Community Center Needs Assessment

PREPARED BY:

pros consulting

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# Table of Contents

CHAPTER ONE - INTRODUCTION ........................................................................................................ 1  
 1.1 Project Tasks ............................................................................................................................ 1  

CHAPTER TWO - DEMOGRAPHICS .................................................................................................... 2  
 2.1 Methodology ............................................................................................................................. 2  
 2.2 Lincolnwood Village Demographics ....................................................................................... 3  
 2.3 Age Segmentation ..................................................................................................................... 3  
 2.4 Gender Analysis ....................................................................................................................... 4  
 2.5 Race and Ethnicity Analysis ..................................................................................................... 6  
 2.6 Household Characteristics ....................................................................................................... 6  
 2.7 Income Characteristics ........................................................................................................... 7  
 2.8 Participation Trends by Race/Ethnicity .................................................................................. 8  

CHAPTER THREE - COMMUNITY INPUT ..................................................................................... 11  
 3.1 Introduction ............................................................................................................................. 11  
 3.2 Summary .................................................................................................................................. 16  

CHAPTER FOUR - SCHEMATIC DESIGN AND COST ESTIMATIONS ............................................. 17  
 4.1 BASE PLAN: ............................................................................................................................ 17  
 4.2 BASE PLAN W/LOWER LEVEL (BASEMENT): ..................................................................... 17  
 4.3 OPTIONAL SECOND FLOOR: ................................................................................................. 17  

CHAPTER FIVE - FINANCIAL PLAN .............................................................................................. 21  
 5.1 Introduction ............................................................................................................................. 21  
 5.2 Financial Plan Assumptions ..................................................................................................... 22  
 5.3 Financial Plan Findings ........................................................................................................... 26  
 5.4 Financial Plan Conclusion ....................................................................................................... 34
Acknowledgements

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CHAPTER ONE - INTRODUCTION

The Village of Lincolnwood Parks and Recreation Department hired PROS Consulting, LLC to complete a needs assessment and feasibility study of the Lincolnwood Community Center. PHN Architects worked with PROS Consulting in completing this project. In addition, the consulting team worked closely with Parks and Recreation staff in order to develop a thorough knowledge of the project. The goal of the project was to complete an analysis of programs and services offered by the Department, to gauge public sentiment about the Center, to determine the feasibility of adding spaces to the building, and to determine the operating impact of any changes or additions.

Questions have been asked about the Community Center’s role in the community for years. The building was originally owned by the American Legion, Post 1226 and opened in 1954. The Village assumed ownership in 1990 through a negotiated deal with the Legion. The Legion has continued to occupy the basement of the Center. Their lease expires in 2009.

The 5,038 square foot building consists of two main floor rooms, and adjoining kitchen, bathrooms, front desk area and bathroom facilities. In addition, storage areas exist in the basement and second floor. Facility programming consists mainly of rentals, parties, special events, and general recreation programming. The American Legion uses space in the basement of the Center.

The Department partners with the School District to offer programs at school facilities. As a result of a lack of indoor space, the Department is particularly challenged in its summer day camp program in times of inclement weather. The Maine-Niles Association for Special Recreation also has challenges in offering programs in Lincolnwood as a result of the lack of indoor space. Furthermore, many residents leave the Village to fulfill their recreation needs in other communities.

Therefore, Lincolnwood Parks and Recreation Department desired to evaluate their current program inventory, assess the future demand for programming, and determine what types of programming space this would require. As a result, PROS Consulting, LLC and PHN Architects teamed to provide this analysis.

1.1 PROJECT TASKS

The sequence for the project included the following tasks:

Task 1 Market Analysis

- Kick off meeting
- Stakeholder input
- Review of existing data
- Demographics and trend report for Lincolnwood
- Similar provider information, completed by Lincolnwood staff

Task 2 Concept Development

- Development of operating standards
- Programming space requirements
• Design and graphics
• Cost estimation

Task 3 Financial Analysis
• Pro Forma

Task 4 Final Report
The report is organized in the following sections:
• 1. Lincolnwood Demographics and Trends
• 2. Review of Community Input
• 3. Schematic Design Drawings
• 4. Cost Estimations
• 5. Financial Analysis

CHAPTER TWO - DEMOGRAPHICS
The Demographic and Trends Analysis provides an understanding of the population characteristics of the Lincolnwood Village market and potential Parks and Recreation participatory base. This analysis demonstrates the overall size of the total population by specific age segment, race and ethnicity, and economic status and spending power of the residents through household income statistics.

2.1 METHODOLOGY
Demographic data used for the analysis was obtained from Environmental Systems Research Institute, Inc. (ESRI), the largest research and development organization dedicated to Geographical Information Systems (GIS) and specializing in population projections and market trends. All data was acquired in March 2008. Base data reflects actual findings as reported in the 2000 Census and demographic projections for 2007 and 2012 as estimated by ESRI, with straight line linear regression used for projected 2017 and 2022 demographics. The Village boundaries were utilized as the demographic analysis boundary (Figure 1).
2.2 LINCOLNWOOD VILLAGE DEMOGRAPHICS

Lincolnwood Village, located less than 15-miles from downtown Chicago, is a quaint community of an estimated population in 2006-2007 of 11,900 persons. Population is estimated currently at 12,400. Following a decade of growth, the Village has begun to experience a decline in populace. From 1990 to 2000, the Village increased from a reported 11,365 persons at the time of the 1990 Census to a reported 12,359 persons in 2000. It is estimated that the total population will decrease to 1990 levels over the next five year increment – 2007 to 2012 (Figure 2).

![Figure 2 - Village Population Trends by Year](image)

2.3 AGE SEGMENTATION

Lincolnwood is an aging village. Population composition by age segmentation reveals the Village’s progression towards a mature community. Categorization by four major marketing groups — children/youth, early adulthood and child bearing, child rearing and peak income, and mature adults (Figure 3) – illustrates the aging trend of the Village.

The largest of the four major age segments is comprised of the baby-boomers. This group of individuals aged 55 and above make up nearly 40% of the total population. This is nearly double the composition seen in the Chicago MSA where only 21% of the total population is estimated to be 55 and above. On a national scale, national trends estimate those aged 55 and above total less than one-quarter (22.5%) of the total U.S. population. Based on growth projections through the year 2022, the 55 years and above segment is projected to continue as the single largest combined age segment in the Village – 38.1% of the total population in 2012; 39.6% of the total population in 2017; 40.9% of the total population in 2022.

During the fifteen year study period (2007 to 2022), both the baby-boomer (55+) and the early adulthood and child bearing segments (18-34) are projected to increase in total size. The under-18 and 35-54 age segments are expected to actually decline in total size. This
could signify a shift in the demographics towards a more youthful community 15 to 20 years into the future. However, during the study period (2007 to 2022), two trends that may be observed in the breakdown of major age segmentation are:

- The increase in size of the orange block (55+) of the population which will represent 41% of the total population in 2022
- The decrease in size of the blue block (under-18) which is expected to comprise only 18% of the total population by 2022

Although the population is aging, aggressive programming does not have to be focused solely on the youth market. Today’s mature audience is a much more active group than the generation which came prior; maturing adults are now staying active well into their 60’s and even into their 70’s.

2.4 GENDER ANALYSIS

Gender distribution for Lincolnwood is tilted in favor of the female demographic. Beginning in 1990 and projected to continue into the future, the female portion of the population has gradually begun to widen. Based on 2007 estimates, females consist of 53% of the total population (Figure 4). This gender gap is expected to widen from a current 1.13 ratio (1.13 females for every male) to an estimated 1.17 ratio (1.17 females for every one male) by 2022.

![Lincolnwood Village, Population by Gender](Source: U.S. Census & ESRI)

Although more than 60% of Americans as a whole participate in a sport or recreational activity of some kind, women participate at a slightly lesser rate than men. According to recreational trends research performed in the industry over the past twenty years, the top ten recreational activities for women are currently:

1. Walking
2. Aerobics
3. General exercising
4. Biking
5. Jogging
6. Basketball
7. Lifting weights
8. Golf
9. Swimming
10. Tennis

The top ten recreational activities for men are:

1. Golf
2. Basketball
3. Walking
4. Jogging
5. Biking
6. Lifting weights
7. Football
8. Hiking
9. Fishing
10. Hunting

Based on current participation trends, men and women share a desire for six of the top ten recreational activities. In terms of frequency, in any 90-day span, men claim to participate in their favorite activities an average of 65 times and women a total of 57 times. With more women participating in recreational activities further into adulthood, more are opting for less team oriented activities that dominate the female youth recreation environment and shifting towards a diverse selection of individual participant activities as evident in the top ten recreational activities mentioned prior.

Gender discrepancy becomes evident among the elder portions of the population; when the populace begins to peak in age the female composition of the total populace rises significantly along with the female preference for alternative forms of recreation. The projected trend of an increase in mature adults, and the assumed large contingent of mature female adults, depicts the need for senior class programming geared towards females. Aside from walking, the most popular recreational activity in America among all persons is water aerobics. This can be attributed to the low impact “senior friendly” exercise that reduces the amount of stress on the body.
2.5 RACE AND ETHNICITY ANALYSIS

Currently, Lincolnwood is predominantly non-Hispanic or Latino with those being classified as white alone accounting for nearly seventy percent (68%) of the total population (Figure 5). It is projected that the racial composition will significantly change during the study period.

While it is projected that the white alone segment will continue to decrease, this segment declined by 12% (1,123 persons; from 9,212 in 2000 to 8,089 in 2007) from 2000 to 2007, the white alone classification is projected to remain a slight majority. The second largest individual race is comprised of those classified as Asian or Pacific Islander (26% of the total 2007 population); in direct contrast to the white population, the Asian populace is projected to have double-digit five-year incremental increases for the duration of the study period (12.7% growth from 2007-2012; 10.2% growth from 2012-2017; 9.3% growth from 2017-2022). All other races combined comprise the remaining 5% of the Village’s 2007 population. All other races are expected to remain relatively unchanged in population composition over the study period.

Persons classified as Hispanic or Latino of any race make up 6% percent of the 2007 population. This categorization of individuals from Mexico and all other Latin American origins is projected to nearly double by 2022, consisting of nearly 11% of the population.

2.6 HOUSEHOLD CHARACTERISTICS

Currently, there is an estimated 4,322 households in Lincolnwood Village. This represents a 3.6% decrease from the 2000 Census. During this same time, the Chicago CBSA experienced an increase in total households of 6.6%. Total households are projected to decrease at an average of roughly 107 households per five-year increment from 2007 to 2022 – a total decrease of 7% or 321 households over the 15-year study period (Figure 6).
Household size has remained relatively stable – from 2.75 persons per household reported in the 2000 Census to an estimated 2.74 persons in 2007.

Nearly 90% of all households are owner occupied units, a number that is projected to remain constant through 2012. This is a good indicator of the permanent livability of the community and the high owner-occupied percentage demonstrates the Village’s ability to attract people and make the area their residence of choice.

Of the total owner occupied housing, 87% are valued at more than $300,000; nearly 42% are valued at $500,000 and above. This implies that the Village has higher than average income characteristics, including disposable income.

2.7 INCOME CHARACTERISTICS

Lincolnwood’s income characteristics – median, average, and per capita – have been on an upward slope since the 2000 Census. Income projections are expected to mimic the incremental increases experienced between 2000 and 2007 (see Figure 7). Currently, the average household income in the Village is $126,121; this represents the earnings of all persons age 15 years or older living together in a housing unit.
The average household income estimated for 2007 is 90% more than that of the average U.S. household income reported for 2006, and 45% greater than the Chicago Core Based Statistical Area’s (CBSA; previously MSA) reported 2007 average household income of $87,044 (see Figure 8).

The median household income for Lincolnwood, the middle point when all household incomes are compared in ascending order, is currently estimated at $87,478; per capita income is estimated at $45,913. Although median household income has risen in the past years nation-wide, total individual income has dropped; this phenomenon is due to the increase in multiple household occupants participating in the work force.

2.8 PARTICIPATION TRENDS BY RACE/ETHNICITY

The white population as a whole participates in a wide range of activities, including both team and individual sports of a land and water based variety; however, the white populace has an affinity for outdoor non-traditional sports.

Ethnic minority groups in the United States are strongly regionalized and urbanized, with the exception of Native Americans, and these trends are projected to continue. As with many consumer goods, different ethnic groups have different needs when it comes to recreational activities. Ethnic minority groups are coming in ever-greater contact with white middle-class baby-boomers with different recreational habits and preferences. This can be a sensitive subject since many baby-boomers are the last demographic to have graduated high school in segregated environments. However, this trend is projected to increase as more baby-boomers begin to retire and the minority populations continue to increase.

The Asian population is a very different yet distinct ethnic group then the three main groups in the U.S. – white, black, and Hispanic. Most closely compared the Hispanic population in terms of the varying levels of edification and cultivation among the many ethnic groups within the Asian population as a whole, most seem to shy away from traditional team sports and outdoor and water based activities.

Hispanic and Latino Americans have strong cultural and community traditions with an emphasis placed on the extended family, many times gathering in large recreational groups where multiple activities geared towards all age segments of the group may participate. Large group pavilions with picnicking amenities and multi-purpose fields are integral in the communal pastime shared by many Hispanics.
The black population has historically been an ethnic group that participates in active team sports, most notably football, basketball, and baseball. The black populace exhibits a strong sense of neighborhood and local community through large special events and gathering with extended family and friends including sacred family reunions. Outdoor and water based activities, such as, hiking, water skiing, rafting, and mountain biking, are not much of a factor in the participatory recreational activities.

Utilizing the Ethnicity Study performed by American Sports Data, Inc., a national leader in sports and fitness trends, participation rates among recreational and sporting activities were analyzed and applied to each race/ethnic group. Equivalent participatory numbers based on the total current estimated population of Lincolnwood are projected.

The most popular activities for those classified as white alone in terms of total participation percentage, the percentage by which you can multiply the entire population by to arrive at activity participation of at least once in the past twelve months, are:

1. Recreational Swimming – 38.9% participation rate (38.9% of the population has participated at least once in the last year); Lincolnwood Village Equivalent of 3,147 participants
2. Recreational Walking – 37.0% participation rate; Lincolnwood Village Equivalent of 2,993 participants
3. Recreational Bicycling – 20.6% participation rate; Lincolnwood Village Equivalent of 1,666 participants
4. Bowling – 20.4% participation rate; Lincolnwood Village Equivalent of 1,650 participants
5. Treadmill Exercise – 19.1% participation rate; Lincolnwood Village Equivalent of 1,545 participants

High participation percentages in freshwater fishing (17.3% participation rate), hiking (17.2% participation rate), and tent camping (17.2% participation rate) demonstrate the high value that the white population places on outdoor activities.

The top five recreational activities for the Asian populace in regards to participation percentages are:

1. Recreational Walking – 33.3% participation rate; Lincolnwood Village Equivalent of 1,047 participants
2. Recreational Swimming – 31.9% participation rate; Lincolnwood Village Equivalent of 1,003 participants
3. Running/Jogging – 21.6% participation rate; Lincolnwood Village Equivalent of 679 participants
4. Bowling – 20.5% participation rate; Lincolnwood Village Equivalent of 644 participants
5. Treadmill Exercise – 20.3% participation rate; Lincolnwood Village Equivalent of 638 participants

The most popular activity for those of Hispanic/Latino descent are:
1. Recreational Swimming – 33.2% participation rate; Lincolnwood Village Equivalent of 233 participants
2. Recreational Walking – 31.2% participation rate; Lincolnwood Village Equivalent of 219 participants
3. Recreational Bicycling – 19.7% participation rate; Lincolnwood Village Equivalent of 138 participants
4. Bowling – 18.5% participation rate; Lincolnwood Village Equivalent of 130 participants
5. Running/Jogging – 18.0% participation rate; Lincolnwood Village Equivalent of 126 participants

For comparison reasons, although Hispanics are nearly twice as likely to participate in soccer as any other race, only 9.0% of the Hispanic population participated in the sport at least once in the last year.
CHAPTER THREE - COMMUNITY INPUT

3.1 INTRODUCTION

PROS Consulting, LLC facilitated a series of meetings and focus groups to provide residents of Lincolnwood with an opportunity to provide feedback and input about the Community Center. The public input process included four focus groups and two public meetings. Approximately 25 individuals attended the focus groups and 45 individuals attended the two community meetings.

The summary of the community input is as follows:

3.1.1 DO YOU USE THE COMMUNITY CENTER, AND IF SO, HOW?

The majority of responses related to use of the center for rental activities. Individuals provided examples such as professional meetings, parties, and social gatherings. Some mentioned the Chamber’s use of the center. American Legion members use the basement and have their own access. The Village uses the center as a back-up for meetings and for storage. A few mentioned using the center for senior activities. Parents mentioned having their children in after school programs and other general recreation programs.

3.1.2 WHEN YOU THINK ABOUT USING THE COMMUNITY CENTER, WHAT WORKS WELL?

Rental activities work well, according to the focus group participants. In addition, there was positive support for the change in policy that allows alcohol at activities. The presence of a patio was mentioned as well. Aside from the small size of the kitchen, the building works well for Chamber events.

The Center’s proximity to Village Hall and the Library were also mentioned as strengths. Parking, by and large, works well with the ability to park next to Village Hall. The space accommodates Club Kid well. The American Legion members are happy with their space and want to keep it as is.

3.1.3 CAN YOU THINK OF ANY BUILDING IMPROVEMENTS THAT ARE NEEDED, IF ANY?

There were general comments regarding the use of the center. It was mentioned that the Center is primarily meeting room space and not recreation space. The formality of the rooms sets a tone of non-recreation space. It was also mentioned that the existing space limits program offerings. Several people commented about the need and interest to make sure all ethnic groups can participate in program offerings.

The consensus of building improvements are as follows. Numbers in parentheses following the comment refer to the number of other community input participants sharing the opinion:

- Appearance from Lincoln Avenue (12)
- Better connection to Village Hall (11)
• Exterior landscaping (8)
• The building cannot take care of community needs as it is currently structured, as it serves youths and seniors, but other age segments are left out (4)
• Building entrance is difficult to find (4)
• Parking (mixed feelings about this / some said no problem, some said it is a problem at times, and some feel accessible parking is a problem with only one space close to the building (3)
• Larger kitchen (3)
• Better sound system (3)

Other individual comments included:
• HVAC control
• Rusty railing at exterior front
• One bathroom is too cold
• Chairs in the room are hard to move
• Big room needs a better sound system
• AV projector needed for big room

3.1.4 ARE THERE ANY PROGRAMS THAT SHOULD BE CONSIDERED FOR THE CENTER THAT CURRENTLY ARE NOT OFFERED?
One of the prevailing comments among all the focus groups was many residents go to other towns and villages to fulfill their recreation needs. Other program comments included:
• Lifelong learning programs, including computer classes and other general programs for adults (12)
• After school programs (6)
• Preschool programs (6)
• Fitness (6)
• Attract different ethnic groups (3)

Other individual comments included:
• Earlier start time for summer camp
• Better accommodations for summer camp
• Green programs, gardening
• Water color classes
• Adults arts and crafts
• Smaller room for cards, watching television, etc.
• Messy arts classes for all age segments
• More programming space, not meeting space
• Important to have multiple use spaces
• Look into having a divider in the big room

3.1.5 IF THERE WERE AN OPPORTUNITY TO ADD OR CHANGE PROGRAM SPACE, WHAT SHOULD BE CONSIDERED?

In the minds of many focus group users, there is a desire to add space to the center or use existing space differently. Though, the American Legion members would strongly prefer that spaces remain the same. There were comments from the Legion about people getting confused about finding the building entrance. Others commented again about the fact that the building does not serve a purpose for their age group. The Center seems to have activities that cater to youth and seniors, but all of the age segments in between are left out.

The library staff mentioned the need for after school programs as school aged children go to the library to hang out after school.

The list of adding or changing program spaces includes:

• Fitness/Exercise space (12)
• Multi-purpose room (10)
• Upstairs potential for programs (8)
• Meeting and office space (5)
• Making the space different, more accommodating to different age groups (5)
• Preschool space (3)
• Bigger kitchen space (3)
• Gymnasium space (3)

Other individual comments:

• Building signage is needed
• Entrance into the building needs to be more defined
• Additional, smaller rooms
• Art type studio space
• Wireless needed throughout the building
• Auditorium space
• Space to accommodate computer classes
• Stage
• Dedicated space for Club Kid
• Indoor pool with sauna
3.1.6 CAN YOU THINK OF PARTNERING OPPORTUNITIES?
Comments included continued and expanded use of schools. The school superintendent is very open to the idea of the Department using school facilities more. Also mentioned were medical center opportunities for wellness programs and more opportunities for programming with the library. Initial discussions have taken place with the Chamber regarding possible partners within the Village.

The Village has a good history of partnering, with the Millennium event and the Abraham Lincoln Bicentennial Committee as examples. The hope is that the partnership with the Friends of the Community Center would continue if any changes were made to the building. The use of the center by the corporate sector would necessitate upgrading audio visual equipment.

3.1.7 IN A RECENT COMMUNITY SURVEY, 88% OF RESIDENTS ARE EITHER SUPPORTIVE OR VERY SUPPORTIVE OF RENOVATING THE CENTER. HOW DO YOU FEEL ABOUT THIS?
Some participants commented that the absence of cost information resulted in the high support percentage. According to those participants, the support may not have been as high if the question were worded differently. Concerns were also raised about the impact of a building renovation on operating expenses. In addition, concern was expressed about making improvements to the building, given current economic conditions.

A comment was made that residents would be willing to stay in the Village for recreation, rather than having to pay non-resident fees to go elsewhere.

One person commented that nothing should be done to the Center, as people are not pounding on the doors to get in. On the other hand, others expressed the opinion that people do not visit the center more because there is nothing for them to do. One person commented about the need to do something very different and powerful to attract people to the center and to get different ethnic groups involved. There is a need for some wow factor.

Other general comments:
- Kids programs have done well
- The Village pool makes money
- The building has evolved nicely over the years
- The building is well utilized
- The more the building is used, the greater the chance for community support
- The big room was used for basketball and had a stage at one time
- From a library perspective, consideration needs to be given to who will need it, who is using the center, who isn’t? The teen club was used as an example
- Much program duplication exists among governmental agencies
• Kids programs are handled beautifully, though they should serve healthier snacks
• Make certain the results of this are shared
• Legion wants to be kept abreast of decisions
• It is good that people can bring alcohol to rentals
• More life-long learning programs
• The building exterior is dark and not inviting
• Collaborate with other agencies and businesses to make it better
• Naming rights opportunities
• The schools have won art awards; this can be taken advantage of
• Sculpture committee...how about a walking program to sculptures throughout the Village
• Find spaces that are multi-use
• Need to develop specific ideas about what the community center renovation would be
• Need to look at green design and LEED certification

3.1.8 STAFF INPUT
In addition to community input, PROS Consulting and PHN Architects met with staff as well to review current programming and space utilization of the existing Community Center. This meeting included discussion about the following topics:

• Review of public feedback
• Outcomes from the analysis
• Key issues of the existing Center’s use
• What programming spaces would be good to have if the Center expanded?
• Discussion of possibilities for a Center renovation
  o Demographics
  o What is the market
  o Pricing strategies
  o Concept plan/facility requirements
  o Financing

Additionally, PROS Consulting reviewed existing Departmental data to determine current programming capabilities and programming gaps. Part of this analysis included a review of survey information completed by the Village of Lincolnwood. A survey question related to the Community Center was asked as follows:
3.1.9 TO WHAT DEGREE DO YOU SUPPORT OR OPPOSE THE VILLAGE TAKING ACTION TO SIGNIFICANTLY EXPAND THE COMMUNITY CENTER TO IMPROVE RECREATION PROGRAMS AND SERVICES?

The percentage distribution of responses follows:

- Strongly support 39%
- Somewhat support 49%
- Somewhat oppose 8%
- Strongly oppose 4%

As a result of the support from the survey, the public input process, and review of current programming, Lincolnwood Parks and Recreation wanted to further explore the idea of renovating the Community Center further through a needs assessment process to determine projected financial performance.

3.2 SUMMARY

Based on a review of the qualitative and quantitative data, the consensus of the results of the public input process reflects a desire and interest to expand space and programming opportunities. The Center, as it currently exists, reflects more of a meeting location, rather than active recreation space. It does serve youth and seniors well, but other age segments are not well represented.

From a programming perspective, based on the community input summary and trends in the market, Lincolnwood Parks and Recreation should focus efforts in expanding areas including:

- Fitness and wellness opportunities for youth and adults
- Lifelong learning opportunities for adults
- Preschool programs (even though the age segment percentage will decrease in the future, there is still a steady demand for these programs)
- More after school opportunities
- Continued emphasis and expansion of senior activities, particularly as a result of changes in demographics
- Differentiation between active adults and older seniors (55-65 and 65+) as these are two distinct markets and these age segments will grow in future years

In addition to the support for renovating the Center, it is also important to note that several focus group participants expressed caution about financing Center improvements. These concerns related to the capital costs involved in renovation, the timing of making improvements with today’s economic conditions, and a lack of information about on-going maintenance and operating costs.
CHAPTER FOUR - SCHEMATIC DESIGN AND COST ESTIMATIONS

Based on the review of all of the data relating to possible Community Center renovations, three schematic designs were developed. This section includes a written description of the three schemes, conceptual drawings of the spaces, and cost estimates. The description of the spaces is as follows:

- Renovation of the existing main floor of the center. This includes adding a 1,600 sq. ft. multi-purpose space that would be used as a fitness center, a 600 sq. ft. multipurpose child care space, enlarging the kitchen, reconfiguring the front entry and the development of a courtyard, expanding the registration/reception area, and relocating Parks and Recreation administrative offices to the Center.

- The second schematic provides for all of the above mentioned improvements, plus the renovation of the lower level floor for a 3,850 sq. ft. fitness center. This results in the ability of having the 1,600 sq. ft. space on the main level floor to become multipurpose space. Furthermore, this allows for a more adequately sized fitness center space.

- The third schematic includes adding second story space. Within this scheme, the second story becomes the fitness center space of 4,500 sq. ft. This then frees up the space in the lower level to become more multipurpose space.

4.1 BASE PLAN:

Main Level Addition (5,800 square feet; includes wheelchair lift, but no elevator): $2,000,000

GRAND TOTAL FOR BASE PLAN: $2,365,000

4.2 BASE PLAN W/LOWER LEVEL (BASEMENT):

Base Plan Total: $2,365,000 (from above)

Add finished Lower Level (basement) to the addition for the Base Plan (5,500 square feet; w/ new elevator): $1,206,345

Associated Site Work/Additional Parking: $102,841

GRAND TOTAL FOR BASE PLAN W/ LOWER LEVEL: $3,674,186

4.3 OPTIONAL SECOND FLOOR:

Add finished Second Floor to the Addition (5,080 square feet): $1,400,000 ($1 million for shell)

Associated Site Work/Additional Parking: $100,000

GRAND TOTAL FOR SECOND FLOOR OPTION: $1,500,000

GRAND TOTAL FOR BASE, LOWER LEVEL, and SECOND FLOOR - $5,174,000

EXTERIOR IMPROVEMENTS TO EXISTING BUILDING – OPTIONAL ALLOWANCE $150,000
The base plan with lower level, at a cost of $3,674,186 was selected as the option to complete a financial review and feasibility study. Schematic drawings of the Base Plan with Lower Level (Figure 9) and the Base Plan with the Lower Level and Optional Second Floor Plans (Figure 10) are detailed on the following pages.
Figure 9 - Base Plan with Lower Level
Village of Lincolnwood Parks and Recreation

Community Center Needs Assessment – Summary Report

Figure 10 - Base Plan with Lower Level and Optional Second Floor
CHAPTER FIVE - FINANCIAL PLAN

5.1 INTRODUCTION

The Lincolnwood Community Center financial plan is outlined in the pro forma and various schedules presented in the following pages of this report. The conceptual plan is based on the redevelopment of the Center, with the main additions consisting of a 3,850 square foot fitness room on the first level and two additional multipurpose rooms on the second level. The plan also includes use of the American Legion space for rentals and social club activities.

Along with the key management and staff, PROS established a list of pro forma assumptions, presented on the following pages of this report; these assumptions must be met in their entirety for the pro forma to be accurate. Although it is believed the information and assumptions constitute a reasonable basis for preparation of the projections, the achievements of any financial projection may be affected by fluctuating economic conditions and are dependent upon the occurrence of future events that cannot be assured. Therefore, actual results may vary from the projections and such variations could be material. These assumptions outline how the facility will be operated and maintained, as well as how the services will be priced to cover each core business in the Center.
Following extensive discussion with key Department management and staff, aggressive fitness center pass utilization was established and applied to the Community Center financial plan. Comparing the proposed fitness center pass utilization to participation trends for municipal facility fitness facilities illustrates the aggressive entrepreneurial approach with which Department management has chosen to operate. PROS does not deem this additional usage base as an insurmountable mission; however, to accomplish this goal, the Center must operate in a flexible, entrepreneurial approach, allowing management to adjust operations with market conditions. Based on all operating assumptions set forth within this report, and excluding any unforeseen circumstances, the Center is projected to have an average annual cost recovery of 71.56%. A summary of the five year pro forma is presented in Figure 11.

<table>
<thead>
<tr>
<th>Operating Feasibility Summary</th>
<th>Operating Year 1</th>
<th>Operating Year 2</th>
<th>Operating Year 3</th>
<th>Operating Year 4</th>
<th>Operating Year 5</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating and Maintenance Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Compensation Expense</td>
<td>$255,743</td>
<td>$264,122</td>
<td>$272,795</td>
<td>$281,773</td>
<td>$291,068</td>
</tr>
<tr>
<td>Total Contractual Expense</td>
<td>$110,832</td>
<td>$114,955</td>
<td>$119,279</td>
<td>$124,297</td>
<td>$129,629</td>
</tr>
<tr>
<td>Total Commodity Expense</td>
<td>$14,750</td>
<td>$15,303</td>
<td>$15,876</td>
<td>$16,471</td>
<td>$17,089</td>
</tr>
<tr>
<td>Total Operating and Maintenance Expenses</td>
<td>$381,325</td>
<td>$394,380</td>
<td>$407,950</td>
<td>$422,542</td>
<td>$437,786</td>
</tr>
<tr>
<td>Total Annual Capital Maintenance Fund</td>
<td>$25,000</td>
<td>$25,000</td>
<td>$25,000</td>
<td>$25,000</td>
<td>$25,000</td>
</tr>
<tr>
<td>Total Annual Debt Service</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>$406,325</td>
<td>$419,380</td>
<td>$432,950</td>
<td>$447,542</td>
<td>$462,786</td>
</tr>
<tr>
<td><strong>Center Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program Revenues</td>
<td>83,651</td>
<td>86,997</td>
<td>90,477</td>
<td>94,096</td>
<td>97,859</td>
</tr>
<tr>
<td>Fitness Center Revenues</td>
<td>117,510</td>
<td>122,210</td>
<td>127,099</td>
<td>132,182</td>
<td>137,470</td>
</tr>
<tr>
<td>Rental Revenues</td>
<td>62,375</td>
<td>64,246</td>
<td>66,174</td>
<td>68,159</td>
<td>70,204</td>
</tr>
<tr>
<td>Non-Program Revenues</td>
<td>8,500</td>
<td>8,500</td>
<td>8,500</td>
<td>8,500</td>
<td>8,500</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>$272,035</td>
<td>$281,953</td>
<td>$292,249</td>
<td>$302,937</td>
<td>$314,033</td>
</tr>
<tr>
<td>Revenues Over (Under) Expenditures</td>
<td>$(134,290)</td>
<td>$(137,427)</td>
<td>$(140,702)</td>
<td>$(144,605)</td>
<td>$(148,754)</td>
</tr>
<tr>
<td>Percentage of Operating Expenses Recovered</td>
<td>71.3%</td>
<td>71.5%</td>
<td>71.6%</td>
<td>71.7%</td>
<td>71.7%</td>
</tr>
<tr>
<td>Percentage of Total Expenditures Recovered</td>
<td>67.0%</td>
<td>67.2%</td>
<td>67.5%</td>
<td>67.7%</td>
<td>67.9%</td>
</tr>
</tbody>
</table>

**Figure 11 - Five Year Pro Forma Summary, Center**

### 5.2 FINANCIAL PLAN ASSUMPTIONS

The initial development of the feasibility study focused on developing a clear set of assumptions on how the facility will be operated, maintained, and to what level of cost recovery the facility was capable of producing to offset operational cost. The end product focuses on determining operating costs and revenue streams of the Center; this included developing an operational budget and a pricing strategy to meet the outcomes desired.

Schedules summarizing the expenditures and revenues, along with the notes and assumptions set forth, are integral to the analysis and conclusions stated in the financial plan. These notes and assumptions should be carefully read and considered when reviewing the schedules.

These projections are based on management's assumptions concerning future events and circumstances. Although the information and assumptions constitute a reasonable basis for preparation of the projections, the achievements of any financial projection may be affected by fluctuating economic conditions and is dependent upon the occurrence of future events.
that cannot be assured. Therefore, actual results may vary from the projections and such variations could be material.

The assumptions in the feasibility study assist the staff and management in understanding how the financial plan was developed and how the facility will be operated. This allows the management to change the assumptions in the future and determine the impact that those changes will have on the operational budget or on the users of the facility. The assumptions for the Center that were used for the development of the financial plan are as follows:

5.2.1 GENERAL CENTER ASSUMPTIONS
- The Center (concept) is approximately 10,550 square feet in size; main assets include a fitness area, a large multipurpose room (divisible room; 1,600 SF), an existing meeting room (3,000 SF), an existing small multipurpose room (625 SF), existing American Legion space, and a multipurpose child care/program room (600 SF)
- The pro forma budget is based on 2008 dollar values
- Salaries are based on 2008 salaries of equivalent job descriptions
- Vending will be made available

5.2.2 CENTER PRICING ASSUMPTIONS
- Pricing is outlined for each individual program
- Pricing comparisons of like service providers surveyed were used for guidelines for developing the pricing used, however, the ultimate goal of value provided was utilized for developing the pro forma

5.2.3 CENTER PRO FORMA ASSUMPTIONS
- Expenses are projected to be 100% of projected costs beginning in the modeled year “Operating Year 1”; annual increases of a set percent per year each year thereafter as based on Expenditure and Revenue Growth Inputs
- Revenues are projected to be 100% of projected revenue capacity beginning in the modeled year “Operating Year 1”; annual increases of a set percent per year each year thereafter as based on Expenditure and Revenue Growth Inputs
- Annual Capital Maintenance Fund is presented in the cost recovery ratio; capital maintenance fund is intended to be utilized as a capital renewal and replacement fund
- Percentage of cost recovery is based on the assumed market participation and value/market based pricing
- If a higher percentage of cost recovery is needed, operating expenses and pricing will be analyzed for possible adjustments
• All projections are based on assumptions and estimates made within the model

5.2.4 CENTER STAFFING ASSUMPTIONS
• Staffing salary/wages based on staff/management input
• General benefits, for those positions that qualify, are calculated at thirty-two percent (32%)
• Inclusive benefits, charges required for most employees regardless of employment status (including payroll taxes and fees) are factored at a percentage of total staff salary, excluding any general benefits:
  • FICA/Medicare Tax utilized – 7.65%
  • Workers Compensation utilized; based on average MRMA for like service providers) – 1.50%
  • Unemployment Tax utilized; average of 0.8% based on a maximum credit for FUTA; utilized percentage based on averages of like service providers – 0.01%
  • Payroll Tax (IMRF) utilized; based on average employee participation ratio of like service providers – 9.58%

5.2.5 CENTER CONTRACTUAL ASSUMPTIONS
• Utility costs based on $1.95 per square foot for electricity/gas
• Maintenance and repair costs are set to automatically roll into the Annual Capital Maintenance Fund, totaling $25,000 per year, allowing for funding of major repairs and/or renewal of the asset
• Annual Capital Maintenance Fund is a dedicated fund supported by policy allowing only for Center maintenance, repair, or replacement
• Janitorial cleaning service is based on $0.06 per square foot, per month
• Leasing of fitness equipment for the fitness center is based on a rate of 3.5% of the total purchase price of the equipment, per month
• Estimated total purchase price of equipment is $55,000

5.2.6 CENTER COMMODITY ASSUMPTIONS
• Recreational supplies allow for the annual cost of supplies needed for general program/activity presentation; not capital investment; does not include/account for custodial costs, capital replacement costs, etc.
- Custodial supplies allow for general custodial supplies for the facility; includes all supplies needed for daily facility sanitation and cleanliness (general spills, trash, etc.); these supplies are not contracted out but purchased on a per needed basis.

- Building maintenance supplies allow for general maintenance supplies needed for everyday operations; small tools and equipment that are not capitalized; these supplies are not contracted out but purchased on a per needed basis.

- Office supplies allow for general office supplies needed for daily operations; these supplies are not contracted out but purchased on a per needed basis.

- Uniforms supplied to all Center staffing on an annual basis; uniforms are purchased on an as needed basis.

- Miscellaneous line item is a budgeted amount set aside for miscellaneous uses that are not recurring and/or emergency situations as deemed necessary by the business manager/center director.

### 5.2.7 FITNESS CENTER ASSUMPTIONS
- Fitness Center is based on the conceptual drawing presented in Figure 12.

![Figure 12 - Fitness Center Concept Drawing](image)

- Fitness center space requirements are based on minimum operating standards and assumptions for all areas/assets of the conceptual area.

- Fitness member passes are as follows:
  
  o Daily Passes:
    
    1. Youth Weekday - $4.00
    2. Adult Weekday - $6.00
3. Youth Weekend - $6.00
4. Adult Weekend - $8.00
   o Monthly Passes:
     1. Youth - $18.00
     2. Adult - $32.00
     3. Couple, two persons residing at the same address - $55.00
     4. Family, four persons residing at the same address - $75.00

5.2.8 CENTER PROGRAMMING ASSUMPTIONS
- Center programming and rentals are based on estimates for units per experience/session, total sessions offered, and fee per program/activity
- Youth camps direct program labor is based on the ability of two (2) Center employees being allocated to the camps for the duration of the program period
- Lincolnwood Social Clubs are built into rental activity as part of the American Legion Space

5.2.9 OPERATING/GROWTH INPUT ASSUMPTIONS
- Operating and growth inputs are based on average increases per expenditure and revenue category; due to the volatility of the health care and energy sectors, higher growth rates were utilized
  o Benefit growth rate is calculated at 6.0% annual growth due to the potential volatility of the insurance/pension fund requirements
  o Utility growth rate is calculated at an average of 9.0% annual growth due to the potential volatility of the energy sector

5.2.10 MARKET BASE
- The Village of Lincolnwood was utilized as the base market for the Feasibility Study

5.3 FINANCIAL PLAN FINDINGS
The Financial Plan for the studied Community Center was developed as a feasibility study; this process focuses on the projected future operations – revenues and expenditures – based on a conceptual design. A financial plan including a pro forma and support schedules was created to project the financial ramifications resulting from the improvements and recommended pricing schedule proposed for various programs and offerings occurring at the Center.
Operating in a competitive market requires flexibility and an entrepreneurial approach by all management and staff as it pertains to all facets of the Center operations. The Five Year Pro Forma is presented below in Figure 13.

Based on all operating assumptions and recommendations set forth within this report, excluding any unforeseen circumstances, the Community Center is projected to recover an average of 71.56% of the operational costs related to the facility over the five year period studied. Operational efficiencies may be gained through pricing of the peak rental periods – afternoons and weekends – at a market driven price. The existing financial plan is based on constant pricing strategies. Revenues are projected to increase at a relatively flat rate. With an entrepreneurial approach and aggressive marketing, revenues could increase at a larger percentage than portrayed.

<table>
<thead>
<tr>
<th>Five-Year Pro Forma</th>
<th>Operating Year 1</th>
<th>Operating Year 2</th>
<th>Operating Year 3</th>
<th>Operating Year 4</th>
<th>Operating Year 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operations and Maintenance</td>
<td>226,022</td>
<td>233,476</td>
<td>241,195</td>
<td>249,188</td>
<td>257,466</td>
</tr>
<tr>
<td>Salaries and Benefits</td>
<td>226,022</td>
<td>233,476</td>
<td>241,195</td>
<td>249,188</td>
<td>257,466</td>
</tr>
<tr>
<td>Taxes and Fees</td>
<td>29,721</td>
<td>30,646</td>
<td>31,600</td>
<td>32,586</td>
<td>33,602</td>
</tr>
<tr>
<td>Direct Program Compensation</td>
<td>23,067</td>
<td>23,529</td>
<td>23,999</td>
<td>24,479</td>
<td>24,969</td>
</tr>
<tr>
<td>Utilities</td>
<td>32,273</td>
<td>34,269</td>
<td>36,408</td>
<td>39,180</td>
<td>42,203</td>
</tr>
<tr>
<td>Maintenance &amp; Repair</td>
<td>7,596</td>
<td>7,824</td>
<td>8,059</td>
<td>8,300</td>
<td>8,549</td>
</tr>
<tr>
<td>Insurance</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Office-License/Dues</td>
<td>12,300</td>
<td>12,669</td>
<td>13,049</td>
<td>13,441</td>
<td>13,844</td>
</tr>
<tr>
<td>Advertising</td>
<td>2,500</td>
<td>2,575</td>
<td>2,652</td>
<td>2,732</td>
<td>2,814</td>
</tr>
<tr>
<td>Promotion</td>
<td>7,297</td>
<td>7,515</td>
<td>7,741</td>
<td>7,973</td>
<td>8,212</td>
</tr>
<tr>
<td>Professional Services</td>
<td>1,200</td>
<td>1,236</td>
<td>1,273</td>
<td>1,311</td>
<td>1,351</td>
</tr>
<tr>
<td>Leases</td>
<td>23,100</td>
<td>23,793</td>
<td>24,507</td>
<td>25,242</td>
<td>25,999</td>
</tr>
<tr>
<td>Education/Travel/Promotions</td>
<td>1,500</td>
<td>1,545</td>
<td>1,591</td>
<td>1,639</td>
<td>1,688</td>
</tr>
<tr>
<td>Recreational Supplies</td>
<td>4,250</td>
<td>4,383</td>
<td>4,519</td>
<td>4,660</td>
<td>4,806</td>
</tr>
<tr>
<td>Youth Program (Child Care, etc.)</td>
<td>750</td>
<td>780</td>
<td>811</td>
<td>844</td>
<td>877</td>
</tr>
<tr>
<td>Custodial Supplies</td>
<td>2,500</td>
<td>2,600</td>
<td>2,704</td>
<td>2,812</td>
<td>2,925</td>
</tr>
<tr>
<td>Building Maint Supplies</td>
<td>1,750</td>
<td>1,820</td>
<td>1,893</td>
<td>1,969</td>
<td>2,047</td>
</tr>
<tr>
<td>Office Supplies</td>
<td>2,000</td>
<td>2,080</td>
<td>2,163</td>
<td>2,250</td>
<td>2,340</td>
</tr>
<tr>
<td>Uniforms</td>
<td>1,000</td>
<td>1,040</td>
<td>1,082</td>
<td>1,125</td>
<td>1,170</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>2,500</td>
<td>2,600</td>
<td>2,704</td>
<td>2,812</td>
<td>2,925</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>$381,325</td>
<td>$394,380</td>
<td>$407,950</td>
<td>$422,542</td>
<td>$437,786</td>
</tr>
</tbody>
</table>

| Revenues |  |
|-----------|------------------|------------------|------------------|------------------|------------------|
| Adult Programs | 28,794 | 29,946 | 31,143 | 32,389 | 33,685 |
| Youth Programs | 54,857 | 57,051 | 59,333 | 61,707 | 64,175 |
| Fitness Center Passes | 117,510 | 122,210 | 127,099 | 132,182 | 137,470 |
| Rentals | 62,375 | 64,246 | 66,174 | 68,159 | 70,204 |
| Non-Program Revenues | 8,500 | 8,500 | 8,500 | 8,500 | 8,500 |
| **Total Revenues** | $272,035 | $281,953 | $292,249 | $302,937 | $314,033 |

| Annual Capital Maintenance Fund | $25,000 | $25,000 | $25,000 | $25,000 | $25,000 |
| Annual Debt Service | - | - | - | - | - |
| **Total Net Revenues** | $134,290 | $137,427 | $140,702 | $144,605 | $148,754 |

| % of Cost Recovery - Operations; without Annual Capital Maint. Fund or Debt Service | 71.34% | 71.49% | 71.64% | 71.69% | 71.73% |
| % of Cost Recovery - Total Operations and Maintenance; with Annual Capital Maint. Fund and Debt Service | 66.95% | 67.23% | 67.50% | 67.69% | 67.86% |

Figure 13 - Five Year Pro Forma; Full Operations (based on assumptions set forth within this report)
5.3.1 MINIMUM OPERATING STANDARDS AND ASSUMPTIONS, FITNESS CENTER

The majority of the Center revenues are projected to be generated in the fitness center (43% of all revenues generated). The fitness center offers a continual and relatively steady revenue source due to the perpetual nature of cardiovascular and strength training fitness routines. To better understand the potential for revenue generation at the fitness center, minimum operating standards and a conceptual layout was created. Minimum standards stipulate space usage based on the standard practices and average personal space requirements commonly practiced. The minimum operating standards are presented in Figure 14.

<table>
<thead>
<tr>
<th>Exercise Equipment/Area Assumptions:</th>
<th>Asset Count</th>
<th>Approximate Space Requirements</th>
<th>Estimated Area Utilization</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cardio Equipment:</td>
<td>25.0</td>
<td>40.0</td>
<td>1,000.0</td>
<td>Square feet should be given for each piece of cardiovascular equipment; i.e. treadmills, stationary bicycles (includes equipment dimensions and space between equipment)</td>
</tr>
<tr>
<td>Equipment Area, Single Station:</td>
<td>14.0</td>
<td>46.0</td>
<td>644.0</td>
<td>Square feet should be given for each piece of single station equipment; i.e. selectorized resistance training machines (includes equipment dimensions and space between equipment)</td>
</tr>
<tr>
<td>Free Weight Area, Multi-Purpose:</td>
<td>5.0</td>
<td>24.0</td>
<td>120.0</td>
<td>Square feet should be given for each piece of multi purpose equipment; i.e. weight benches (includes equipment dimensions and space between equipment)</td>
</tr>
<tr>
<td>Free Weight Area, Fixed-Use Equipment:</td>
<td>20.0</td>
<td>60.0</td>
<td>1,200.0</td>
<td>Square feet should be given for each piece of fixed use equipment; i.e. bench press station, squat rack/station (includes equipment dimensions and space between equipment)</td>
</tr>
<tr>
<td>Warm-up/Cool-down Area:</td>
<td>1.0</td>
<td>200.0</td>
<td>200.0</td>
<td>Minimum square feet dedicated to stretching and flexibility</td>
</tr>
<tr>
<td>Minimum Sizing Standard, per patron</td>
<td></td>
<td>38.5</td>
<td></td>
<td>Square feet per person during peak time (Fitness Facilities lowest minimum standard - 25 SF)</td>
</tr>
<tr>
<td>Membership Utilization</td>
<td></td>
<td>20-35%</td>
<td></td>
<td>Percentage of active membership base that will take advantage of a fitness center on a daily basis</td>
</tr>
</tbody>
</table>

Total space requirement: 2,164.4
Total area available: 3,850.0
Common area available: 1,685.6

**Figure 14 - Fitness Center Minimum Operating Standards**

Based on the space requirements presented in the minimum operating standards **Figure 14** a conceptual design was created to provide a visual understanding of potential fitness center equipment offerings. The conceptual layout is presented in **Figure 15**.

- View 1; Concept Fitness Center (3,850 Total Square Feet; Equipment to scale)
- View 2; Concept Fitness Center (3,850 Total Square Feet; Equipment to scale)

**Figure 15 - Conceptual Layout, Fitness Center (View 1 and View 2)**
5.3.2 CENTER STAFFING

The ability to program and deliver the valued experiences of the Center falls directly on the staff and management of the Center – the majority of youth programs are set up to be administered “in-house”. On average, staffing of a recreation center can be expected to account for 60% to 70% of all operational costs; staffing costs for the renovated Center is projected to account for 67.1% of all operational costs. A staffing summary is presented in Figure 16.

<table>
<thead>
<tr>
<th>Potential Staffing Cost Summary</th>
<th>Operating Year 1</th>
<th>Operating Year 2</th>
<th>Operating Year 3</th>
<th>Operating Year 4</th>
<th>Operating Year 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary and Benefits</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Facility Administration</td>
<td>34,562</td>
<td>35,850</td>
<td>37,192</td>
<td>38,590</td>
<td>40,047</td>
</tr>
<tr>
<td>Facility Maintenance</td>
<td>26,000</td>
<td>26,780</td>
<td>27,583</td>
<td>28,411</td>
<td>29,263</td>
</tr>
<tr>
<td>Customer Relations</td>
<td>56,030</td>
<td>57,711</td>
<td>59,442</td>
<td>61,225</td>
<td>63,062</td>
</tr>
<tr>
<td>Recreation Programs</td>
<td>109,430</td>
<td>113,135</td>
<td>116,977</td>
<td>120,961</td>
<td>125,093</td>
</tr>
<tr>
<td>Total Salary and Benefits</td>
<td>$226,022</td>
<td>$233,476</td>
<td>$241,195</td>
<td>$249,188</td>
<td>$257,466</td>
</tr>
</tbody>
</table>

| Additional Benefit Charges              |                  |                  |                  |                  |                  |
|----------------------------------------|                  |                  |                  |                  |                  |
| FICA/Medicare Tax                       | 15,573           | 16,040           | 16,521           | 17,017           | 17,527           |
| Workers Compensation                    | 3,053            | 3,145            | 3,239            | 3,337            | 3,437            |
| Unemployment Tax                        | 20               | 21               | 22               | 22               | 23               |
| Payroll Tax (IMRF)*                     | 11,075           | 11,440           | 11,819           | 12,210           | 12,616           |
| Total Additional Benefit Charges        | $29,721          | $30,646          | $31,600          | $32,586          | $33,602          |

| Total Compensation                      | $255,743         | $264,122         | $272,795         | $281,773         | $291,068         |

Notes:
A. FICA/Medicare Tax % Utilized 7.65%
B. Workers Compensation % Utilized 1.50%
C. Unemployment Tax % Utilized 0.01%
D. Payroll Tax (IMRF) 9.58%
*Payroll/IMRF expense utilizes a hard number base on average staffing ratio of like providers due to limited knowledge of employee participation
*Employer portion of Social Security and Medicare taxes equate to 6.20% (Social Security) and 1.45% (Medicare)
*Based on average MRMA for like service providers
*Average of 0.8% based on a maximum credit for FUTA; .01% utilized based on averages of like providers
*Illinois Municipal Retirement Fund

Figure 16 - Compensation Summary; Full Operations (based on assumptions set forth in this report)

Management/administration of the Center is based on an allocated portion of two (2) recreational supervisor’s salary and benefits; one supervisor will have 20% of total salary and benefits allocated to the Center and the other will have 25% of total salary and benefits allocated to the Center. General custodial staffing will be at the Center during all operating hours. The only full-time personnel with 100% of costs allocated to Center operations is a Recreation Program Coordinator.
5.3.3 CENTER SPACE UTILIZATION
Center space utilization was also analyzed by dedicated areas/rooms and is presented in Figure 17. Space utilization is meant to be viewed solely as a guide; detailed revenues and expenditures are depicted on a program basis and not a space basis. The ability of staff to flexibly program the multipurpose and meeting rooms based on current and actual need should be the final determining factor as to which space is utilized for a given program. Based on the projected Center programming and available spaces – four multipurpose and/or meeting rooms – two of the four rooms are projected to contribute a relatively even portion of revenues as compared to the hours each space is utilized. The two anomalies are the large, existing meeting room and the child care room. However, as stated previously the Financial Plan is calculated at the program level and an attempt to estimate usage by space was completed for discussion purposes. Contributions are projected as follows:

- Large Multipurpose Room (divisible room; 1,600 SF) – 51.2% of program revenues generated; 29.2% of total programmable hours
- Large Meeting Room (3,000 SF; existing) – 30.1% of program revenues generated; 26.6% of total programmable hours
- Small Multipurpose Room (625 SF; existing) – 10.9% of program revenues generated; 7.8% of total programmable hours
- Multipurpose - Child Care (600 SF) – 7.8% of program revenues generated; 36.4% of total programmable hours

<table>
<thead>
<tr>
<th>Space Utilization; Revenues and Hours</th>
<th>Total Revenues</th>
<th>Adult Revenues</th>
<th>Youth Revenues</th>
<th>Total Hours*</th>
<th>Adult Hours*</th>
<th>Youth Hours*</th>
<th>Rental Hours*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large Multipurpose Room (divisible room; 1,600 SF)</td>
<td>73,868</td>
<td>19,656</td>
<td>39,512</td>
<td>1,040</td>
<td>240</td>
<td>600</td>
<td>200</td>
</tr>
<tr>
<td>Meeting Room (3,000 SF; existing)</td>
<td>43,451</td>
<td>2,751</td>
<td>-</td>
<td>948</td>
<td>48</td>
<td>-</td>
<td>900</td>
</tr>
<tr>
<td>Small Multipurpose Room (625 SF; existing)</td>
<td>15,750</td>
<td>6,048</td>
<td>3,402</td>
<td>278</td>
<td>80</td>
<td>48</td>
<td>150</td>
</tr>
<tr>
<td>Multipurpose - Child Care (600 SF)</td>
<td>11,298</td>
<td>-</td>
<td>11,298</td>
<td>1,296</td>
<td>-</td>
<td>1,296</td>
<td>-</td>
</tr>
<tr>
<td>Total by Area</td>
<td>$ 144,367</td>
<td>$ 28,455</td>
<td>$ 54,212</td>
<td>3,562</td>
<td>368</td>
<td>1,944</td>
<td>1,250</td>
</tr>
</tbody>
</table>

*Total hours estimate based on all programs except Rentals being offered for an average of one (1) hour per meeting/game and eight (8) hours per camp day; camp hours evenly distributed between gymnasium and indoor sports field

Figure 17 - Space Utilization

Consideration for projected space utilization is based on the typical usage patterns for like spaces. On average, the larger the room, when priced accordingly to space utilized, the more difficult it is to program due to the size implications; smaller groups feel the space is cavernous and some larger groups feel the fee that a larger space requires does not justify the need for space and will often times, when possible, compress their space needs. Child specific program rooms on industry average represent the greatest potential for reduced cost recovery; this is due to many organizational policies created to subsidize certain youth programs and the singularly focused program potential – youth. When children’s program areas are dedicated for child care/watch, due to stringent state and local codes dictating length of stay and personnel required, many fail to recover costs associated.
5.3.4 FITNESS CENTER OPERATIONS

Fitness center operations and market capture utilized participation trends experienced throughout the health club industry – including the health club sector category Municipal/Town Recreation Facilities – as a baseline. On average, it can be expected that 13.6% of the populace will actively participate in “fitness center” type activities – this include resistance and cardiovascular activities. Participation is based on all market sectors; sector participation rates and estimated markets by sector type are presented in Figure 18. The Village of Lincolnwood’s estimated 2008 population of persons 6 and above was utilized as the market base – this equates to 11,178 total persons.

<table>
<thead>
<tr>
<th>Membership by Club Type*</th>
<th>% of Health Club Market Capture</th>
<th>Present in Market</th>
<th>% of Health Club Market Capture (Lincolnwood)</th>
<th>Allocated Estimated % of Market</th>
<th>Estimated Youth Members</th>
<th>Estimated Adult Members</th>
<th>Total Estimated Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial/Multi-Purpose</td>
<td>26.0% Yes</td>
<td>26.0</td>
<td>26.0%</td>
<td>63.7</td>
<td>311.6</td>
<td>395.2</td>
<td></td>
</tr>
<tr>
<td>Commercial/Fitness Only</td>
<td>20.7% Yes</td>
<td>21.0</td>
<td>21.0%</td>
<td>51.4</td>
<td>267.8</td>
<td>319.2</td>
<td></td>
</tr>
<tr>
<td>YMCA/YMCA</td>
<td>10.8% Yes</td>
<td>20.0</td>
<td>20.0%</td>
<td>49.0</td>
<td>255.1</td>
<td>304.0</td>
<td></td>
</tr>
<tr>
<td>JCC/YMHA</td>
<td>0.9% No</td>
<td>0.0%</td>
<td>0.0%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Church/Faith-Based Facility</td>
<td>0.7% Yes</td>
<td>0.5%</td>
<td>0.5%</td>
<td>1.2</td>
<td>6.4</td>
<td>7.6</td>
<td></td>
</tr>
<tr>
<td>University-Based Club</td>
<td>5.0% No</td>
<td>0.0%</td>
<td>0.0%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Hospital-Based Club</td>
<td>3.4% No</td>
<td>0.0%</td>
<td>0.0%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Corporate Fitness Center</td>
<td>4.0% Yes</td>
<td>4.0%</td>
<td>4.0%</td>
<td>9.8</td>
<td>51.0</td>
<td>60.8</td>
<td></td>
</tr>
<tr>
<td>Residential Fitness Facility</td>
<td>3.5% Yes</td>
<td>3.5%</td>
<td>3.5%</td>
<td>8.6</td>
<td>44.6</td>
<td>53.2</td>
<td></td>
</tr>
<tr>
<td>Municipal/Town Rec. Facility</td>
<td>5.0% Yes</td>
<td>10.0%</td>
<td>10.0%</td>
<td>24.5</td>
<td>127.5</td>
<td>152.0</td>
<td></td>
</tr>
<tr>
<td>Military Facility</td>
<td>2.2% No</td>
<td>0.0%</td>
<td>0.0%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Country Club</td>
<td>1.9% Yes</td>
<td>2.0%</td>
<td>2.0%</td>
<td>4.9</td>
<td>25.5</td>
<td>30.4</td>
<td></td>
</tr>
<tr>
<td>Aerobics Studio</td>
<td>1.0% Yes</td>
<td>1.0%</td>
<td>1.0%</td>
<td>2.4</td>
<td>12.8</td>
<td>15.2</td>
<td></td>
</tr>
<tr>
<td>Hotel Fitness Facility</td>
<td>0.5% No</td>
<td>0.5%</td>
<td>0.5%</td>
<td>1.2</td>
<td>6.4</td>
<td>7.6</td>
<td></td>
</tr>
<tr>
<td>Resort/Spa</td>
<td>0.4% No</td>
<td>0.0%</td>
<td>0.0%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Other Fitness Facility</td>
<td>11.5% Yes</td>
<td>11.5%</td>
<td>11.5%</td>
<td>28.2</td>
<td>146.7</td>
<td>174.8</td>
<td></td>
</tr>
<tr>
<td>Total**</td>
<td>106.5% Yes</td>
<td>100.0%</td>
<td>100.0%</td>
<td>244.8</td>
<td>1,275.4</td>
<td>1,520.2</td>
<td></td>
</tr>
</tbody>
</table>

*Note: Based on International Health, Racquet, & Sports club Association and American Sports Data 2005 Health Club Trends Report

**Note: Total exceeds 100% due to small number of multiple memberships in survey

Figure 18 - Estimated Fitness Participants; Village of Lincolnwood

Based on industry averages, it can be assumed that 5.0% of the market will participate at a Municipal/Town Recreational Facility; based on input from staff and management, PROS projected a capture rate of double the industry average – 10% (blue highlighted cell in Figure 18). Utilizing the 10% capture rate, it is projected that a total of 152 persons will utilize the Center’s fitness area. Utilizing industry participation standards, it is projected that 25 of the estimated captured market of 152 persons will be youth, and 128 of the estimated captured market will be adult (Figure 19).

<table>
<thead>
<tr>
<th>Membership by Age</th>
<th>Members per 100 People</th>
<th>Segment %</th>
<th>Average # of Days</th>
<th>2008 Population</th>
<th>Estimated Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>6-11</td>
<td>7.7%</td>
<td>4.4%</td>
<td>42.0</td>
<td>869.0</td>
<td>9.7</td>
</tr>
<tr>
<td>12-17</td>
<td>10.8%</td>
<td>6.7%</td>
<td>69.0</td>
<td>931.1</td>
<td>14.8</td>
</tr>
<tr>
<td>18-34</td>
<td>17.9%</td>
<td>28.8%</td>
<td>92.0</td>
<td>1,964.8</td>
<td>41.3</td>
</tr>
<tr>
<td>35-54</td>
<td>17.4%</td>
<td>35.4%</td>
<td>96.0</td>
<td>2,900.7</td>
<td>50.8</td>
</tr>
<tr>
<td>55+</td>
<td>16.3%</td>
<td>24.7%</td>
<td>98.0</td>
<td>4,512.2</td>
<td>35.4</td>
</tr>
<tr>
<td>Total</td>
<td>15.7%</td>
<td>100.0%</td>
<td>91.0</td>
<td>11,177.8</td>
<td>152.0</td>
</tr>
</tbody>
</table>

Figure 19 - Estimate Participation by Age Segment; Based on Industry Survey Findings
Based on further input from Department management and staff, it was concluded that the lack of public facilities in the immediate market coupled with a strong business community and entrepreneurial management philosophy would allow for an even greater capture. This aggressive approach by the Department compares to the national trends as follows:

- Capture rate utilized based on trends and adjusted slightly higher for market (10% of participating population) – 137 total passes
  - 237 unique participants
- Capture rate utilized based on adjustments by Department management and staff – 162 total passes
  - 292 unique participants

Utilizing the higher capture rate the Department anticipates, based on a strong business community and lack of comparable public facilities in the area, monthly membership/participation is estimated at ninety-two percent (92%), or 140 more participants than the industry findings would indicate. Anticipated participation is based on the following categories:

- Monthly, Youth – 12 members/participants per month (average)
  - Monthly fee – $18.00
  - Percent of RESIDENT Pass Holders – 90.0%
  - Percent of NON-RESIDENT Pass Holders – 10.0%; surcharge/rate of 120% of Resident Rate
  - Percent of SENIOR Pass Holders – 0.0%
  - Percent of BUSINESS Pass Holders – 0.0%
  - Percent of GOVERNMENT PARTNER (village employees) Pass Holders – 0.0%
  - It is assumed that the Center will retain 75% of members on an annual basis and gain an average of 25% “new” members on an annual basis

- Monthly, Adult – 55 members/participants per month (average)
  - Monthly fee – $32.00
  - Percent of RESIDENT Pass Holders – 80.0%
  - Percent of NON-RESIDENT Pass Holders – 8.0%; surcharge/rate of 120% of Resident Rate
  - Percent of SENIOR Pass Holders – 7.0%; surcharge/rate of 80% of Resident Rate
  - Percent of BUSINESS Pass Holders – 2.5%; surcharge/rate of 105% of Resident Rate
  - Percent of GOVERNMENT (village employees) Pass Holders – 2.5%; same rate as the Resident Rate
  - It is assumed that the Center will retain 75% of members on an annual basis and gain an average of 25% “new” members on an annual basis

- Monthly, Couple – 60 passes
  - Monthly fee – $55.00
  - Percent of RESIDENT Pass Holders – 80.0%
  - Percent of NON-RESIDENT Pass Holders – 9.0%; surcharge/rate of 120% of Resident Rate
  - Percent of SENIOR Pass Holders – 9.0%; surcharge/rate of 80% of Resident Rate
Based on the conceptual drawing of the Center (lower level), fitness center limitations which lead to the utilization assumptions and projections presented prior and will require the staff and management to successfully mitigate, are as follows:

- Lack of complimentary assets and amenities – the limitations associated with restrictions presented with the limited age segment appeal also apply to complimentary assets; lack of complimentary assets will reduce, and may exclude, the average length of experience for the general public
  - The average fitness center participant, excluding mothers and senior participants, have limited options available to participate in
  - On average, male participation in health and wellness activities (aerobics/yoga/etc) is limited
  - Lack of complimentary assets and amenities most drastically affects the participation base of the mid- to upper-youth segment (13-18 years of age); most prefer the use of gymnasiums and aquatic facilities in conjunction with fitness activities
  - Potential does exist however for the Recreation Center to cross-market with the Aquatics Center in terms of specials and “all inclusive” passes

- During feasibility development, greater attendance and revenue generation was expressed for the fitness center; based on the same average pricing per person utilized for the financial plan ($326.64 annually; $27.22 per month), estimates required for greater revenue generation are as follows
o Target revenues of $100,000 would require 14 additional members for a total membership base of 306 persons; this would require 2.7% of all Village constituents to be fitness center members/participants

o Target revenues of $150,000 would require 167 additional members for a total membership base of 459 persons; this would require 4.1% of all Village constituents to be fitness center members/participants

o Target revenues of $200,000 would require 320 additional members for a total membership base of 612 persons; this would require 5.5% of all Village constituents to be fitness center members/participants

o Target revenues of $250,000 would require 473 additional members for a total membership base of 765 persons; this would require 6.8% of all Village constituents to be fitness center members/participants

5.4 FINANCIAL PLAN CONCLUSION

The success of the Center relies on the ability of staff and management to accurately measure the needs and desires of the Village constituents with core programs geared towards trends and complimentary programs addressing the current fads. With the majority of revenues generated projected to occur from fitness center utilization, it would be expected that Center revenue streams would remain steady, if not grow. Revenues as projected for the first full year of operations, by major category, are projected as follows:

- Fitness Center – 43.2% of total revenues generated; $116,858
- Programs – 30.6% of total revenues generated; $83,651
  - Adult Programs – 10.6% of total revenues generated; $28,794
  - Youth Programs – 20.2% of total revenues generated; $54,857
- Rentals – 22.9% of total revenues generated; $62,375
- Non-Program Revenues – 3.1% of total revenues generated; $8,500

Revenues totaling near $300,000 result in a projected 71% cost recovery for the Center. Based on industry averages, cost recovery for most recreation centers is approximately 60% to 70%. The ability to generate above this threshold requires an aggressive management approach.

Although it is not expected to recover debt service, an investment of this magnitude requires careful planning; the estimated price tag of $3,674,186 and an estimated annual debt payment of $337,423, demands careful consideration by the Department. As with all plans, the needs and expectations of the community must be accounted for prior to any final decision.

This Feasibility Study provides a guide for the decisions facing the operations and service offerings; the overall outcome will be reflected in the initiative and creativeness of the management and support by the governing bodies.