



The Park District of Oak Park Community Recreation Center Executive Summary July 2016



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EXECUTIVE SUMMARY

1.1 PARK DISTRICT OVERVIEW

The Park District of Oak Park (“PDOP”) is an independent unit of local government possessing contiguous boundaries with the Village of Oak Park (the “Village”). PDOP provides recreational opportunities to the 51,878 (2010 Census) Village residents residing in a fully developed, 4.6 square mile, mature, multicultural community.

The PDOP’s mission is “In partnership with the community, we enrich lives by providing meaningful experiences through programs, parks and facilities.” Overseen by a Board of five elected officials, PDOP serves the recreational needs of the Oak Park community through the leadership and expertise of 53 full-time employees and over 400 part-time and seasonal staff members. The PDOP operates 26 facilities on 82 acres of land including seven community centers, a gymnastics and recreation center, a conservatory, two historic houses, two outdoor swimming pools, an indoor ice arena, one sled hill, 25 outdoor tennis courts and an assortment of baseball/softball diamonds, football and soccer fields, playgrounds, and picnic areas. The PDOP also utilizes a facility owned by the Village for youth and adults programs. The PDOP offers over 3,000 recreational programs and classes annually for preschoolers through senior citizens, including family-oriented and special events programming as well as inclusion programs with the West Suburban Special Recreation Association.

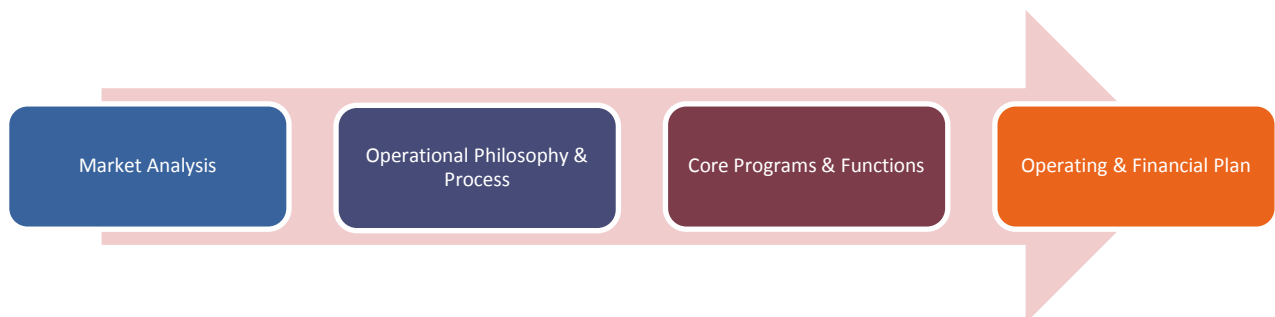
The PDOP is a high-performing agency which received its accreditation from the State of Illinois and National Accreditation and culminated in the National Gold Medal award in 2015.

1.2 PROJECT OVERVIEW

The PDOP recently undertook a Feasibility Study for the construction of a Community Recreation Center. Based on the work of SinkCombs, the Park Board has determined it feasible to move forward with the possibility of constructing such a facility. Therefore, the PDOP is undertaking the next step with a revenue and operational analysis of the proposed facility.

1.3 PROJECT PROCESS

PROS Consulting, INC. was hired in the spring of 2016 to develop an Operations Plan for the future Community Recreation Center. The process of developing the Operations Plan followed a logical planning path, as described below:



The intent of performing the Operations Plan is to evaluate the opportunities for the operations and management of the Community Recreation Center. The staff involved in this Operations Plan worked diligently to provide the Consulting Team the necessary information to assess the center’s conceptual plan as well as providing their time to explain the potential approaches in managing of the center.

1.4 NATIONAL PARTICIPATORY TRENDS IN RECREATION

Information released by Sports & Fitness Industry Association's (SFIA) 2016 Study of Sports, Fitness, and Leisure Activities Topline Participation Report reveals that the most popular sport and recreational activities include: fitness walking, treadmill, running/jogging, free weights and road bicycling. Most of these activities appeal to both young and old alike, can be done in most environments, are enjoyed regardless of level of skill, and have minimal economic barriers to entry. These popular activities also have appeal because of their social application. For example, although fitness activities are mainly self-directed, people enjoy walking and biking with other individuals because it can offer a degree of camaraderie.

Fitness walking has remained the most popular activity of the past decade by a large margin, in terms of total participants. Fitness walking participation last year was reported to be nearly 110 million Americans. Although fitness walking has the highest level of participation, it did report a 2.4% decrease in 2015 from the previous year. This recent decline in fitness walking participation paired with upward trends in a wide variety of other activities, especially in fitness and sports, suggests that active individuals are finding new ways to exercise and diversifying their recreational interests.

1.4.1 ASPIRATIONAL INTEREST

Though it is important to understand the trends of participants in all activities, it is equally if not more important to understand the interest of nonparticipants. Sports & Fitness Industry Association's (SFIA) 2016 Study of Sports, Fitness, and Leisure Participation reveals swimming for fitness continues to be the most popular "aspirational" sport amongst most age groups.

| Aspirational Trends Analysis | | | |
|-------------------------------------|----------------------------|----------------------------|----------------------------|
| Ages 6-12 | Ages 13-17 | Ages 18-24 | Ages 25-34 |
| Swimming for Fitness | Swimming for Fitness | Swimming for Fitness | Swimming for Fitness |
| Bicycling | Camping | Bicycling | Bicycling |
| Camping | Bicycling | Hiking | Camping |
| Hiking | Working Out with Weights | Trail Running | Hiking |
| Running/Jogging | Working Out using Machines | Running/Jogging | Working Out with Weights |
| Ages 35-44 | Ages 45-54 | Ages 55-64 | Ages 65+ |
| Hiking | Swimming for Fitness | Swimming for Fitness | Swimming for Fitness |
| Working Out with Weights | Working Out Using Machines | Bicycling | Working Out using Machines |
| Swimming for Fitness | Bicycling | Working Out with Weights | Hiking |
| Camping | Hiking | Hiking | Fitness Classes |
| Bicycling | Camping | Working Out using Machines | Working Out with Weights |

1.4.2 RECREATION TRENDS SUMMARY

It is critically important for the PDOP to understand the national participation trends in recreation activities. In doing so, the department can gain general insight into the lifecycles of recreation programs (emerging, stable and declining) and thereby anticipate potential changes in need and demand for the programs and activities for residents.

1.5 OPERATIONS PLAN

The following is the recommended operations plan for the Community Recreation Center. It is expected the construction of the facility will be completed as a single construction project. This chapter will discuss program plans, maintenance standards, staffing levels, membership/admissions and general operating assumptions for the facility.

1.5.1 PROGRAM PLAN

The program plan provides a direction for the expected programming and utilization that the PDOP will directly facilitate at the 107,000 sq. ft. Community Recreation Center.

The program plan is based on the following space program assumptions for the said facility.

- Indoor Walking Track
- Fitness Center
- Indoor and Aquatic Facilities
- Four Group Exercise Studios
- Three Gymnasiums
- Three Meeting Rooms
- Four Classrooms
- Activity Lounge
- Two Arts n Crafts Studios
- Child Sitting Center
- Indoor Walking Track
- Café

1.5.2 MAINTENANCE STANDARDS

The maintenance standards for a Community Recreation Center are dependent upon the design, materials and system specifications that are developed during the design and construction document phases of the project. The Consulting Team recommends that operating manuals and material safety data sheets for the components of the facility be compiled into a Standard Operating Procedure Manual during the last three months of construction and prior to the recreation center opening for utilization by the public. It is critical for staff to be trained and in some cases, certified, to operate and perform maintenance on the systems of the facility.

1.5.3 STAFFING MODEL

Staffing the facility with revenue from passes requires a delicate balancing act of resource allocation to the core areas and the bottom line. This will necessitate that the Community Recreation Center facility staff have a keen understanding of all operations and understand the value of programming and maintaining the site.

Many large scale multi-generational recreation center operations operate with staffing levels at 60% of the direct cost or more of the operational budget. The Community Recreation Center will require a total of at least SIX (6) NEW full-time positions. These position categories and/or titles are subject to change as operations are further refined in the final business planning phase. These include a fulltime staff of the following:



- Center Director – (1)
- Center Assistant Director – (1)
- Aquatics Supervisor – (1)
- Facility Maintenance Supervisor – (1)
- Fitness Coordinator – (1)
- After School Enrichment Supervisor – (1)

A number of part-time staff including lifeguards, water safety and recreation program instructors, fitness personnel and front desk staff are included in the staffing projections.

1.5.4 CENTER OPERATING HOURS

- Center operating hours are proposed to be 105 hours per week and are assumed to be:
 - Monday - Friday – 5AM to 10:00PM
 - Saturday – 8:00AM to 8:00PM
 - Sunday – 9:00AM to 5:00PM
- Holidays during which the Center will be closed are:
 - New Year’s Day
 - Easter Sunday
 - Thanksgiving Day
 - Christmas Eve Day
 - Christmas Day
 - New Year’s Eve Day

1.5.5 MEMBERSHIP AND ADMISSIONS ASSUMPTIONS

Depending on the business model that the Park District chooses, memberships and admissions generally account for 65% or more of all revenue generation in a multi-generational recreation center of this type with the hope to recover 100% of operational revenues. Due to the operational impact of memberships on sustainability, membership structure is vital. Based on the pro-forma, it can be assumed that the membership fee is covering approximately 65% of the total revenue. This requires the building to be programmed at approximately 50% to achieve the cost recovery goal desired. This limits the amount of open non-programmed activity to the walking track, fitness center, gymnasium free time and open swim time.

Many public facilities utilize a multi-tiered pass structure that provides access to specific areas. This access dilution effectively deteriorates the revenue generating capabilities of the operation because one feature typically outdraws and outperforms the other. It is recommended to only provide space specific passes to achieve product differentiation when a significant market threat is posed by a like service provider.

1.5.6 FINANCIAL MODEL

The financial plan for the facility is outlined in the pro forma presented as follows:

1.5.6.1 SIX (6) YEAR PRO FORMA

| Pro Forma Revenues & Expenditures | | | | |
|---|-----------------------|-----------------------|--|-------------------------------|
| Park District of Oak Park Community Recreation Center | | | | |
| BASELINE: REVENUES AND EXPENDITURES | | | | |
| SERVICE TITLE | Revenues | Expenditures | Revenues Over (Under) Expenditures | Cost Recovery - Percent |
| Passes | \$1,760,295.00 | \$0.00 | \$1,760,295.00 | |
| Administration | \$0.00 | \$611,608.70 | (\$611,608.70) | 0% |
| Building Maintenance | \$0.00 | \$167,661.30 | (\$167,661.30) | 0% |
| Building Services (Custodial) | \$0.00 | \$146,336.50 | (\$146,336.50) | 0% |
| Recreation Programs | \$305,880.00 | \$116,987.50 | \$188,892.50 | 261% |
| Fitness | \$16,500.00 | \$232,092.94 | (\$215,592.94) | 7% |
| Aquatics | \$252,575.00 | \$830,881.36 | (\$578,306.36) | 30% |
| Gymnasium | \$271,852.00 | \$179,605.00 | \$92,247.00 | 151% |
| Parties | \$72,750.00 | \$65,708.67 | \$7,041.33 | 111% |
| Rentals | \$42,250.00 | \$25,760.00 | \$16,490.00 | 164% |
| Child Watch | \$0.00 | \$36,136.96 | (\$36,136.96) | 0% |
| Kitchen | \$0.00 | \$1,750.00 | (\$1,750.00) | 0% |
| Debt Service | \$0.00 | \$2,500,000.00 | (\$2,500,000.00) | 0% |
| Total | \$2,722,102.00 | \$4,914,528.93 | (\$2,192,426.93) | 55% |

1.6 CONCLUSION

The Community Recreation Center marks a milestone in the history and development of the facilities in the PDOP- where the community came together to develop a long range vision for the future development and management of the facility. The resulting operational plan is designed to address the opportunities of the facility that effect the public enjoyment of the center. The purpose of this operations plan is to develop a shared set of objectives, policies, and goals that meet the needs of the facility and have the strength and clarity to direct utilization, growth and management appropriately.

These objectives, policies, and goals were developed from an iterative process that utilized the previously conducted feasibility study and input from staff. This strategically planned program provided a flexible, yet foundational plan or “road map”, for future decision making to streamline the process and assist in implementation. This operations plan, and its many parts, have the ability to provide all the tools required to make the Community Recreation Center an amenity befitting the Oak Park community and its expectations. The management of the facility will play a large role in the success of the parks identity, connectivity, and education.

The Community Recreation Center will serve as a one of the jewels in the crown of the award-winning PDOP system that links its visitors to the active indoor recreation. The community recognizes these opportunities and has envisioned a cohesive plan to create the Community Recreation Center into an iconic and vibrant public amenity.