skepticism as the potential central Wellness Facility for Pulaski County. Currently, the YMCA is our county's only location for indoor wellness. The YMCA has been challenged in recent years to maintain membership and participation levels to meet its financial obligations.

According to information provided by the YMCA board on January 23, 2012, they have approximately 779 current memberships in force. This membership would provide a strong foundation for future membership of an expanded and renovated facility.

The YMCA renovation option is the only option under consideration that would provide an indoor pool in the initial phase. This option does include renovation of the existing indoor pool facility at the YMCA.

The YMCA facility was constructed in the 1970s and as a result could contain hazardous materials such as asbestos that could increase the costs associated with renovation.

As noted previously, the YMCA is currently privately owned. This committee has not reviewed or evaluated partnership proposals from the YMCA for joint ownership and operation of this facility in its current or proposed state.



## **X. Committee Vision and Perceived Benefits**

It is the view of this committee that there is strong public support for a Wellness/Recreation Center in Pulaski County. We encourage our representatives to view this as a powerful opportunity to make a difference in the lives of Pulaski County residents.

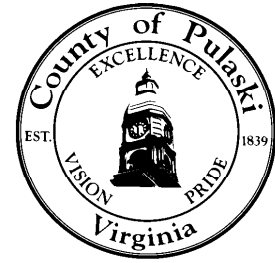
We encourage our representatives and citizens to view the creation of a Wellness Center in Pulaski County as an investment that will benefit all citizens. While each of the options evaluated in this proposal will entail an upfront investment, our analysis indicates membership and revenues generated would exceed operational costs on an annual basis. As a result, no additional revenue generating means, such as raising taxes, should be necessary to support the operational expenses of a Wellness Center in Pulaski County.

The creation of a Wellness Center in Pulaski County has the potential to impact all our lives in ways that are urgently needed to today's world:

We would like to share the following facts for your consideration:

Active people lead healthier lives and have stronger connections to their communities. Investment in recreation infrastructure is a preventative approach to health and social well-being.

Participation in physical activity and recreation is a key determinant of health status and is known to: reduce risk of heart disease and stroke, help prevent certain types of cancers, help combat type two diabetes, reduce occurrence of youth and adult obesity and help reduce incidence of fall-related injuries and chronic conditions in older adults. Activity can also foster social opportunities and contribute to mental health by reducing stress, combating depression and building emotional well-being.



Recreation builds stronger individuals and families by reducing negative, self-destructive behaviors such as smoking, substance abuse and juvenile delinquency. Recreation has the ability to break down cultural, class and identity barriers, improving the quality of life for all Pulaski County residents.

Recreation engages people and builds social cohesion, generating healthy and inclusive communities. People feel an emotional connection to the places that bring them enjoyment, making recreation centers truly a heart within our communities.

Investment in recreation infrastructure offsets reactive investments in health and social justice infrastructure. Recreation facilities increase property values and tax revenue.

Recreation facilities generate construction and operational job opportunities. Wellness Centers support tourism, providing venues for everything from high-performance sporting events to recreational attractions.

**The time is right for Pulaski County to take responsibility for our future.**