



CITY OF EDINA

COMMUNITY CENTER FEASIBILITY STUDY

9 May 2016

hga commission number 3857-001-00





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1. EXECUTIVE SUMMARY

Introduction

The site, former home of public works, is a now vacant parcel that represents a meaningful redevelopment opportunity at the heart of the Grandview District. The City of Edina owns this parcel of land bounded by Arcadia Avenue to the east and Eden Avenue to the south.

The City commissioned this Feasibility Study with a team comprised of HGA Architects & Engineers, PROS Consulting, and Sutton & Associates to evaluate a potential community facility on the north portion of the site. The scope of the Feasibility Study included needs assessment, market analysis, building space programming, site fit options, massing studies, development of a preferred design alternative, capital and operational cost estimating.

The quantitative and qualitative results described in the Feasibility Study are intended to assist the City of Edina in strategic planning for the future of the Grandview site. Upon completion of the Feasibility Study, findings were presented to the Edina City Council to facilitate future deliberations and decisions.



Proposed Community Facility

The proposed community facility is a two-story, approximately seventy-thousand square foot building with spaces designed for art center, active adult, community gathering, and wellness programs.

The building is sited with the main entry facing east opening to an entry plaza and passenger drop-off area. Main parking for the facility is located below the building providing opportunities for open green space and landscaped areas. The Feasibility Study design work has been coordinated with neighborhood transit systems currently being proposed by a transportation study commissioned by the City of Edina and being completed simultaneously with this study.





Capital Costs

A summary of estimated capital costs are provided below. Estimated costs are subdivided into two primary categories: construction cost and soft cost.

Additional project costs, commonly referred to as “soft costs” are separated from construction costs in the estimate. Soft costs include, but are not limited to, the following: geo-technical report, site survey, architecture and engineering fees, permits, testing, Owner legal and administrative fees, furniture and equipment, and other direct vendor services (data, telecommunications, A/V technologies. For a community center facility soft costs are estimated at approximately 25% of the total construction cost.

The estimate is based on both the building space program and plans. Exterior materials and interior finishes are assumed to be of a similar quality level as the existing Edina City Hall. Mechanical HVAC systems are assumed to be located on the exterior rooftop and enclosed with a mechanical screen wall. Costs include a contingency to account for design changes and unforeseen construction issues. The estimate also includes an anticipated construction cost escalation between the time of this report and mid-point of construction.

		construction cost	soft cost*	
ART CENTER		\$4,508,953	\$1,127,238	
ACTIVE ADULT		\$2,324,284	\$581,071	
COMMUNITY GATHERING		\$5,183,125	\$1,295,781	
FITNESS & WELLNESS		\$1,798,037	\$449,509	
ADMINISTRATION		\$726,858	\$181,715	
BUILDING SUPPORT		\$1,855,969	\$463,992	
NON-ASSIGNABLE		\$8,323,027	\$2,080,757	
SITE		\$462,500	\$115,625	
TOTAL BUILDING	69,294 gsf \$363/sf	\$25,182,753	\$6,295,688	➔ \$31,478,441
PARKING	350 stalls \$30,000 / ea	\$10,500,000	\$1,050,000	
TOTAL PROJECT		\$35,682,753	\$7,345,688	➔ \$43,028,441

* soft costs include fixtures, furnishings & equipment, design fees, special testing, permitting, site survey, geo-technical report, administrative, legal, etc.

Operating Costs

Staff has worked with the firm PROS Consulting and Sutton & Associates to assist with an operating cost estimate. The consultant team took the program components outlined in this report to design an operating budget and revenue projection. The estimated annual expense to operate a facility of this size is estimated to be \$2,210,458. That includes the anticipated full-time employees, part-time staff, utilities, program expenses, supplies and other miscellaneous items needed to run a community facility.

The corresponding revenue projections on an annual basis are estimated to be \$1,551,335. The revenue projections include memberships and daily admissions (anticipating several options) as well as rental revenue obtained from the seminar rooms and event venue. The difference is (\$659,123). The anticipated recovery rate at year one is 70%.

Pro Forma Revenues & Expenditures

EDINA GRANDVIEW COMMUNITY CENTER - Option B

ONE YEAR SNAPSHOT SUMMARY of PRO FORMA

SERVICE TITLE	Revenues	Expenditures	Revenues Over (Under) Expenditures	Cost Recovery - Percent
Administration	\$0.00	\$529,650.00	(\$529,650.00)	0%
Maintenance	\$0.00	\$156,405.37	(\$156,405.37)	0%
Custodial	\$0.00	\$146,055.62	(\$146,055.62)	0%
Arts	\$588,671.00	\$555,180.00	\$33,491.00	106%
Active Adults	\$107,364.00	\$145,000.00	(\$37,636.00)	74%
Fitness Programs	\$46,800.00	\$46,357.50	\$442.50	101%
Facility Rentals	\$94,100.00	\$24,570.00	\$69,530.00	383%
Café	\$714,400.00	\$607,240.00	\$107,160.00	118%
Total	\$1,551,335.00	\$2,210,458.49	(\$659,123.49)	70%



Acknowledgments

The Feasibility Study process was informed and guided by a diverse group of stakeholders representing multiple areas of expertise within the City of Edina. Each individual graciously provided their time and expertise to ensure the completion of a comprehensive Feasibility Study that best meets the goals of the project. The design team received guidance and direction from City of Edina staff, Arts & Culture Commission, Park Board, Edina Community Education and City Council.

The design team included design professionals from HGA Architects, Engineers and Planners responsible for building programming, site analysis, site fit planning and construction cost estimating. Operational analysis was conducted as a joint effort by PROS Consulting and Sutton & Associates. Stakeholders and members of the design team are acknowledged below:

City of Edina Team

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HGA – Project Manager
HGA – Architectural Designer
HGA – Cost Estimating
PROS – Project Manager
PROS
Sutton
Sutton



Market Analysis

A comprehensive market analysis was conducted by the consultant team to provide an understanding of the population within a twenty minute drive time from the location of the proposed community facility. The analysis evaluated population demographics, national and local trends, comparable neighboring community facilities, and a comprehensive review of a past community survey. The complete Market Analysis can be found in a later section of this report.



Information Review

The Feasibility Study started with a strong framework of information gathered by the City over the past several years including a preliminary art center program for the proposed facility. The input received during the visioning and needs assessment phase identified additional building program components that contribute to the goal of creating a vibrant multigenerational community facility.

Throughout the process, the consultant team worked closely with the Task Force, Park Board, and Arts & Culture Commission to review and synthesize information collected. These three groups provided insight and direction to the consultant team on a regular basis, culminating with a presentation to City Council.

3. FACILITY PROGRAMMING

Process

A total of six program options were developed and accompanied by associated capital and operating costs. These options were presented to City Council in a work session in February 2016. City Council voted and directed the consultant team to pursue “Program Option B”. The 17 February 2016 City Council presentation containing a full list of the program options can be found in the Appendix of this report.

Preferred Program

The following building space program represents the direction received from City Council. The program is divided into groupings that are further described below.

Art Center

The Art Center programs reflect expanded program opportunities beyond the capabilities of the existing art center facility. The programs in this group include galleries, visual arts studios, ceramics, metal arts, and glass/jewelry spaces.

Active Adult

The Active Adult programs are based on the existing senior center facility. The programs in this group include commons area, multipurpose classrooms, seminar room, and game area.

Community Gathering

The Community Gathering program group is comprised of four subgroups: Commons, Flexible Meeting, Food Service, and Event Venue.

The Commons subgroup includes the building lobby and reception desk. This area serves as the front door for the facility and is intended to provide a welcoming experience for all guests.

The Flexible Meeting subgroup includes a multipurpose classroom and seminar room. These areas are intended to serve the diverse needs of the multiple programs in the facility.

The Food Service subgroup includes a café restaurant, catering support, and culinary arts instruction. These programs are grouped together with the interest of identifying operational efficiencies in room layout and building services.

The Event Venue subgroup is comprised of a versatile venue space and the associated support programs. This program can support banquets, lectures, theater, music performances, among many other uses. The capacity of the venue ranges from 250 people in a banquet setting to 400 people during a performance. The catering kitchen will likely need a convenient connection to serve the venue in a variety of functions.

Wellness

Wellness is comprised of three multipurpose studios to accommodate group fitness and wellness activities. Since trends in fitness evolve, these spaces should be designed to adapt and meet changing needs. We are proposing two medium and one large room to accommodate a variety of class sizes and needs. Appropriate storage needs to be adjacent to the rooms to hold equipment such as mats, balls, bikes, etc.



Administration

The Administration includes staff and director offices needed to operate a community facility. This area would also include a conference room and work room to accommodate the operational needs of these individuals.

Building Support

Building Support is comprised of spaces that allow a community facility to function. The design team has assessed the storage, mechanical, restroom, and service needs for the facility and included the appropriate space allocation for each element.

Program Summary

Art Center		13,495 nsf
Active Adult		6,890 nsf
Community Gathering		13,220 nsf
<i>Commons</i>	<i>(1400 nsf)</i>	
<i>Flexible Meeting</i>	<i>(1500 nsf)</i>	
<i>Food Service</i>	<i>(3200 nsf)</i>	
<i>Event Venue</i>	<i>(7120 nsf)</i>	
Wellness		5,450 nsf
Administration		2,262 nsf
Building Support		<u>5,110 nsf</u>
Total Building Net Area		46,427 nsf
Non-assignable		22,867 nsf
<i>Allowance based on 67% efficiency</i>		
Total Building Gross Area		69,294 gsf

Edina Grandview Community Center
Space Program

04 May 2016

Program Element	exg Net Area	Qty.	Net Area/Unit	Proposed Net Area	Notes
Art Center					
Art Center Core				0	provided in Administration program category
Administration	228				
Gallery - Small		1	500	500	
Gallery - Large	650	1	1700	1700	
Studio - Small	664	2	400	800	exg area: Loft and LW Paint
Studio - Medium	660	2	600	1200	exg area: Nichols Studio
Studio - Large	920	1	1000	1000	exg area: Studio 14
Studio - Multipurpose	1420			0	exg area: Peggy Kelly Media Studios
Gift Shop	400	1	400	400	exg area: Gift Shop
Pottery / Ceramics	1870				exg area: Main Wheel Room, Pug Room, Glaze Room, LWP
Hand Building Studio		1	600	600	
Wheel Studio		2	600	1200	
Laundry		1	40	40	
Storage		1	200	200	
Kiln		1	1100	1100	
Guest Artist Studio		1	200	200	
Clay Closet		1	100	100	
Spray Booth		1	50	50	
Locked Cage		1	100	100	
Tool Storage		1	100	100	
Clay Mixing		1	120	120	
Glaze Mixing		1	120	120	
Glaze Bay		3	300	900	
Metal Arts		1	1000	1000	
Glass / Jewelry Storage	290	1	1000	1000	exg area: Red Door Room
Lockers		1	65	65	(115) lockers
Total - Art Center	7102			13495	





04 May 2016

Edina Grandview Community Center
Space Program

Program Element	exg Net Area	Qty.	Net Area/Unit	Proposed Net Area	Notes
Active Adult:					
Administration	820			0	provided in Administration program category
Lobby	560			0	provided in Community Gathering program category
Commons	2100	1	2400	2400	accommodates (60) banquet, (100) lecture
Multipurpose Classroom	3520	3	900	2700	exg area: (4) Classrooms avg. 880 SF/ea.
Seminar Room (small classroom)	525	1	540	540	
Game Area	950	1	950	950	
Multipurpose Room	1790			0	provided in Fitness & Wellness program category
Storage	760	1	300	300	
Total - Active Adult	11025			6890	



Edina Grandview Community Center
Space Program

04 May 2016

Program Element	exg Net Area	Qty.	Net Area/Unit	Proposed Net Area	Notes
Community Gathering					
Commons					
Lobby - Core		1	800	800	
Reception Desk		1	240	240	
Coat Room		1	240	240	
Vending		1	120	120	
Subtotal - Commons				1400	
Flexible Meeting					
Multipurpose Classroom		1	900	900	
Seminar Room		1	540	540	
Storage		1	60	60	
Subtotal - Flexible Meeting				1500	
Food Service					
Café Restaurant		1	2600	2600	
Catering Support		1	300	300	
Culinary Arts Instruction		1	300	300	
Subtotal - Food Service				3200	
Event Venue					
Event Venue		1	4500	4500	banquet (250 person), lecture, theater, music
Lighting and AV Control		1	200	200	
Lighting and AV Storage		1	200	200	
Table and Chair Storage		1	600	600	
Collapsible Riser Storage		1	600	600	
Green Room		1	300	300	
Dressing Suite - Women's		1	360	360	
Dressing Suite - Men's		1	360	360	
Subtotal - Event Venue				7120	
Total - Community Gathering				13220	





Edina Grandview Community Center
Space Program

04 May 2016

Program Element	exg Net Area	Qty.	Net Area/Unit	Proposed Net Area	Notes
Fitness & Wellness					
Studios					
Fitness & Wellness Studio - Medium		2	1500	3000	
Fitness & Wellness Studio - Large		1	2000	2000	
Fitness & Wellness Studio Storage		3	150	450	
Total - Fitness & Wellness				5450	
Administration					
Director Office		3	150	450	(1) art, (1) senior, (1) facility
Staff Office - Core		6	120	720	(2) art, (2) senior, (2) facility
Office Workstations - Core Program		8	64	512	8'x8' workstations, (8) facility
Conference Room		1	300	300	(10-12) person, serves facility
Work Room		1	200	200	
Administration Storage		1	80	80	
Total - Administration				2262	



Edina Grandview Community Center
Space Program

04 May 2016

Program Element	exg Net Area	Qty.	Net Area/Unit	Proposed Net Area	Notes
Building Support					
Building Support Core					
Restrooms - Core Program		4	250	1000	
Restrooms - Family		1	150	150	
Restrooms - Unisex		2	80	160	
Receiving / Service Dock		1	400	400	
Trash / Recycle		1	200	200	
Building Storage		1	400	400	
Laundry		1	240	240	
Vending		1	120	120	
Building Maintenance Office / Shop		1	400	400	
Janitor Closet		4	60	240	
Elevator Equipment		1	60	60	
Electrical Room		2	150	300	
Telecom Room		2	120	240	
Mechanical Room: Boiler / Water Svc		1	1200	1200	
Total - Building Support				5110	
Total Building Net Area				46427	
walls, corridors, vertical circulation, etc. <i>(allowance based on 67% efficiency)</i>				22867	
Total Building Gross Area				69294	





04 May 2016

Edina Grandview Community Center
Space Program

Program Element	exg Net Area	Qty.	Net Area/Unit	Proposed Net Area	Notes
Parking					
Core Program		270			
Art Enhanced Program					
Drop-in Childcare					
Children's Play Structure		80			
Event Venue					
Fitness Center					
Gymnasium					
Healthcare Partner					
Total - Parking		350			
Site					
Entry Court		1	1200	1200	
Outdoor Seating / Program Areas		1	6500	6500	
Outdoor Kiln Area					
Garden					
Total - Site				7700	



4. SITE AND BUILDING PLANNING

Process

The building space program was illustrated in diagram form and tested, to scale, on the project site. Two feasible fit plan options emerged as programmatic organization alternatives. The design team compared strengths and weaknesses of each fit plan option with the Task Force, Arts & Culture Commission, and Park Board. The full 10 March 2016 Task Force presentation containing the initial two fit plan options can be found in the Appendix of this report.

Preferred Fit Plan

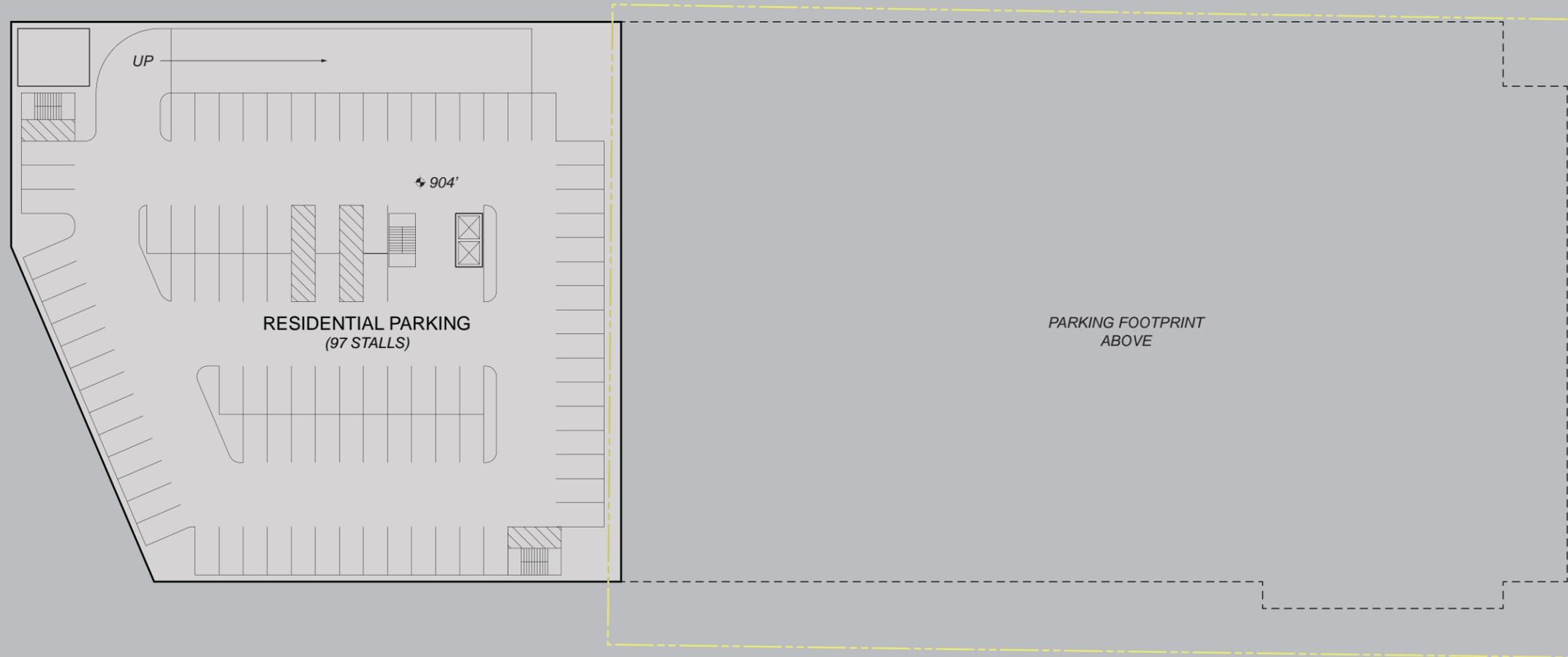
Positive elements of each of the fit plan options were combined into a preferred design alternative and developed in more detail, including plans and rendered massing studies. The preferred design alternative represents a facility that addresses the needs of the City and adheres to the Seven Guiding Principles of the Grandview District.

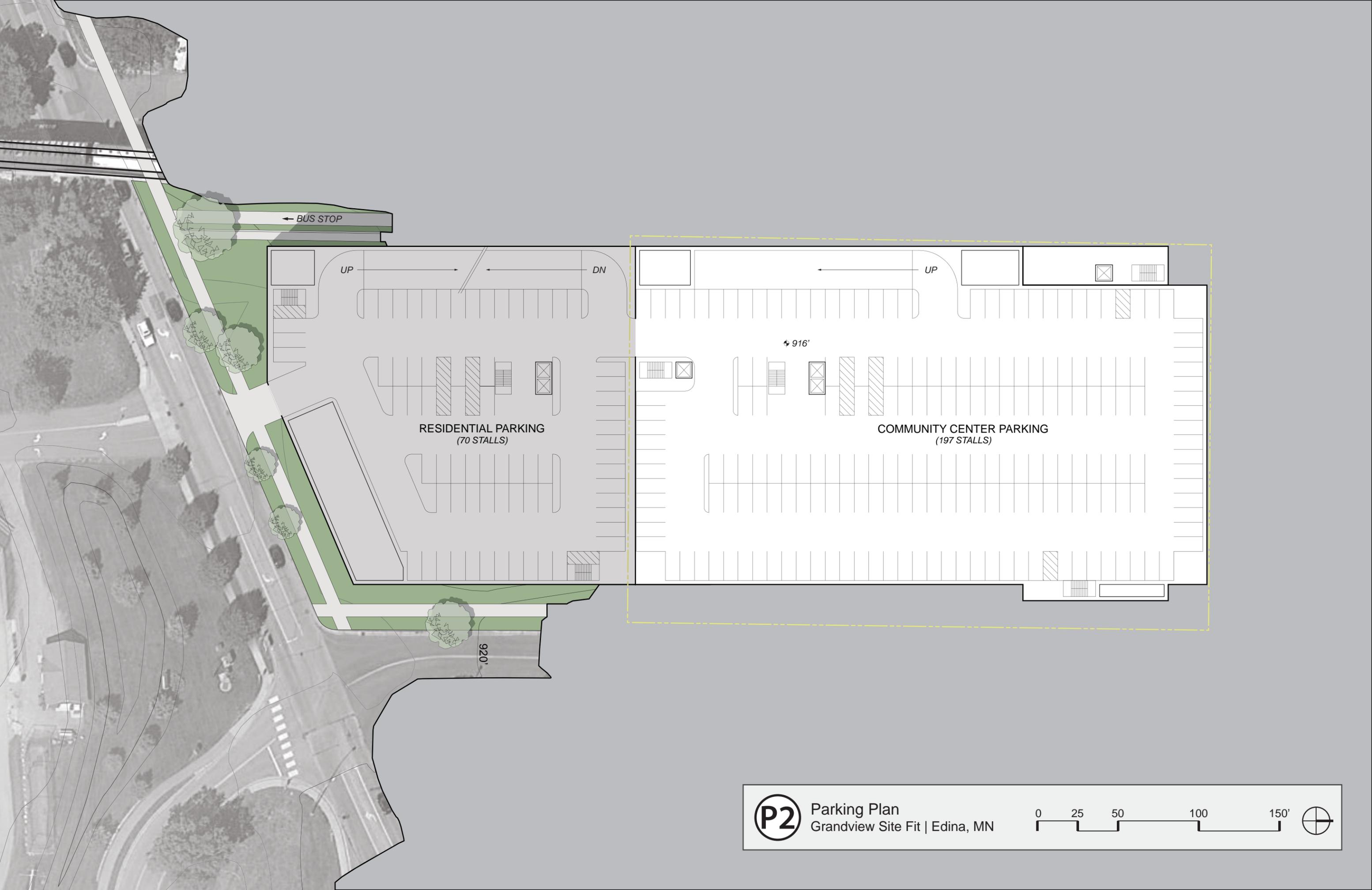
A summary description of the preferred design alternative is listed below and refers to the fit plans and massing perspectives on the following pages.

- The fit plans include the entire Grandview site to illustrate connections to the proposed residential building, district parking, and neighborhood transit study.
- Parking is comprised of two levels below the community center and three levels below the proposed residential building.
- The two-story community center is oriented with the main entry plaza facing east. Guests can also enter the main building lobby through an entrance that connects to the proposed transit station.
- Outdoor green space is provided through both the Entry Plaza and Arts & Wellness Roof Terrace.

Parking Metrics	stalls
Community Center	350
Residential*	170
Total Required	520
Total Provided	603
Additional District Capacity	83

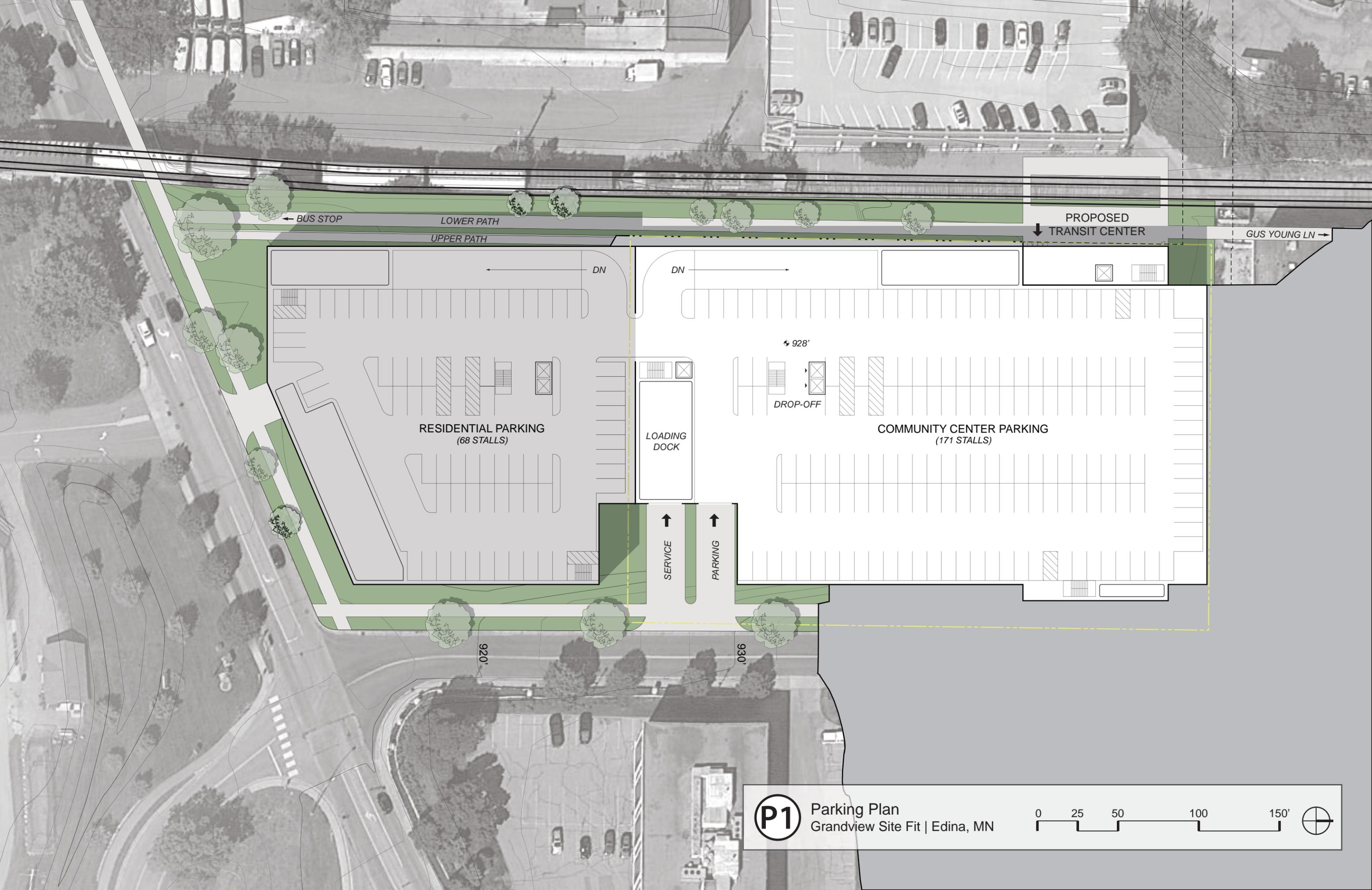
* source: WSB Traffic Study





P2 Parking Plan
Grandview Site Fit | Edina, MN

0 25 50 100 150' 



← BUS STOP

LOWER PATH

UPPER PATH

PROPOSED
TRANSIT CENTER

GUS YOUNG LN →

DN

DN

↕ 928'

DROP-OFF

RESIDENTIAL PARKING
(68 STALLS)

LOADING
DOCK

COMMUNITY CENTER PARKING
(171 STALLS)

↑
SERVICE

↑
PARKING

920'

930'

P1

Parking Plan
Grandview Site Fit | Edina, MN

0 25 50 100 150'



ART CENTER

- 1 Gallery
- 2 Studio
- 3 Pottery / Ceramics
- 4 Metal Arts
- 5 Glass / Jewelry
- 6 Gift Shop
- 7 Storage

ACTIVE ADULT

- 1 Commons
- 2 Multipurpose Classroom
- 3 Seminar Room
- 4 Game Room
- 5 Storage

COMMUNITY GATHERING

- 1 Lobby
- 2 Reception
- 3 Commons

Flexible Meeting

- 4 Multipurpose Classroom
- 5 Seminar Room

Food Service

- 6 Cafe Restaurant
- 7 Catering Support
- 8 Culinary Arts Instruction

Event Venue

- 9 Venue
- 10 Dressing Suites
- 11 Collapsible Riser Storage
- 12 Table & Chair Storage
- 13 Event Support

WELLNESS

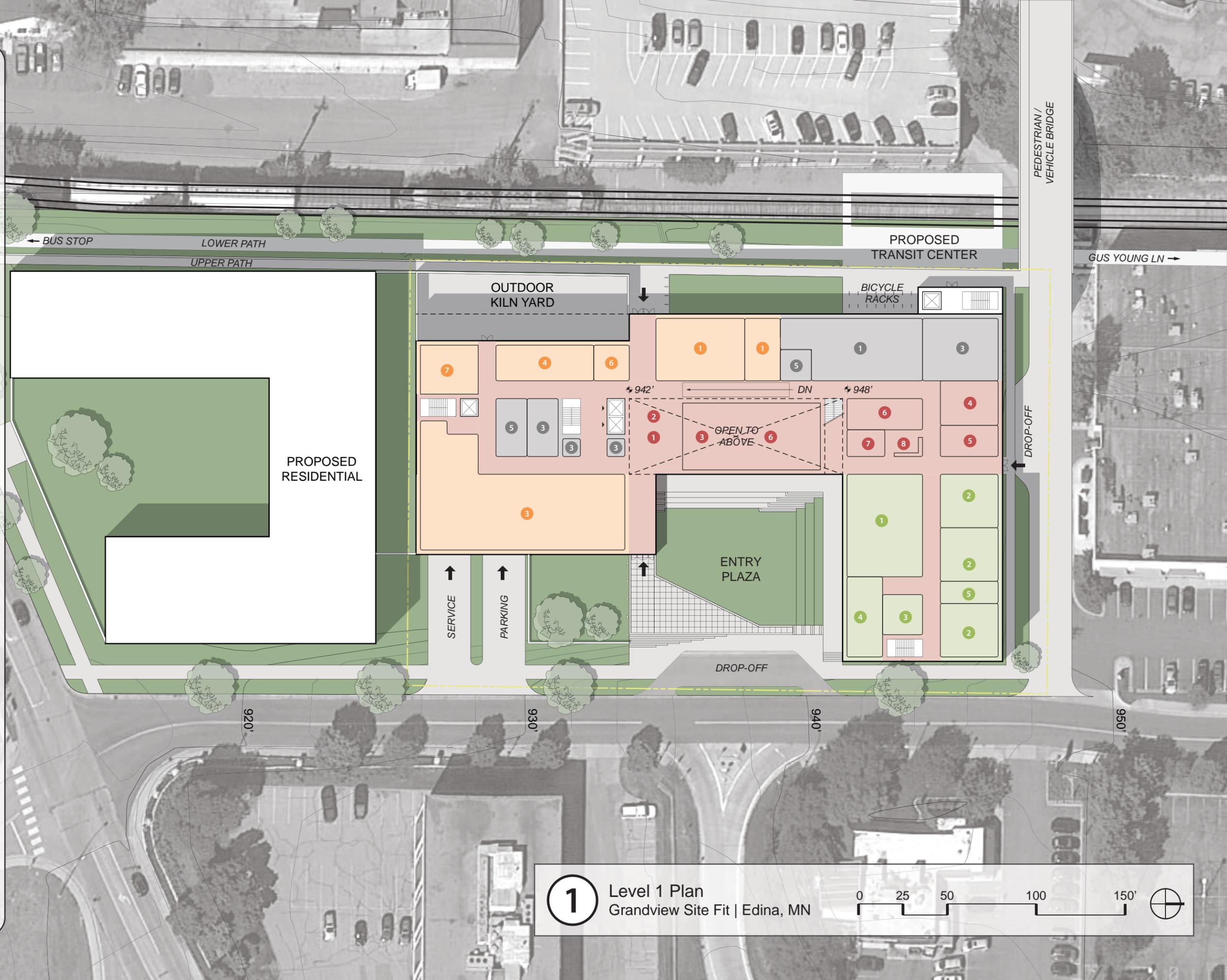
- 1 Wellness Studios

ADMINISTRATION

- 1 Offices

BUILDING SUPPORT

- 2 Building Storage
- 3 Mechanical / Electrical
- 4 Restrooms



1

Level 1 Plan
Grandview Site Fit | Edina, MN



ART CENTER

- 1 Gallery
- 2 Studio
- 3 Pottery / Ceramics
- 4 Metal Arts
- 5 Glass / Jewelry
- 6 Gift Shop
- 7 Storage

ACTIVE ADULT

- 1 Commons
- 2 Multipurpose Classroom
- 3 Seminar Room
- 4 Game Room
- 5 Storage

COMMUNITY GATHERING

- 1 Lobby
 - 2 Reception
 - 3 Commons
- Flexible Meeting
- 4 Multipurpose Classroom
 - 5 Seminar Room
- Food Service
- 6 Cafe Restaurant
 - 7 Catering Support
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 - 10 Dressing Suites
 - 11 Collapsible Riser Storage
 - 12 Table & Chair Storage
 - 13 Event Support

WELLNESS

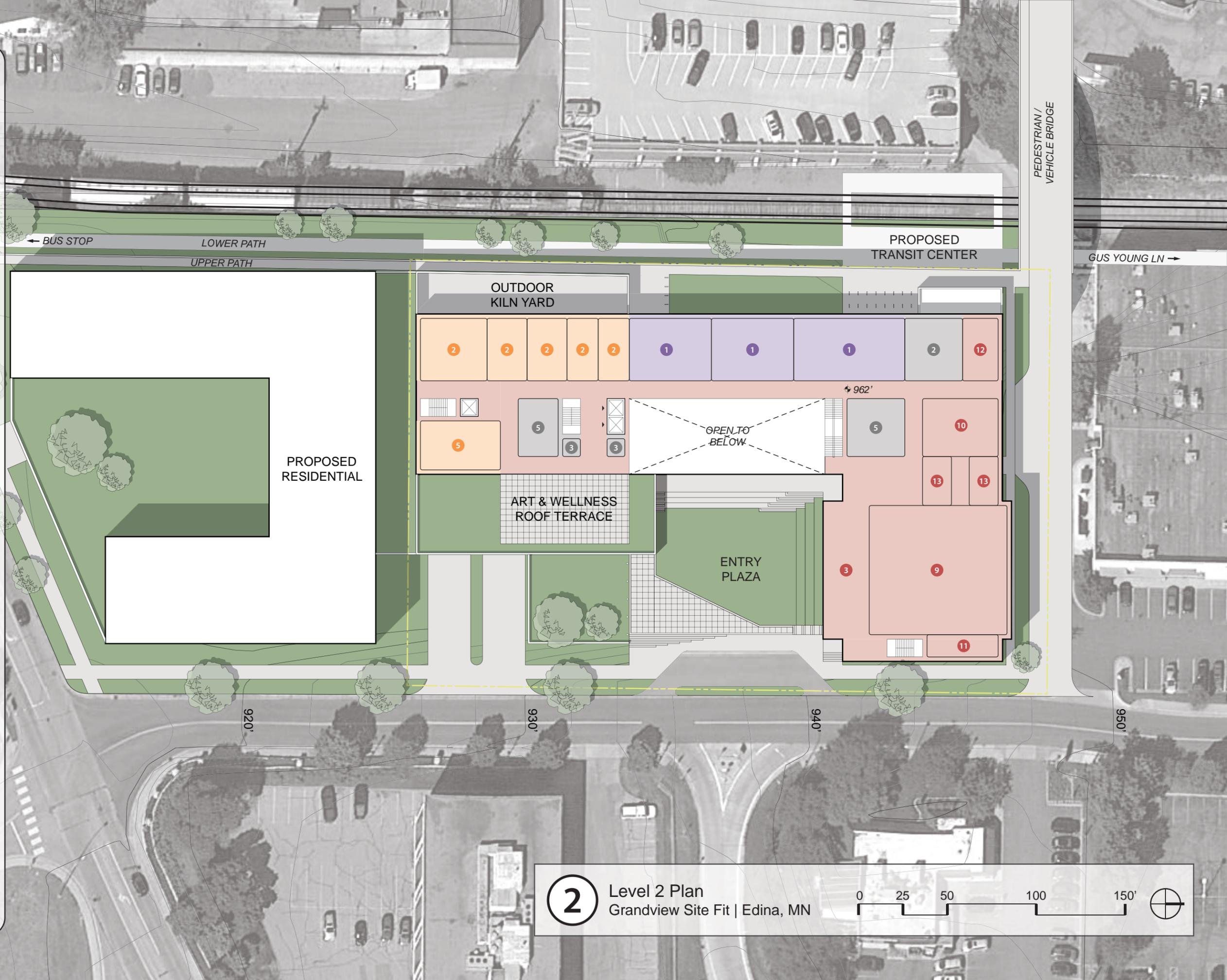
- 1 Wellness Studios

ADMINISTRATION

- 1 Offices

BUILDING SUPPORT

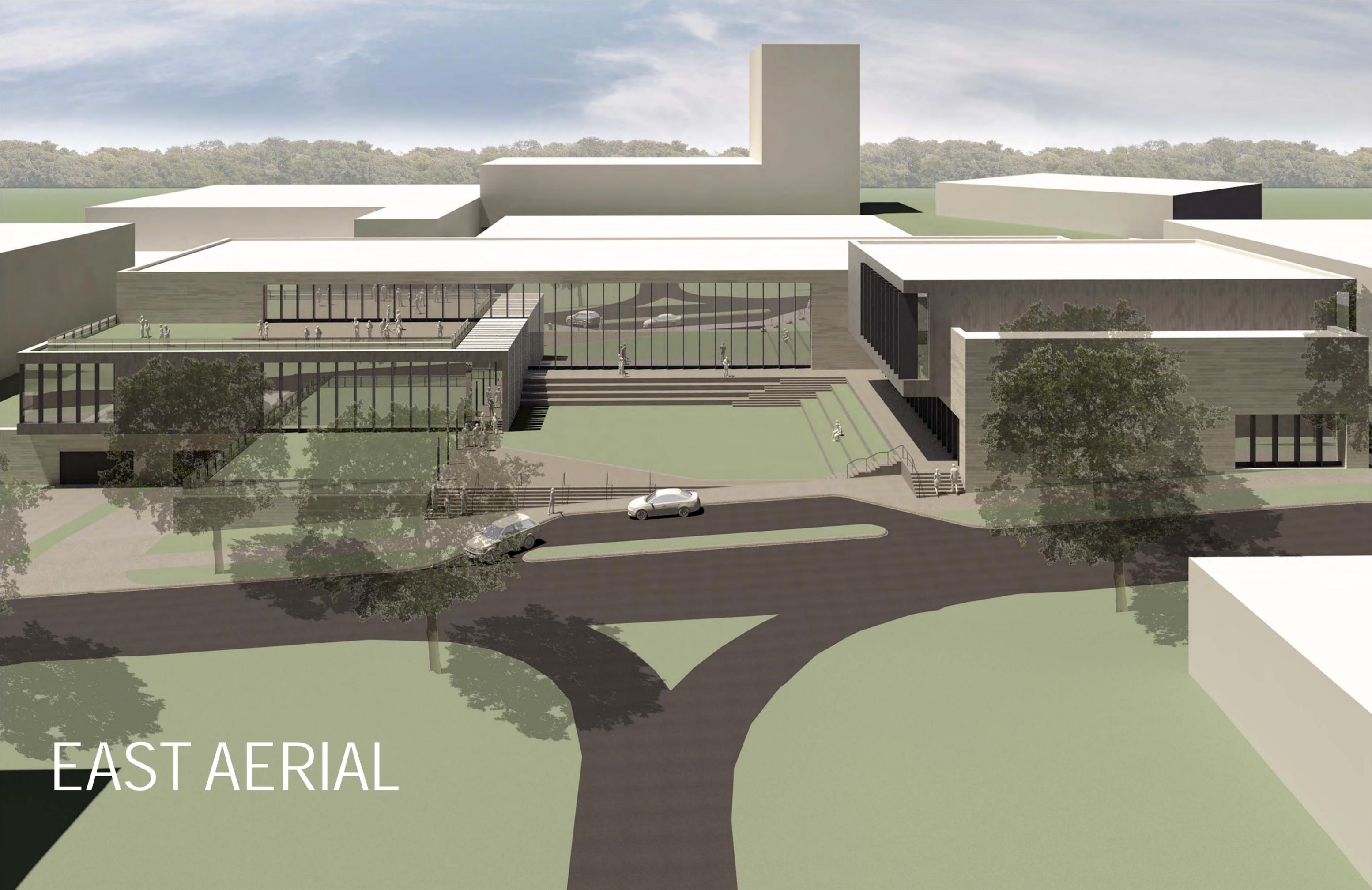
- 2 Building Storage
- 3 Mechanical / Electrical
- 4 Restrooms



2

Level 2 Plan
Grandview Site Fit | Edina, MN





EAST AERIAL



EAST PERSPECTIVE



SOUTHEAST AERIAL



5. CAPITAL COST ESTIMATE

Description					
	ASF	\$/SF	Constr. Total	Soft Costs	Project Total
<u>Art Center</u>	13,495	\$334	\$4,508,953	\$1,127,238	\$5,636,191
<u>Active Adult</u>	6,890	\$337	\$2,324,284	\$581,071	\$2,905,355
<u>Community Gathering</u>	13,220	\$392	\$5,183,125	\$1,295,781	\$6,478,907
<u>Fitness & Wellness</u>	5,450	\$330	\$1,798,037	\$449,509	\$2,247,546
<u>Administration</u>	2,262	\$321	\$726,858	\$181,715	\$908,573
<u>Building Support</u>	5,110	\$363	\$1,855,969	\$463,992	\$2,319,961
<u>Non-Assignable</u>	22,867	\$364	\$8,323,027	\$2,080,757	\$10,403,784
<u>Site</u>			\$462,500	\$115,625	\$578,125
Total Bldg. - Constr. Costs	69,294	\$363	\$25,182,753	\$6,285,688	\$31,478,441
Parking	350	\$30,000	\$10,500,000	\$1,050,000	\$11,550,000
Total Constr. / Project Costs			\$35,682,753	\$7,345,688	\$43,028,441

Clarification / Qualifications

1. This estimate is for budget purposes only.
2. No off hour work included in the above costs.
3. No hazardous material removal included.
4. No deep foundations, costs include concrete pad ftgs. and foundation wall construction.
5. No phasing of construction included.
6. Escalation figure to mid-point of construction; Mar. 1, 2018 @ 5.5%

6. MARKET ANALYSIS

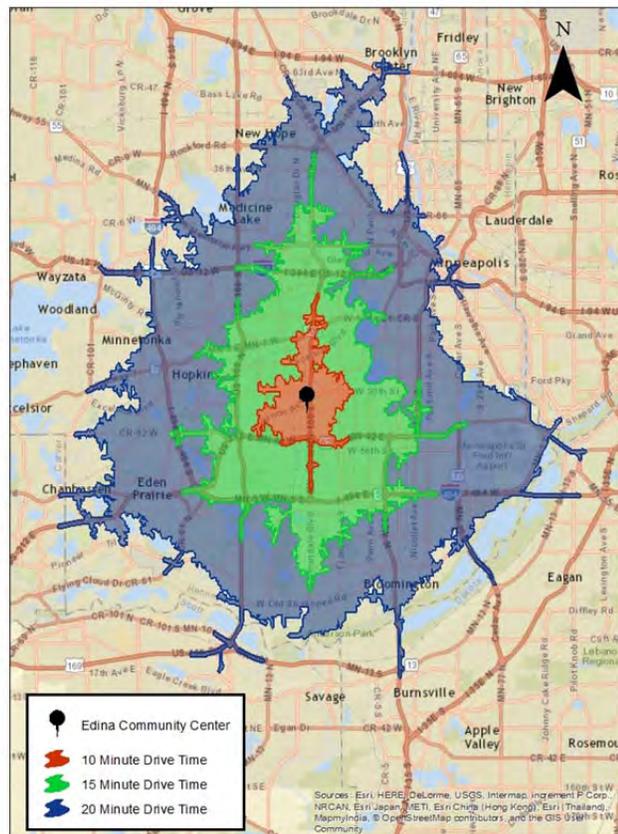
Market Profile

The Market Profile provides an understanding of the population within a 20 minute drive time from the proposed location for the Grandview Community Center. This analysis is reflective of the total population and findings relative to levels of interest in cultural, fitness and wellness programming demonstrate similarities of demographic characteristics of participants including age segments, educational and income levels, race, and ethnicity.

It is important to note that future projections are all based on historical patterns and unforeseen circumstances during or after the time of the projections could have a significant bearing on the validity of the final projections.

Methodology

Demographic data used for the analysis was obtained from U.S. Census Bureau and 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 December 2015 and reflects actual numbers as reported in the 2010 Censuses, and estimates for 2015 and 2020 as obtained by ESRI. Straight line linear regression was utilized for projected 2025 and 2030 demographics. The target area boundaries were utilized as the demographic analysis boundary shown in the image to the right.



pros
consulting



Race and Ethnicity Definitions

The minimum categories for data on race and ethnicity for Federal statistics, program administrative reporting, and civil rights compliance reporting are defined as below. The Census 2010 data on race are not directly comparable with data from the 2000 Census and earlier censuses; caution must be used when interpreting changes in the racial composition of the US population over time. The latest (Census 2010) definitions and nomenclature are used within this analysis.

- American Indian – This includes a person having origins in any of the original peoples of North and South America (including Central America), and who maintains tribal affiliation or community attachment
- Asian – This includes a person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand, and Vietnam
- Black – This includes a person having origins in any of the black racial groups of Africa
- Native Hawaiian or Other Pacific Islander – This includes a person having origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands
- White – This includes a person having origins in any of the original peoples of Europe, the Middle East, or North Africa
- Hispanic or Latino – This is an ethnic distinction, a subset of a race as defined by the Federal Government; this includes a person of Mexican, Puerto Rican, Cuban, South or Central American, or other Spanish culture or origin, regardless of race

Demographic Analysis

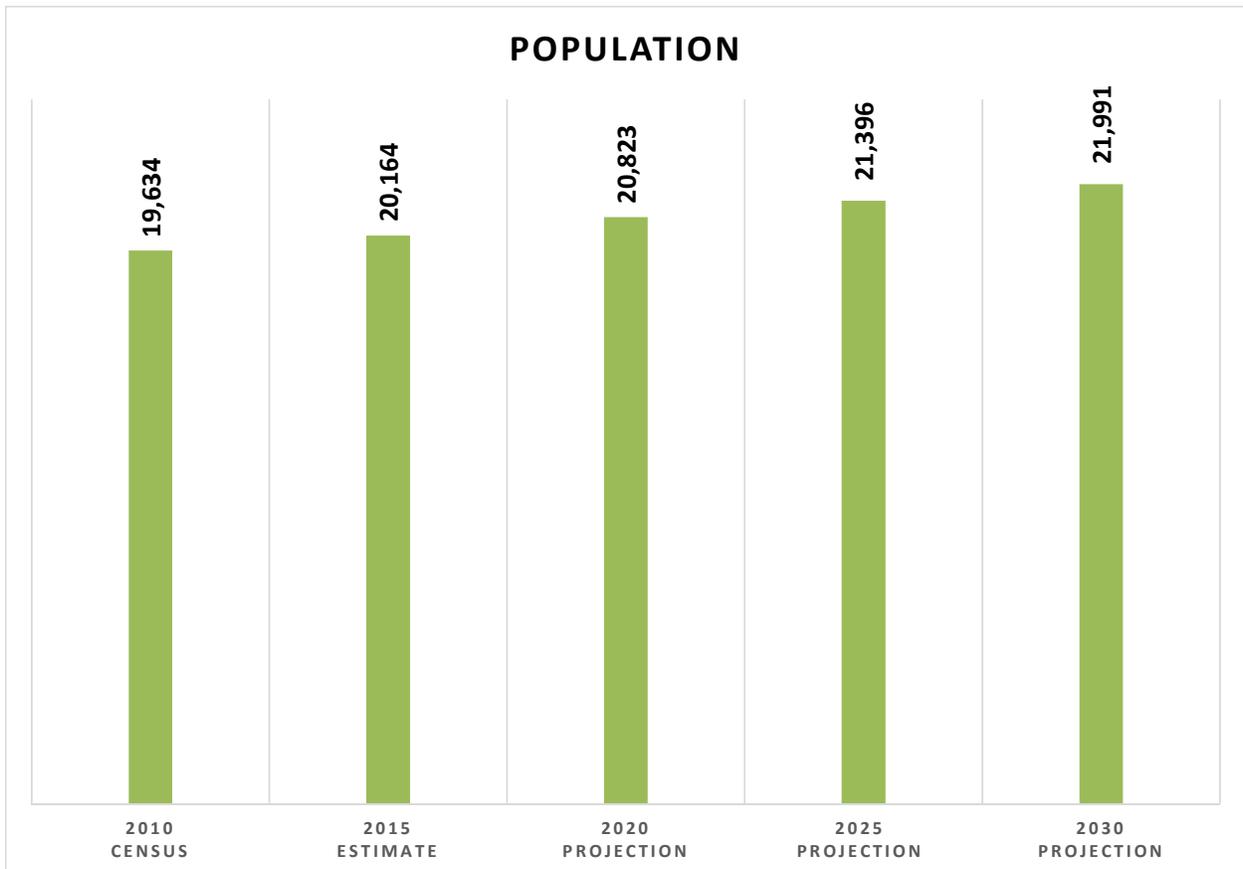
An analysis of the local demographic makeup is helpful when understanding the population of the service area of the Grandview Community Center. This analysis is reflective of the total population of the service areas and its key characteristics such as age segments, income levels, race, and ethnicity.

It is important to note that future projections will be based on historical patterns and the potential for unforeseen circumstances during or after the time of the use and economic projections. The shifts in these issues will have a significant bearing on the validity of the final projections offered in this study.

10 Minute Drive Time Service Area

Population

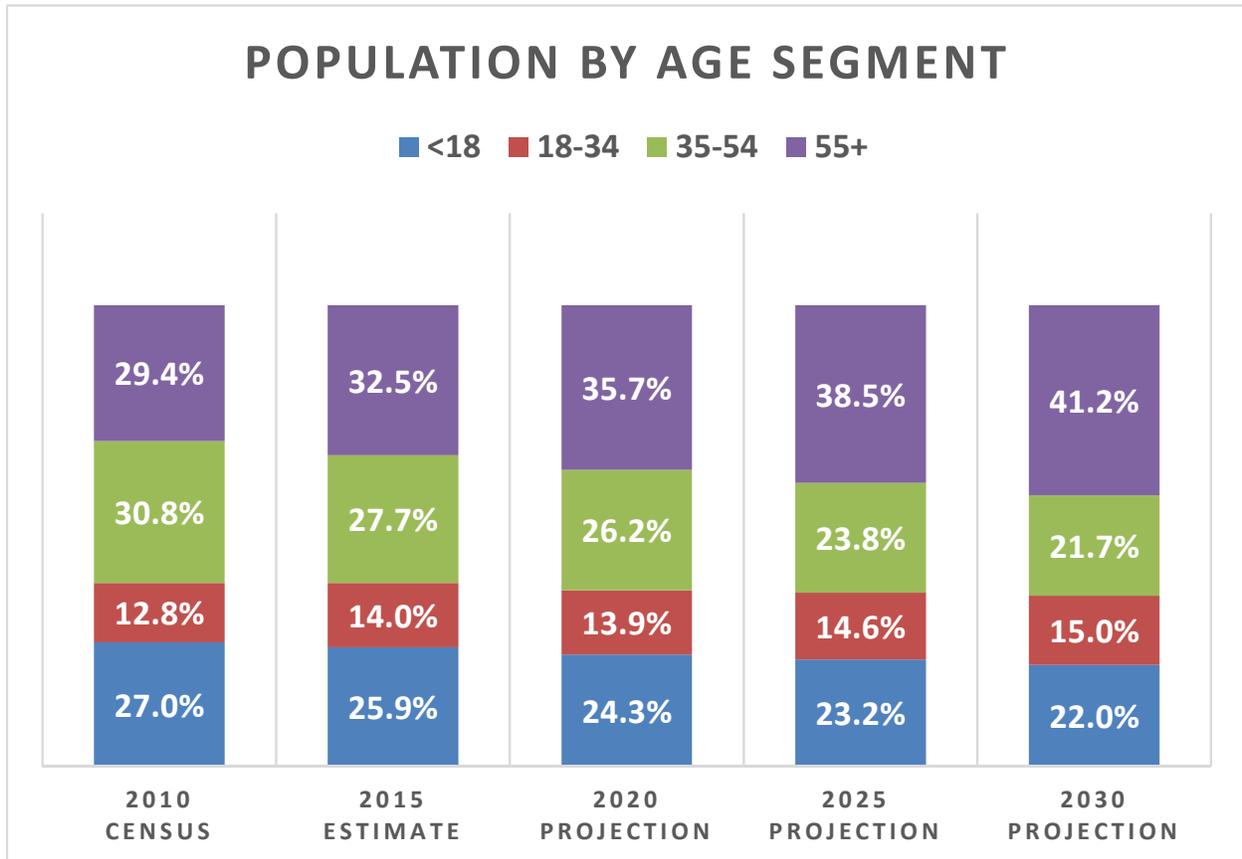
The population of the 10 minute drive time service area for Grandview Community Center has increased slowly since the last official US Census from 19,634 residents in 2010 to 20,164 in 2015. This represents an increase in the total population by an annual rate of 0.5%. This rate is below the national growth averages of 1% annually. Projecting forward, the population is expected to rise slightly above the current rate (0.6%) for the next 15 years. Based on those assumptions, the 10 minute drive time service area is expected to have approximately 21,991 residents in 2030.





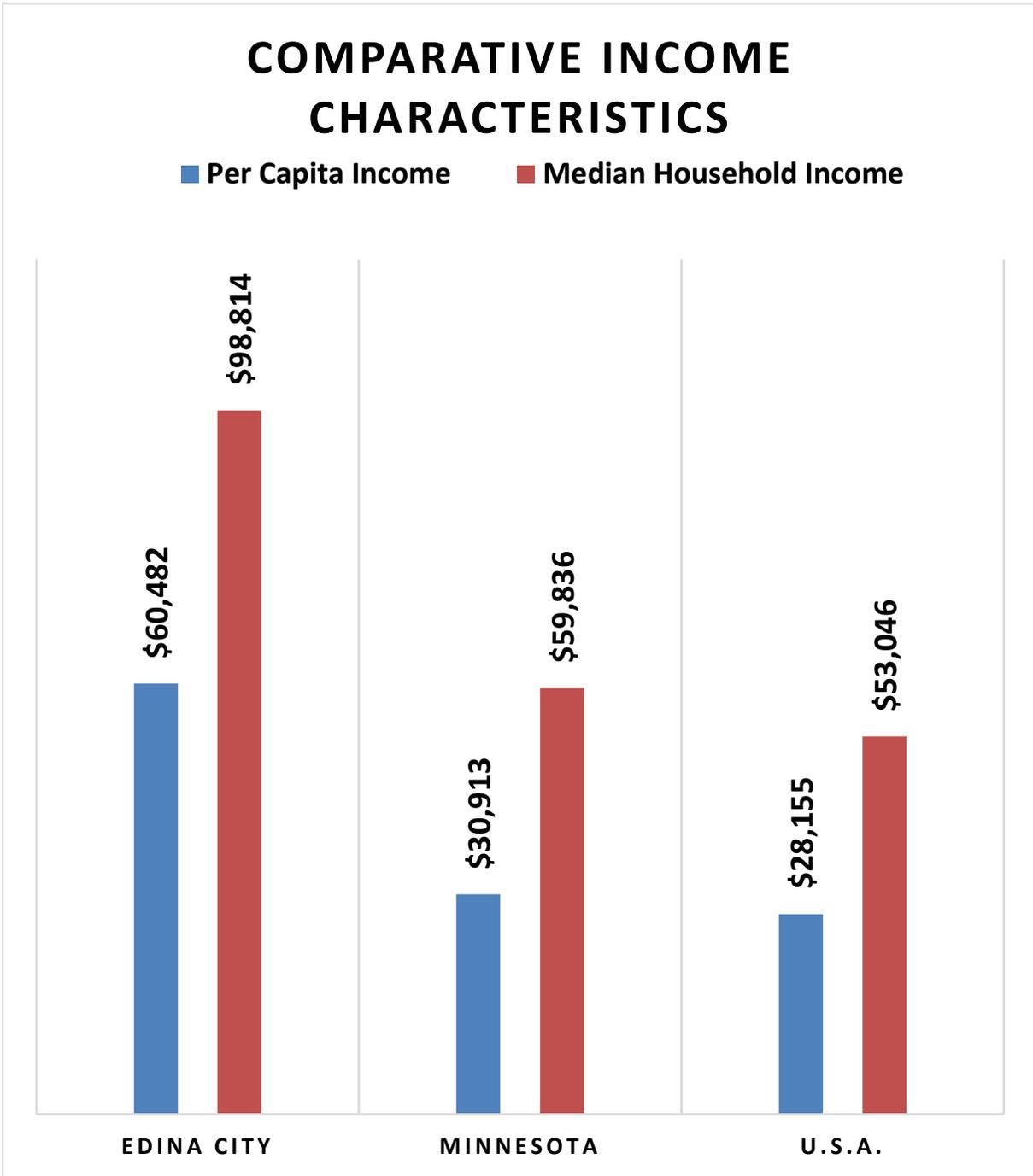
Age Segmentation

By 2030, it is projected that the active adult population (55+) will make up 41.2% of the population in the 10 minute drive time service area of the Grandview Community Center. This age group echoes a national trend as a result of increased life expectancies. The movement of the baby boomer generation through the lifespan also contributes to an aging population. Despite the growing active adult population, the second highest percentage of population will be youth with approximately 2 out of 10 people being under the age of 18 in 2030.



Household Income

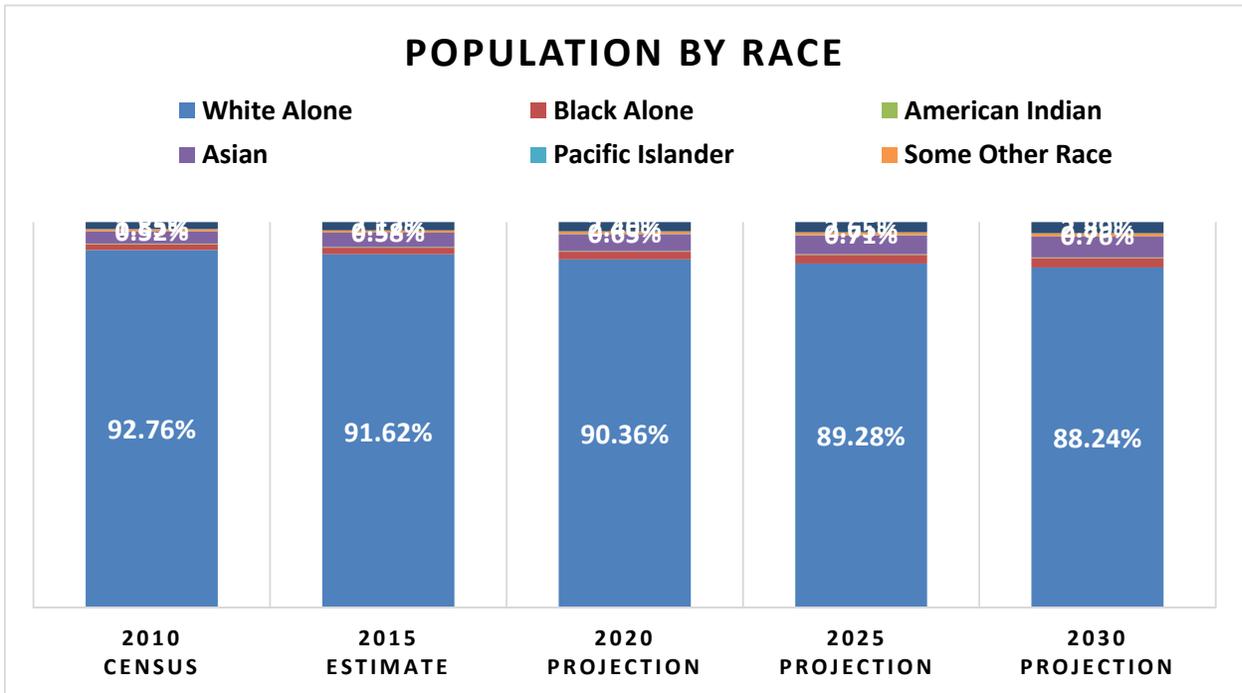
As observed in the table below, the 10 minute drive time service area of the Grandview Community Center has income levels well above that of the State of Minnesota and the country, as a whole.





Race

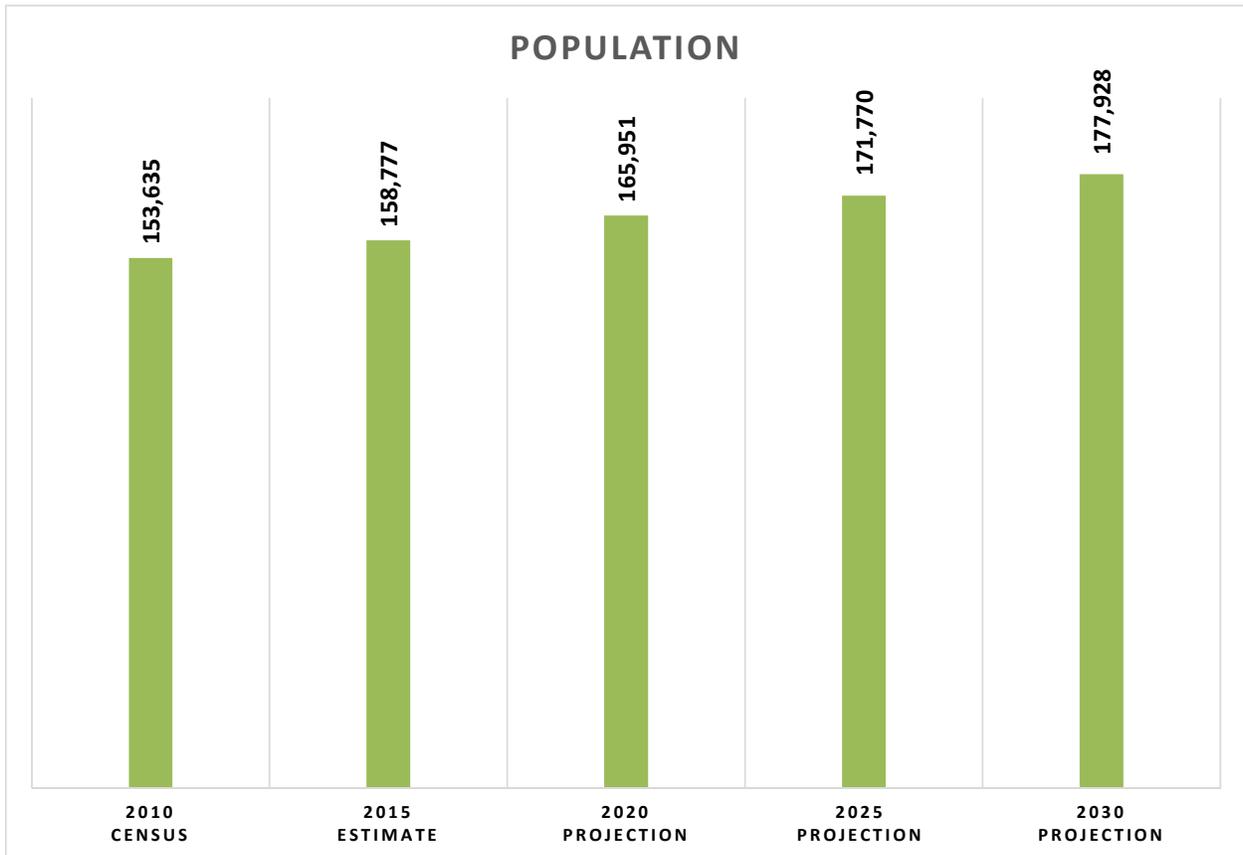
From a race standpoint, the service area does not have a diverse landscape. The diversity in the community is projected to stay relatively the same through the next 15 years.



15 Minute Drive Time Service Area Population

Population

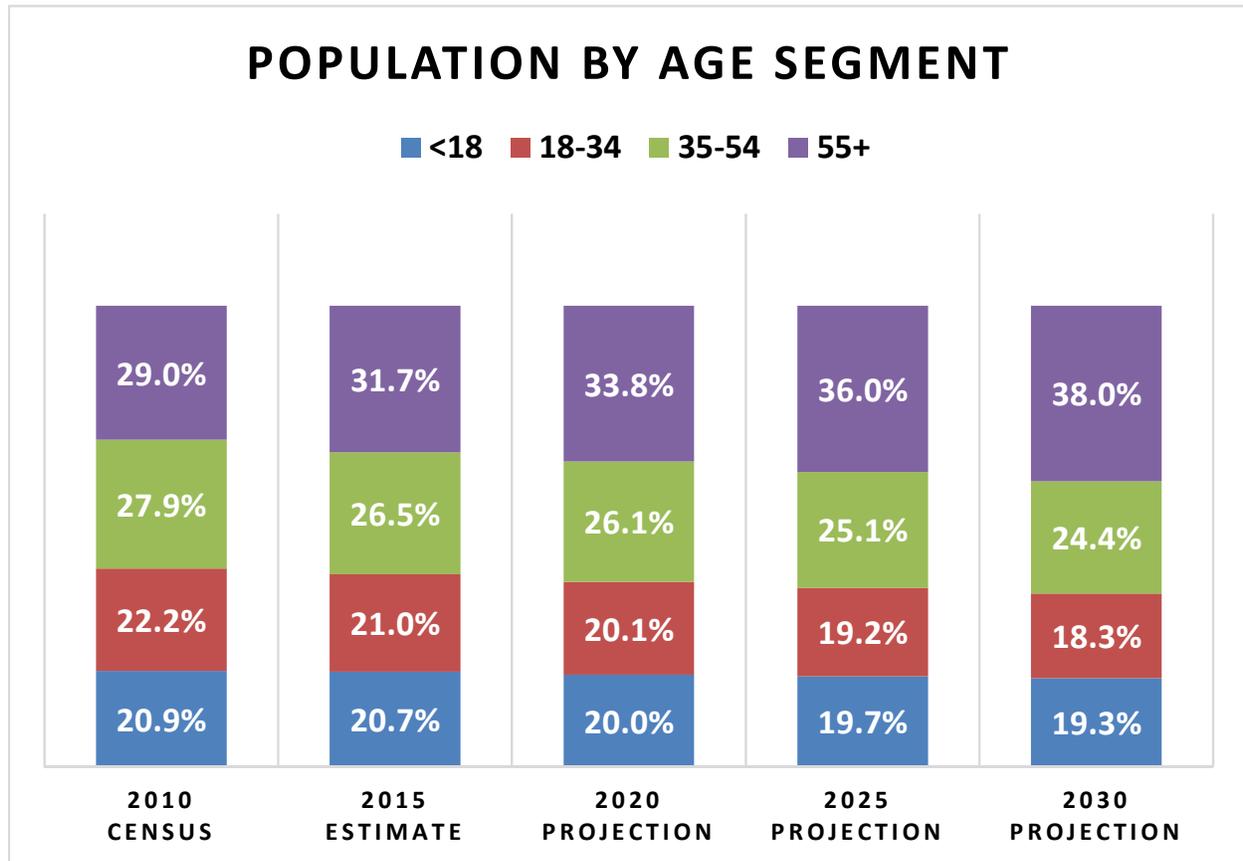
The population of a 15 minute drive time service area for the Grandview Community Center has increased slowly since the last official US Census from 153,635 residents in 2010 to 158,777 in 2015. This represents an increase in the total population by an annual rate of 0.7%. This rate is below the national growth averages of 1% annually. Projecting forward, the population is expected to rise slightly above the current rate (0.8%) for the next 15 years. Based on those assumptions, the 15 minute drive time service area is expected to have approximately 177,928 residents in 2030.





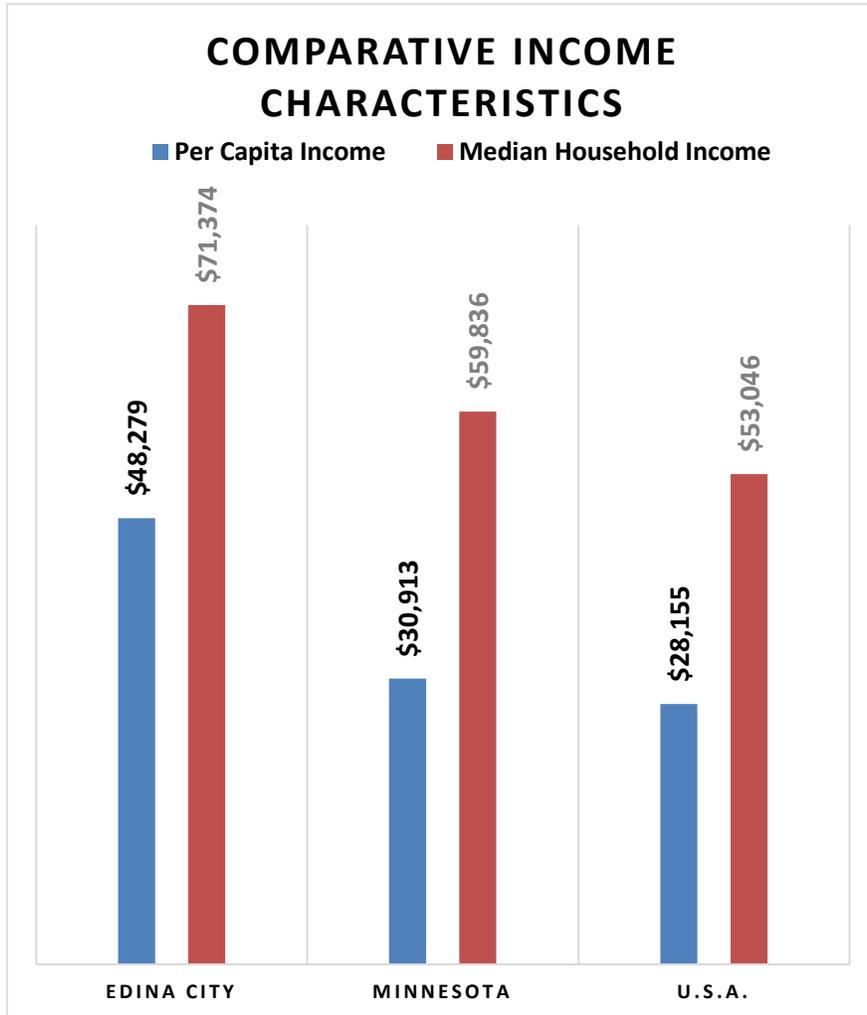
Age Segmentation

By 2030, it is projected that the active adult population (55+) will make up 38.0% of the population in the 15 minute drive time service area of the Grandview Community Center. This age group echoes a national trend as a result of increased life expectancies. The movement of the baby boomer generation through the lifespan also contributes to an aging population.



Household Income

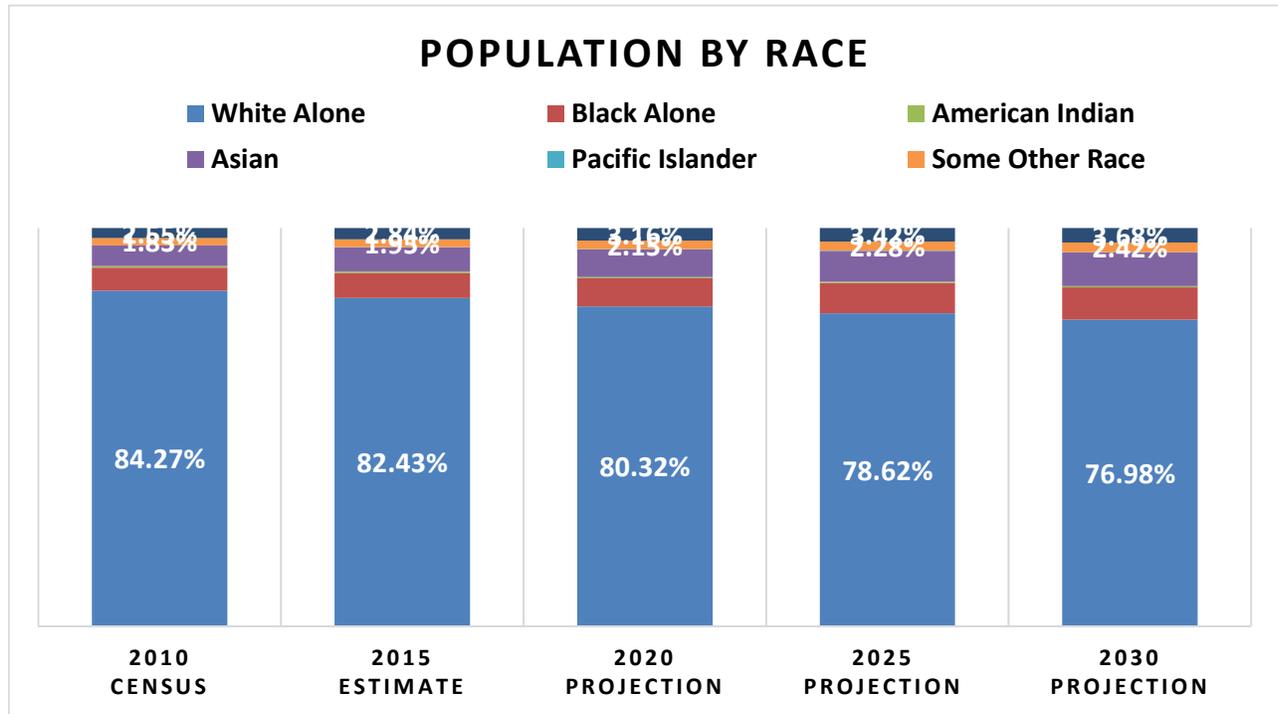
As observed in the table below, the 15 minute drive time service area of the Grandview Community Center has income levels well above that of the State of Minnesota and the country, as a whole.





Race

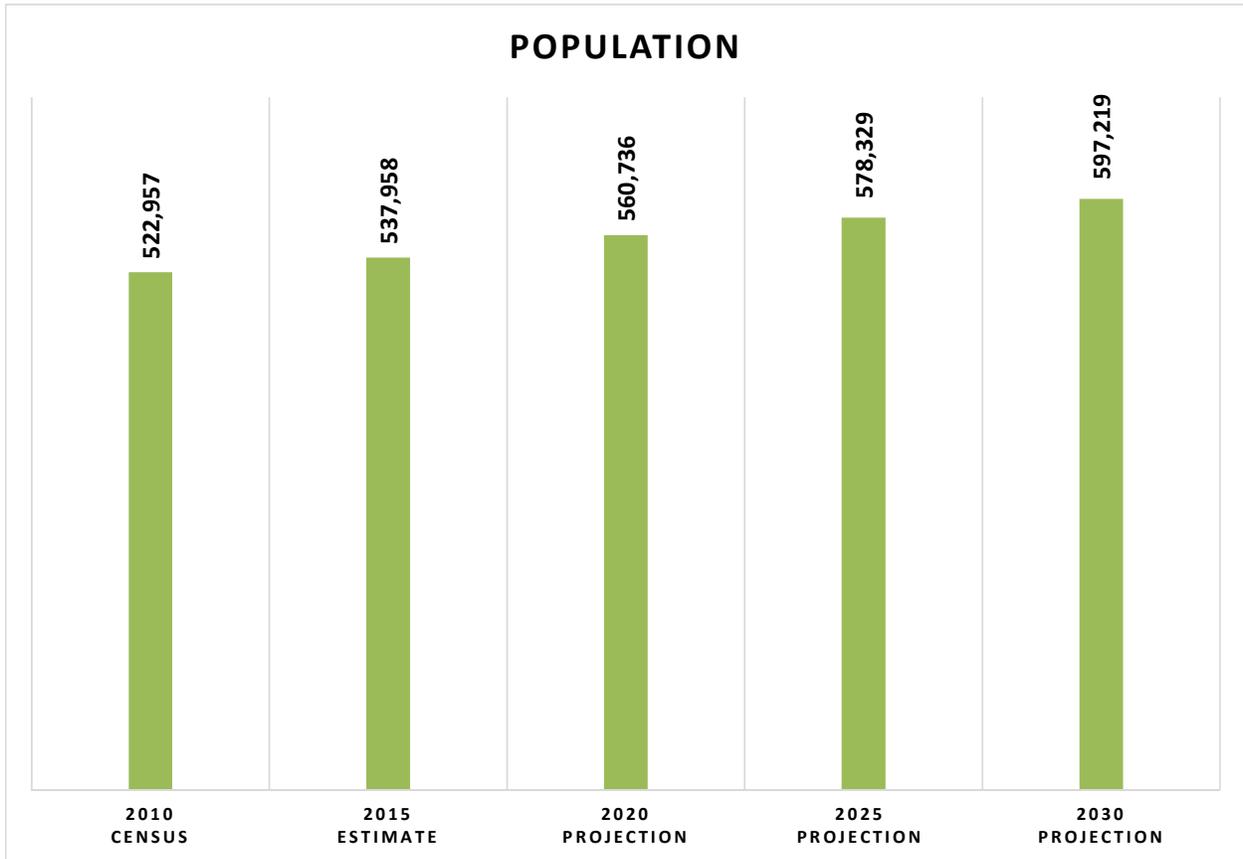
From a race standpoint, the service area does not have a diverse landscape. The diversity in the community is projected to stay relatively the same through the next 15 years.



20 Minute Drive Time Service Area

Population

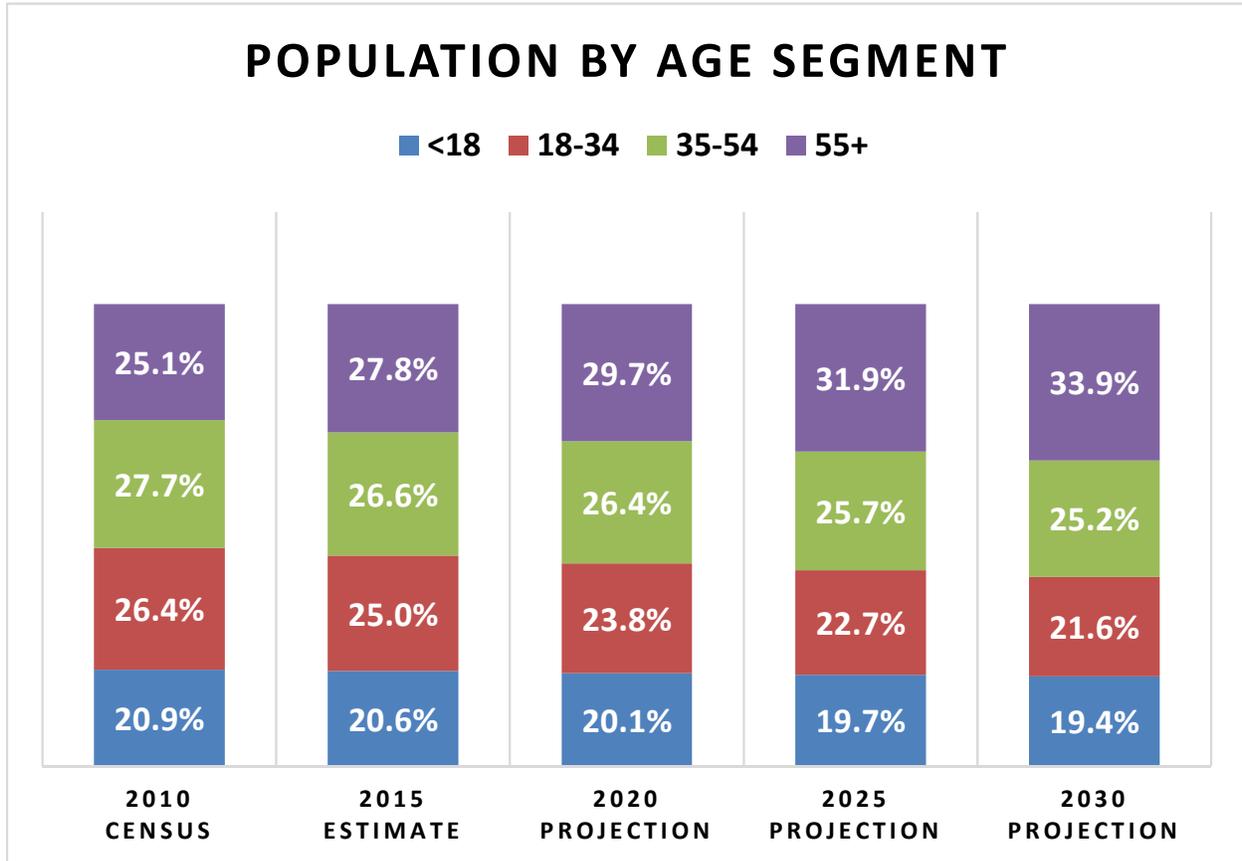
The population of a 20 minute drive time service area for the Grandview Community Center has increased slowly since the last official US Census from 522,957 residents in 2010 to 537,958 in 2015. This represents an increase in the total population by an annual rate of 0.6%. This rate is below the national growth averages of 1% annually. Projecting forward, the population is expected to rise at slightly above the current rate (0.7%) for the next 15 years. Based on those assumptions, the 20 minute drive time service area is expected to have approximately 597,219 residents in 2030.





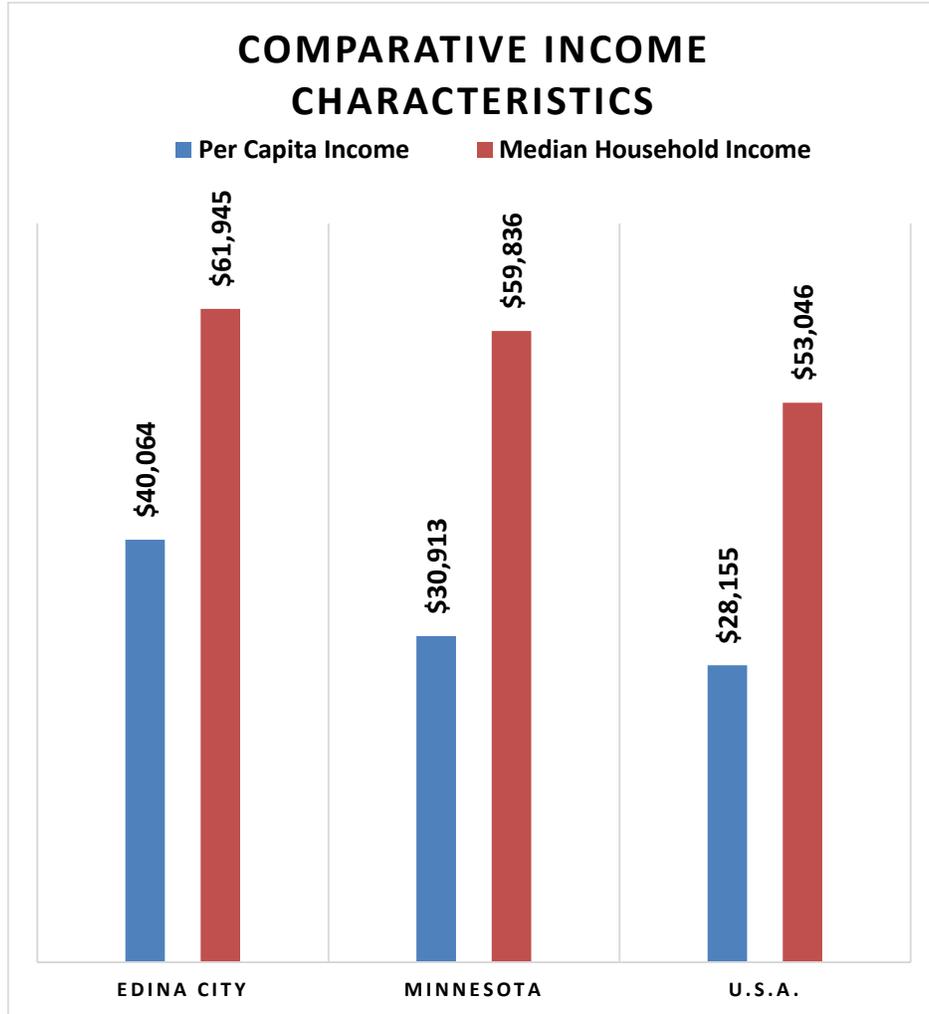
Age Segmentation

By 2030, it is projected that the active adult population (55+) will make up 33.9% of the population in the 20 minute drive time service area of the Grandview Community Center. This age group echoes a national trend as a result of increased life expectancies. The movement of the baby boomer generation through the lifespan also contributes to an aging population.



Household Income

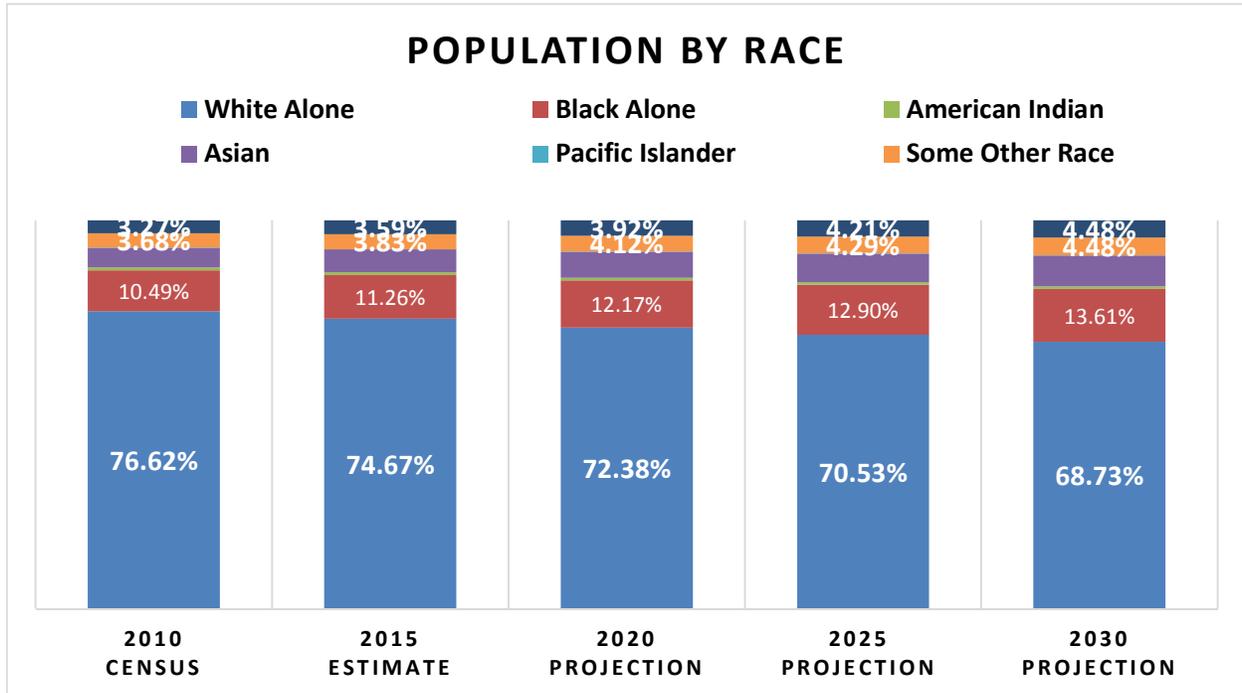
As observed in the table below, the 20 minute drive time service area of the Grandview Community Center has income levels above that of the State of Minnesota and the country, as a whole.





Race

From a race standpoint, the service area has a diverse landscape. The diversity in the community is projected to stay relatively the same through the next 15 years with the most significant change being the increase in the Hispanic population.



Demographic Summary

Each of the measured service areas around the Grandview Community Center are demographically similar and project to be similar in 15 years. The growth is slightly below that of national averages over the next fifteen years. It is anticipated that the makeup of the service areas population will change as it is expected to age over the next 15 years, however, will remain relatively affluent with income levels above both state and national medians.

Market Trends

This section presents leisure, recreation, and arts participation trends for activities that are under consideration for the Grandview Community Center. Analyses of both national and local trends are presented.

National Recreation Trends

The following tables summarize the findings from the Sports & Fitness Industry Association's (SFIA) *Sports, Fitness and Leisure Activities Topline Participation* Report, a leading source for sport and fitness research commonly used in assessing program feasibility. The study is based on interviews regarding activity participation carried out in 2014 from more than 19,000 individuals and households.

Summary of National Participatory Trends Analysis	
1. Number of “in-actives” decreased slightly, those ‘active to a healthy level’ on the rise	<ul style="list-style-type: none"> a. “In-actives” down 0.4% in 2013, from 80.4 million to 80.2 million b. Approximately one-third of Americans (ages 6+) are active to a healthy level
2. Most popular sport and recreational activities	<ul style="list-style-type: none"> a. Fitness Walking (117 million) b. Running/Jogging (54 million) c. Treadmill (48 million)
3. Most participated in team sports	<ul style="list-style-type: none"> a. Basketball (23.7 million) b. Tennis (17.7 million) c. Baseball (13.3 million)
4. Activities most rapidly growing over last five years	<ul style="list-style-type: none"> a. Adventure Racing – up 159% b. Non-traditional/Off-road Triathlon – up 156% c. Traditional/Road Triathlon – up 140% d. Squash – up 115% e. Rugby – up 81%
5. Activities most rapidly declining over last five years	<ul style="list-style-type: none"> a. Wrestling – down 45% b. In-line Roller Skating – down 40% c. Touch Football – down 32% d. Horseback Riding – down 29% e. Slow-pitch Softball – down 29%



The information released by SFIA reveals that the most popular sport and recreational activities include: fitness walking, treadmill, running/jogging, free weights and 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 benefits. 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. Walking participation during the latest year data was available (2013), reported over 117 million Americans had walked for fitness at least once.

From a traditional team sport standpoint, basketball ranks highest among all sports, with nearly 24 million people reportedly participating in 2013. Team sports that have experienced significant growth in participation are rugby, lacrosse, field hockey, ice hockey, gymnastics, beach volleyball, and ultimate Frisbee— all of which have experienced double digit growth over the last five years. Most recently, rugby, field hockey, and lacrosse underwent the most rapid growth among team sports from 2012 to 2013.

In the past year, there has been a slight 0.4% decrease of “in-actives” in America, from 80.4 million in 2012 to 80.2 million in 2013. According to the Physical Activity Council, an “inactive” is defined as an individual that doesn’t take part in any “active” sport. Even more encouraging is that an estimated 33.9% of Americans above the age of 6 are active to a healthy level, taking part in a high calorie burning activity three or more times per week.

National Trends in General Sports

The following table depicts national participatory trends for general sports that could potentially take place in an indoor recreation center. Squash has seen substantial increases in participation in recent years, as the sport has witnessed a 9.6% increase from 2012-2013 and nearly 115% growth over the last five years. In the same five year span, participation figures for ice hockey (increased by 27.9%) and indoor soccer (increased by 7%) have underwent notable growth.

Traditionally popular indoor sports, such as basketball (23.7 million participants) and court volleyball (6.4 million participants), have experienced moderate decreases in recent years, although court volleyball experienced minimal growth in the last year. Overall participation in tennis peaked in 2010, and has been following a declining trend in recent years, but in the last year participation increased, causing the 2013 figures to mirror those of 2008. It should be noted that participation in tennis includes both indoor and outdoor, and there are not statistics available to differentiate between the two types.

National Participatory Trends - General Sports											
Activity	Participation Levels						% Change				
	2008	2009	2010	2011	2012	2013	12-13	11-13	10-13	09-13	08-13
Basketball	26,108	25,131	25,156	24,790	23,708	23,669	-0.2%	-4.5%	-5.9%	-5.8%	-9.3%
Gymnastics	3,975	3,952	4,418	4,824	5,115	4,972	-2.8%	3.1%	12.5%	25.8%	25.1%
Ice Hockey	1,871	2,018	2,140	2,131	2,363	2,393	1.3%	12.3%	11.8%	18.6%	27.9%
Racquetball	4,611	4,784	4,603	4,357	4,070	3,824	-6.0%	-12.2%	-16.9%	-20.1%	-17.1%
Soccer (Indoor)	4,487	4,825	4,920	4,631	4,617	4,803	4.0%	3.7%	-2.4%	-0.5%	7.0%
Squash	659	796	1,031	1,112	1,290	1,414	9.6%	27.2%	37.1%	77.6%	114.6%
Tennis	17,749	18,546	18,719	17,772	17,020	17,678	3.9%	-0.5%	-5.6%	-4.7%	-0.4%
Volleyball (Court)	7,588	7,737	7,315	6,662	6,384	6,433	0.8%	-3.4%	-12.1%	-16.9%	-15.2%

NOTE: Participation figures are in 000's for the US population ages 6 and over

Legend:	Large Increase (greater than 25%)	Moderate Increase (0% to 25%)	Moderate Decrease (0% to -25%)	Large Decrease (less than -25%)
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National Trends in Aquatics

Swimming is unquestionably a lifetime sport. Swimming activities have remained very popular among Americans, and both competition and fitness swimming have witnessed an increase in participation recently. Fitness swimming is the absolute leader in multigenerational appeal with over 26 million reported participants in 2013, a 13.5% increase from the previous year. NOTE: In 2011, recreational swimming was broken into competition and fitness categories in order to better identify key trends.

Aquatic Exercise has a strong participation base, but has recently experienced a downward trend. Aquatic exercise has paved the way for a less stressful form of physical activity, allowing similar gains and benefits to land based exercise, including aerobic fitness, resistance training, flexibility, and better balance. Doctors have begun recommending aquatic exercise for injury rehabilitation, mature patients, and patients with bone or joint problems due to the significant reduction of stress placed on weight-bearing joints, bones, muscles, and also the affect that the pressure of the water assists in reducing swelling of injuries.

National Participatory Trends - Aquatics											
Activity	Participation Levels						% Change				
	2008	2009	2010	2011	2012	2013	12-13	11-13	10-13	09-13	08-13
Aquatic Exercise	9,512	8,965	8,947	9,042	9,177	8,483	-7.6%	-6.2%	-5.2%	-5.4%	-10.8%
Swimming (Competition)	N/A	N/A	N/A	2,363	2,502	2,638	5.4%	11.6%	N/A	N/A	N/A
Swimming (Fitness)	N/A	N/A	N/A	21,517	23,216	26,354	13.5%	22.5%	N/A	N/A	N/A

NOTE: Participation figures are in 000's for the US population ages 6 and over

Legend:	Large Increase (greater than 25%)	Moderate Increase (0% to 25%)	Moderate Decrease (0% to -25%)	Large Decrease (less than -25%)
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National Trends in General Fitness

National participatory trends in general fitness have experienced some strong growth in recent years. Many of these activities have become popular due to an increased interest among people to improve their health by engaging in an active lifestyle. These activities also have very few barriers to entry, which provides a variety of activities that are relatively inexpensive to participate in and can be performed by nearly anyone with no time restrictions.

The most popular fitness activity by far is fitness walking, which had over 117 million participants in 2013, which was a 2.9% increase from the previous year. Other leading fitness activities based on number of participants include running/jogging (over 54 million), treadmill (48.1 million), and hand free weights (43.2 million), and weight/resistant machines (36.3 million). Over the last five years, the activities that are growing most rapidly are high impact aerobics (up 47.1%), yoga (up 36.9%), running/jogging (up 31.9%), cardio kickboxing (28.7% increase), and group stationary cycling (up 27.8%). Most recently, from 2012-2013, the largest gains in participation were in boxing for fitness (8.7% increase), Tai Chi (up 8.3%), and high impact aerobics (up 7.1%).

National Participatory Trends - General Fitness											
Activity	Participation Levels						% Change				
	2008	2009	2010	2011	2012	2013	12-13	11-13	10-13	09-13	08-13
Aerobics (High Impact)	11,780	12,771	14,567	15,755	16,178	17,323	7.1%	10.0%	18.9%	35.6%	47.1%
Aerobics (Low Impact)	23,283	24,927	26,431	25,950	25,707	25,033	-2.6%	-3.5%	-5.3%	0.4%	7.5%
Aerobics (Step)	9,423	10,551	11,034	10,273	9,577	8,961	-6.4%	-12.8%	-18.8%	-15.1%	-4.9%
Boxing for Fitness	N/A	N/A	4,788	4,631	4,831	5,251	8.7%	13.4%	9.7%	N/A	N/A
Calisthenics	8,888	9,127	9,097	8,787	9,356	9,356	0.0%	6.5%	2.8%	2.5%	5.3%
Cross-Training	N/A	N/A	N/A	7,706	7,496	6,911	-7.8%	-10.3%	N/A	N/A	N/A
Cardio Kickboxing	4,905	5,500	6,287	6,488	6,725	6,311	-6.2%	-2.7%	0.4%	14.7%	28.7%
Elliptical Motion Trainer	24,435	25,903	27,319	29,734	28,560	27,119	-5.0%	-8.8%	-0.7%	4.7%	11.0%
Fitness Walking	110,204	110,882	112,082	112,715	114,029	117,351	2.9%	4.1%	4.7%	5.8%	6.5%
Free Weights (Barbells)	25,821	26,595	27,194	27,056	26,688	25,641	-3.9%	-5.2%	-5.7%	-3.6%	-0.7%
Free Weights (Dumbbells)	N/A	N/A	N/A	N/A	N/A	32,309	N/A	N/A	N/A	N/A	N/A
Free Weights (Hand Weights)	N/A	N/A	N/A	N/A	N/A	43,164	N/A	N/A	N/A	N/A	N/A
Martial Arts	6,818	6,643	6,002	5,037	5,075	5,314	4.7%	5.5%	-11.5%	-20.0%	-22.1%
Pilates Training	9,039	8,770	8,404	8,507	8,519	8,069	-5.3%	-5.1%	-4.0%	-8.0%	-10.7%
Running/Jogging	41,097	42,511	46,650	50,061	51,450	54,188	5.3%	8.2%	16.2%	27.5%	31.9%
Stair Climbing Machine	13,863	13,653	13,269	13,409	12,979	12,642	-2.6%	-5.7%	-4.7%	-7.4%	-8.8%
Stationary Cycling (Group)	6,504	6,762	7,854	8,738	8,477	8,309	-2.0%	-4.9%	5.8%	22.9%	27.8%
Stationary Cycling (Recumbent)	11,104	11,299	11,459	11,933	11,649	11,159	-4.2%	-6.5%	-2.6%	-1.2%	0.5%
Stationary Cycling (Upright)	24,918	24,916	24,578	24,409	24,338	24,088	-1.0%	-1.3%	-2.0%	-3.3%	-3.3%
Stretching	36,235	36,299	35,720	34,687	35,873	36,202	0.9%	4.4%	1.3%	-0.3%	-0.1%
Tai Chi	3,424	3,315	3,193	2,975	3,203	3,469	8.3%	16.6%	8.6%	4.6%	1.3%
Treadmill	49,722	50,395	52,275	53,260	50,839	48,166	-5.3%	-9.6%	-7.9%	-4.4%	-3.1%
Weight/Resistant Machines	38,844	39,075	39,185	39,548	38,999	36,267	-7.0%	-8.3%	-7.4%	-7.2%	-6.6%
Yoga	17,758	18,934	20,998	22,107	23,253	24,310	4.5%	10.0%	15.8%	28.4%	36.9%

NOTE: Participation figures are in 000's for the US population ages 6 and over

Legend:	Large Increase (greater than 25%)	Moderate Increase (0% to 25%)	Moderate Decrease (0% to -25%)	Large Decrease (less than -25%)
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Aspirational Interest

Though it is important to understand the trends of *participants* in all activities, it is equally important to understand the interest of *nonparticipants*. The following table presents the top activities for nonparticipants in various age segments. Among these aspirational interests, bicycling, running/jogging, working out with weights, and working out using machines may have facility implications for the Grandview Community Center.

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

National Arts Programming Trends

Data on participation in arts and cultural activities comes from a study entitled *A Decade of Arts Engagement: Findings from the Survey of Public Participation in the Arts, 2002-2012*.

Nationally, individuals living in communities with mid- to lower-incomes participate in the arts at a rate of 48% as compared to higher income communities with individual participation in the arts ranking at 67%. Edina is most reflective of the latter high-income community.

According to the study, many of the Edina Arts Center's current programs rate highly in terms of participation nationally.

National Arts Participation Levels (Adults, 2012)	U.S.	Minnesota
Pottery, Ceramics, or Jewelry	4.5%	4.5%
Leatherwork, Metalwork, or Woodwork	8.2%	10.4%
Weaving, Crocheting, Quilting, Needlepoint, Knitting, or Sewing	13.2%	18.5%

The tables below describe motivations and barriers to participation in the arts.

Principal Motivations for Participation in Arts	U.S.
To socialize with friends and family	73%
To learn new things	64%
To experience high quality arts	63%
To support the community	51%

Principal Barriers to Participation in Arts	U.S.
Time	47%
Cost	38%
Access	37%
No one to go with	22%



Local Trends And Market Potential

A Market Potential Index (MPI) measures the probable demand for a product or service in the target area. The MPI communicates the likelihood that a resident of the service area will exhibit certain consumer behavior when compared to the national average. The national average is 100, therefore above 100 would represent a higher than average participation rate. The following chart illustrates the index of the greatest sport and leisure market potential within the 10, 15 and 20 minute drive times and the correlating programmatic and facility needs. The following chart show sport and leisure market potential data from ESRI.

Activity (Participation in last 12 months)	MPI (10 min)	MPI (15 min)	MPI (20 min)	Program Need	Facility Need
Aerobics	142	127	118	Fitness and Exercise	Indoor Group Exercise Space
Basketball	96	105	110	Youth and Adult Sports	Indoor Gymnasium
Pilates	168	135	122	Fitness and Exercise	Indoor Group Exercise Space
Swimming	138	120	111	Aquatics	Aquatic Center
Volleyball	92	105	110	Youth and Adult Sports	Indoor Gymnasium
Walking for Exercise	129	118	110	Fitness and Exercise	Indoor Track
Weight Lifting	147	131	123	Fitness and Exercise	Fitness Center
Yoga	180	153	141	Fitness and Exercise	Indoor Group Exercise Space

While no similar measures exist for local market potential for arts programming, the national and state information presented in the previous section, especially when taken in context of the community demographics of Edina, suggests that the market area is not only more inclined to be making life choices that support healthy living and wellness, but also has the potential for relatively high levels of participation in arts and cultural activities.

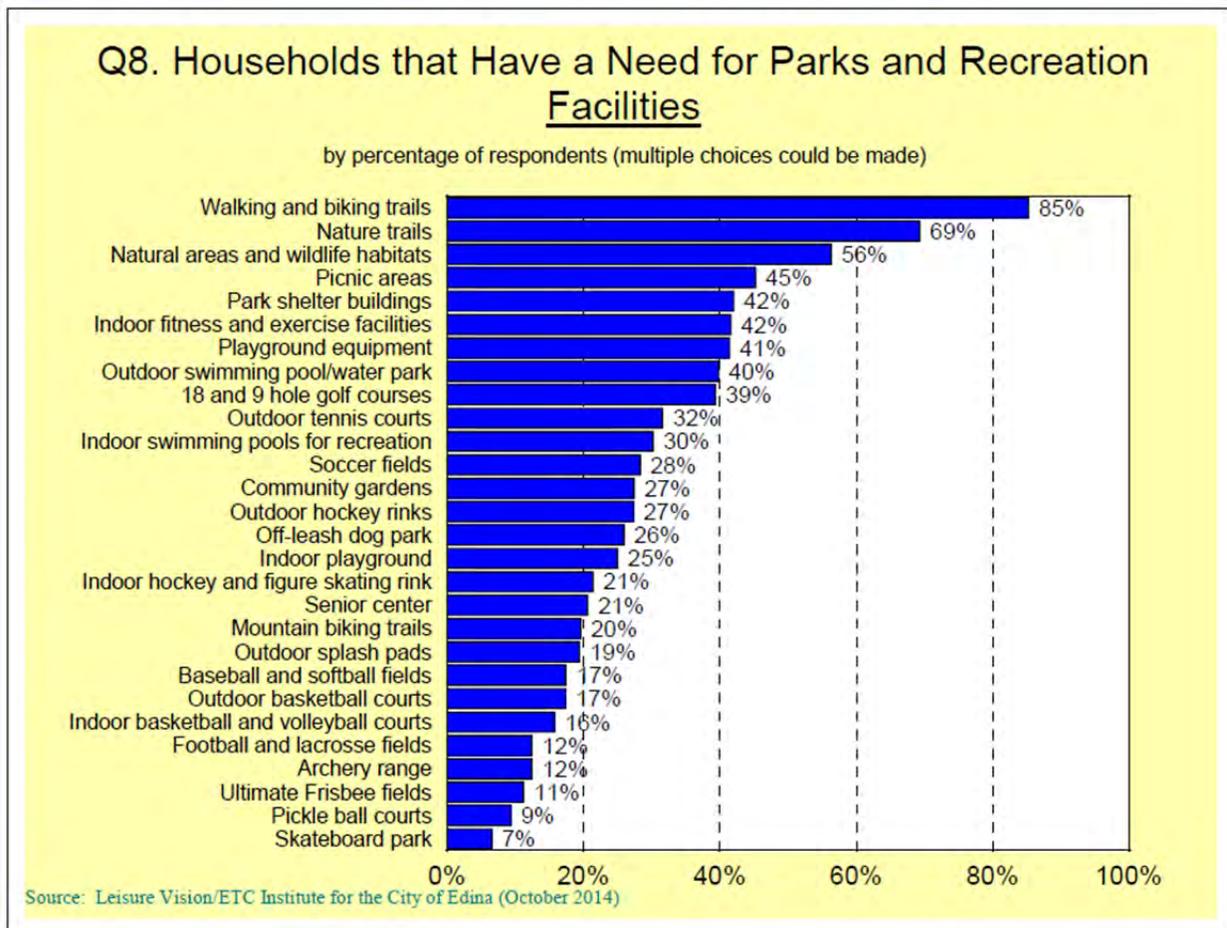
Community Survey Findings

In the summer of 2014, ETC/Leisure Vision conducted a Comprehensive Community Needs Assessment Survey to help establish priorities for recreational programs and facilities within the City of Edina. The survey was designed to obtain statistically valid results from households throughout the city. The goal was to obtain a total of at least 600 completed surveys.

ETC/Leisure Vision met that goal with a total of 1,222 surveys completed. The results of the random sample have a 95% level of confidence with a precision rate of at least +/-2.7%.

Key findings relevant to the potential development of the Grandview Community Center are presented in this section.

Community Need for Recreation Facilities

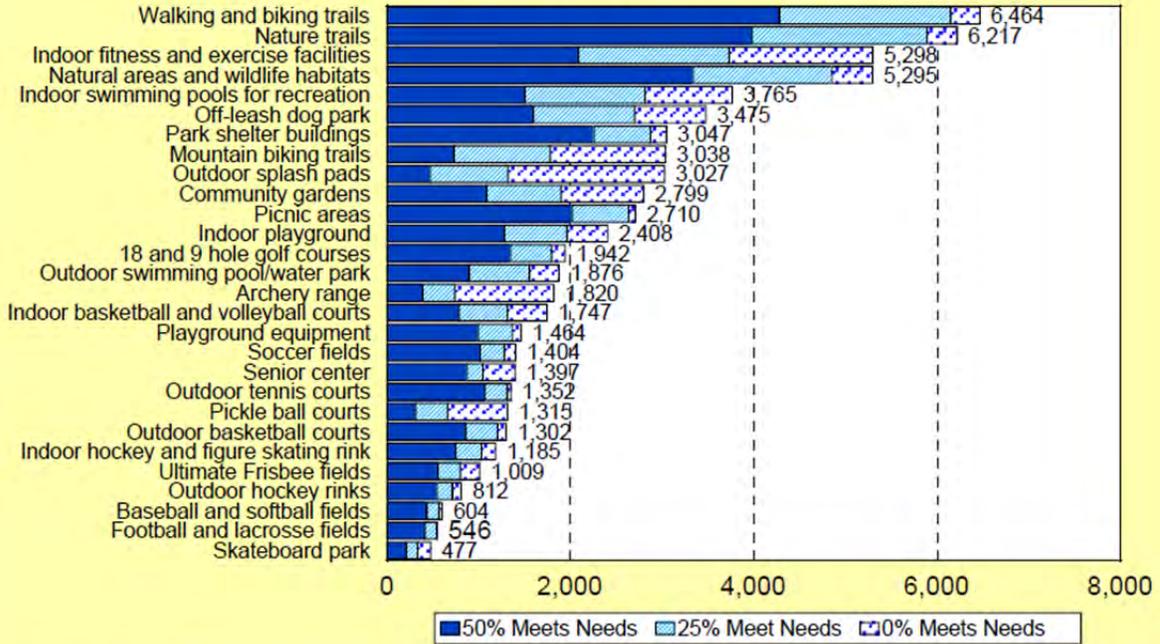




Unmet Need for Recreation Facilities

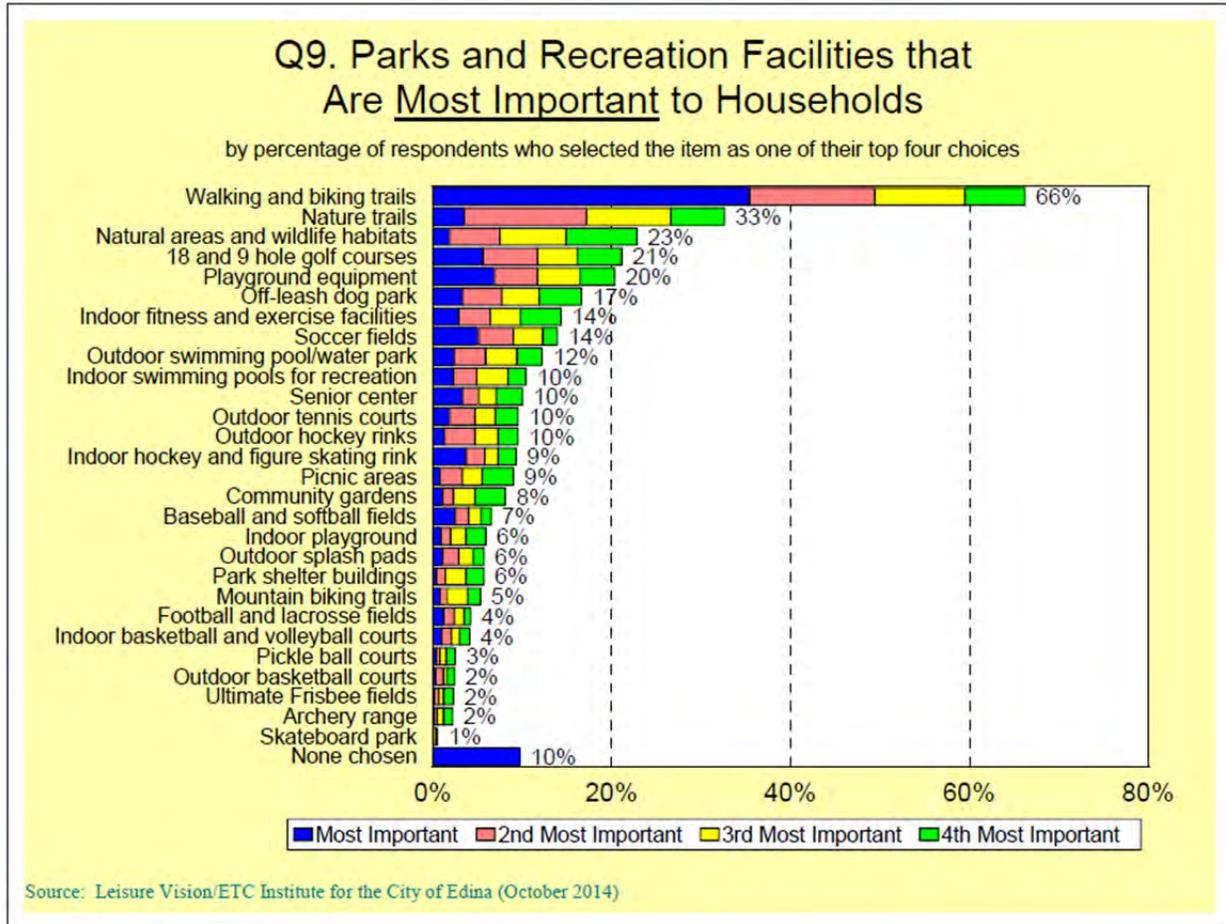
Q8c. Estimated Number of Households in the City of Edina Whose Needs for Parks and Recreation Facilities Are Only Being 50% Met or Less

by number of households based on 20,672 households in the City of Edina



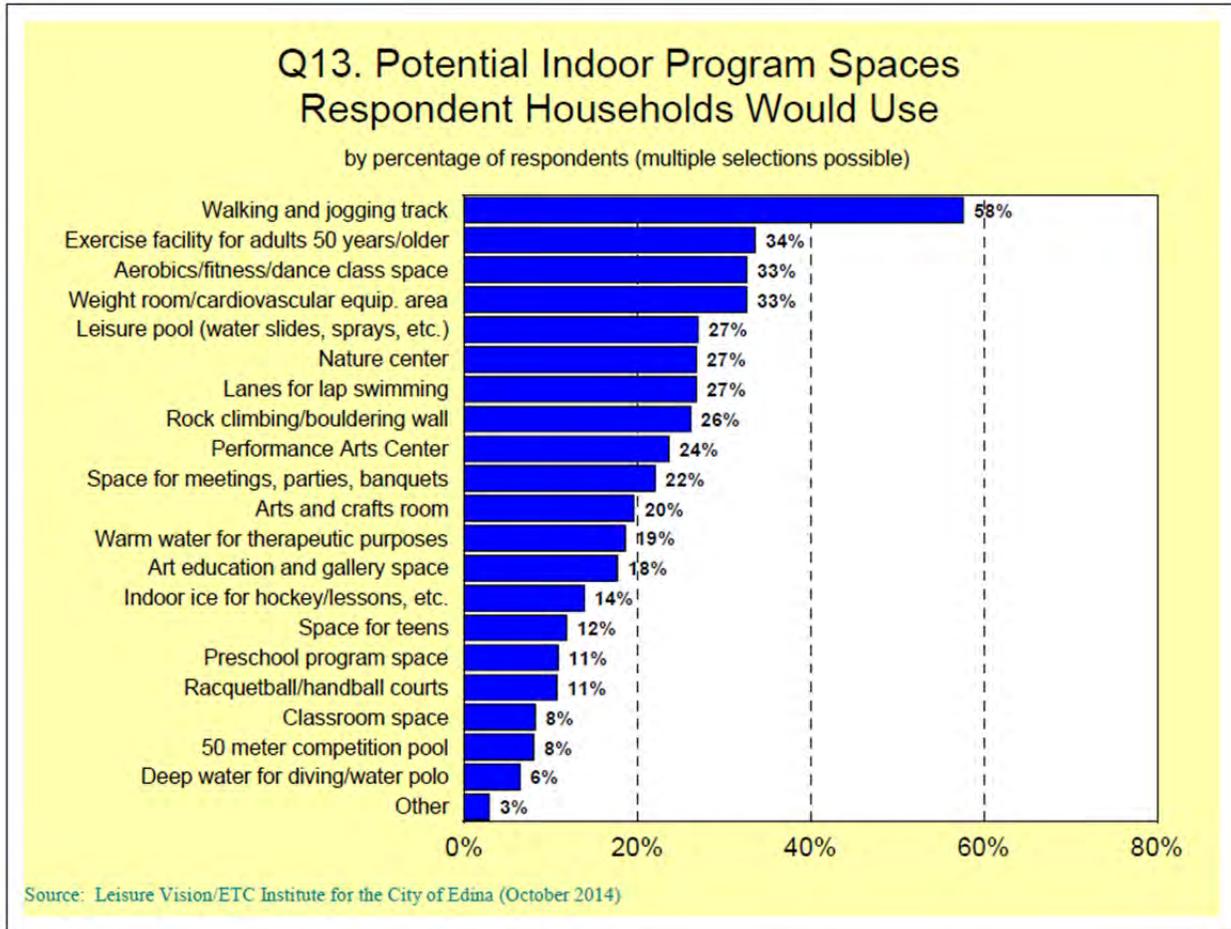
Source: Leisure Vision/ETC Institute for the City of Edina (October 2014)

Importance of Recreation Facilities

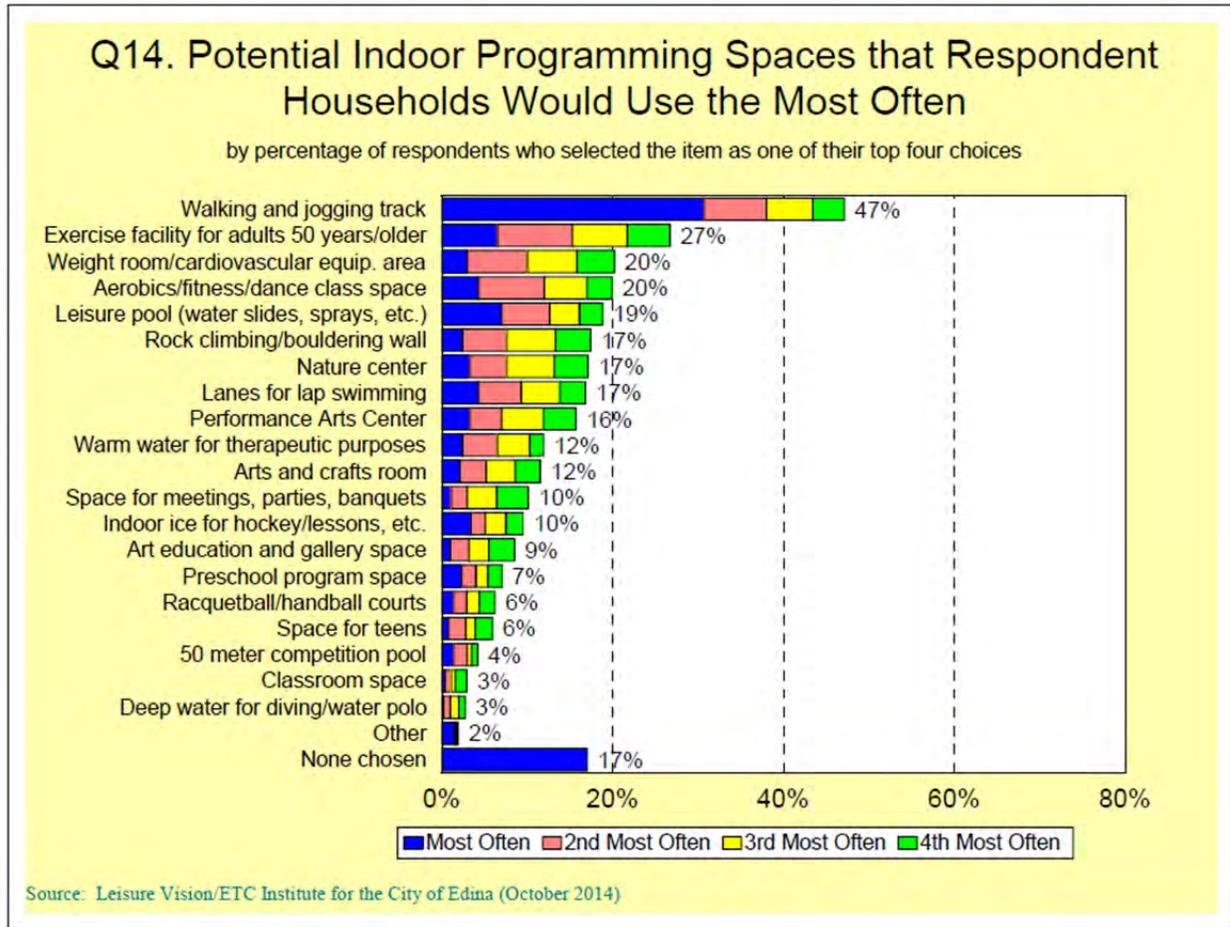




Spaces Residents Would Use



Spaces Residents Would Use Most Often



Summary

Of the facilities being considered for the Grandview Community Center:

- Indoor fitness and exercise facilities rank highly in terms of overall community need, unmet need, importance, and spaces that residents would use.
- A senior center ranked moderately in terms of overall need and unmet need, and moderately high in terms of importance. This is to be expected for a facility that is targeted to a specific age segment and given the fact that the City of Edina has an existing senior center facility.
- Indoor basketball and volleyball courts (i.e., gymnasias) ranked moderately low on overall need and importance.



Competitors and Similar Providers

Community Facilities in Edina

There is an abundance of public and private facilities in and near Edina that fit into the broad category of civic, cultural, and social facilities and that serve some or all of the roles that may have been envisioned for the community facility space in the Grandview District. Edina and its neighbors are mature, fully-developed communities with active governments and a generally high degree of affluence. Consequently, there are many public or private buildings, rooms, parks and other facilities.

This section describes facilities in Edina while the next section addresses major facilities in the other cities.

Edina Community Center

Edina and its neighbors each have a facility called a “community center” with varying types and amounts of spaces for civic, cultural and social events. The continuing education function of each school district often makes heavy use of that building for classes aimed at adults or children, especially preschoolers. Sometimes fitness facilities are included, either because the community center was a former school with those facilities, as in the case with Edina, or because it is a new building with that purpose in mind.

The Edina Community Center, owned by Edina Public Schools and located in the former Edina East High School building at 5701 Normandale Boulevard, is a large building with many functions and activities. Its two major tenants are Edina Community Education and the French Immersion Option of Normandale Elementary School.

In addition to the elementary school, the building includes:

- Five classrooms for adult education
- Three professional development rooms with computers and audio-visual equipment
- Two school gymnasiums
- One City-owned gymnasium
- Normandale Auditorium
- A demonstration kitchen (for use by Community Education only)
- A computer training room
- A library
- Five dance studios (one for tap dance)
- A woodworking shop
- Office spaces rented to 11 non-profit and other private organizations (on the third floor)
- Offices that support Edina Public Schools and Edina Community Education.

The dance studios are mostly booked by Community Education and are not used much by other organizations. The professional development rooms receive much private use.

Reservations are made no more than four months ahead for any of these facilities. The third floor is nearly fully occupied, with space for maybe one more private office rental.

This building was originally constructed in 1948 and expanded or renovated several times. There is discussion underway about the future of the building and the degree to which it meets the needs of Edina Community Education.

Other Edina School District Facilities

The Edina School District, like those in neighboring cities, has several auditoriums, gymnasiums, meeting rooms and similar facilities available for occasional public use as they each are devoted principally and predominately to use by the schools. Use by other City organizations or, especially, other groups, receives a lower priority. These facilities are described under the following sections on auditoriums, swimming pools, and meeting and class rooms.

Gymnasiums

There are gymnasiums in the high and middle schools and the Community Center that may be rented by outside groups, but, like the stages, open times available to the general public are few after the school groups and City sports associations book their needs. Each of these facilities is heavily booked from November through May, less so the balance of the year.

During the school day until 6:00 (and some days until 10:00pm), the gyms are devoted to the schools. In the evening, next priority goes to the City sports associations, which are under the auspices of the Parks Department. The limited remaining time may be used by other recreational groups, which are sometimes commercial or non-profit organizations. Weekends have the greatest number of openings. Rental rates vary by type of organization.

There are two gyms owned by the City (as opposed to the School District), one in the Community Center and the other in South View Middle School. These are also near their full capacity of use by City sports associations. It is hoped that the multi-purpose sports dome to be built near Braemar Aquatic Arena beginning in 2014 will relieve some of this pressure by providing indoor practice space for certain sports such as lacrosse and soccer.



Rental Facilities

While Edina has two rental facilities that can accommodate more than 300 individuals, they are both privately operated. The largest public-sector rental facility is the Braemar Golf Course with 250 person capacity. This data suggest that a large public event venue at a Community Center would not duplicate an existing facility within Edina. See the table below for capacity and fee information for the inventory available in the city.

Rental Facilities			
Venue	Capacity	Resident/Member Fees	Non-Resident/Non-Member Fees
Batting Cages of MN	180	\$100/hour	N/A
Braemar Golf Course	250	\$350-\$500/Weekday \$350-\$1200/Weekend	N/A
Centennial Lakes Park/Highes Pavillion	120	\$150-\$1150	N/A
Edina City Hall	22	Free	N/A
Edina Community Center		Free	N/A
Edina Community Library	1-222	Free	N/A
Edina Senior Center	80	Free	N/A
Mozza Mia	70-100	Free	N/A
"The Mezz" at Byerly's		Free	N/A
Pinstripes	20-600	Varies	N/A
Pittsburgh Blue (Galleria)	7-54	\$1500-4000 plus meal	N/A
Residence Inn Minneapolis	45	Varies	N/A
The Reserve	10	\$45/hour	\$90/hour
Southdale Library	3-195	Free	N/A
The Terrace Room at Arneson Acres Park	75	\$250/half day \$350/Full Day	\$300/half day \$400/Full Day
Think Mutual Bank	30	Free	N/A
Westin Edina Galleria	300-400	Varies	N/A

Community Facilities in Neighboring Cities

Neighboring cities were surveyed to identify their major community facilities that Edina residents or organizations might possibly use. The list of facility types studied was very similar to that used for Edina although the level of detail was less. The cities studied were:

- Edina
- St. Louis Park
- Hopkins
- Minnetonka
- Eden Prairie
- Bloomington
- Richfield
- Minneapolis (Southwest)

The facility types studied were:

- Community centers
- School district facilities
- Gymnasiums, swimming pools and major fitness centers

Community Centers

Each neighboring suburban city has a facility known as a community, activity or recreation center. These exist in a wide variety of functions, buildings, locations and ownership arrangements.

In most instances, the community centers of neighboring cities emphasize fitness, while in Edina the community center is a combination of learning and recreation. In contrast, the St. Louis Park Community Center is more strongly oriented toward learning and wellness; recreation, fitness and meetings are conducted in the St. Louis Park Recreation Center and in the schools.

Eden Prairie and Minnetonka have relatively new buildings that were designed as public fitness centers with membership fees, quite a bit like private fitness clubs; the building in Eden Prairie also includes meeting rooms. In St. Louis Park, Richfield, Bloomington and Hopkins, the fitness and meeting facilities are spread through the city in school buildings and/or facilities built jointly by the City and the School District adjacent to school buildings. The community education division of the school districts usually programs their activities into these school facilities but they are also available for rent to the public when not booked by an organization that has higher priority (school activities then City-sponsored sports associations). The Edina model is closer to the latter with the exception that Edina also has a swimming pool in Edinborough Park.

In Eden Prairie, Minnetonka and Richfield, the building is owned by the City while in St. Louis Park the School District is the owner. In Hopkins and Bloomington, the City and the School District jointly own their community centers, as their buildings are immediately adjacent to their high schools. Bloomington has two “activity centers” designed for fitness and recreation that are on high school campuses but programmed by a joint Bloomington and Richfield Community Services, which is housed in Bloomington Public School District.



In those community centers that are owned in whole or in part by the School District, the community education wing of the school district schedules many classes and activities into the building but also uses other school buildings.

In all instances, the facility may be used by residents of other cities although rental or membership rates are higher for non-residents and priority for group rental may be lower.

The Eden Prairie Community Center appears to be the most elaborate of the fitness centers while the Lindbergh Center in Hopkins and the Williston Fitness Center in Minnetonka are also quite well appointed and new.

It should be noted that a number of neighboring cities are currently in the process of evaluating the feasibility of new community centers or have plans to expand existing centers. The communities of St. Louis Park and Bloomington have both recently completed feasibility studies. Also the Shakopee Community Center expansion was approved in 2015, as well as plans to replace Golden Valley's Brookview Community Center.

A summary comparison of existing facilities in neighboring cities is presented below.

Comparison of Community Centers

	Name	Facility Orientation	Owner	Location	Design
Edina	Edina Community Center	Learning and recreation	School District	School campus	Former school
St. Louis Park	St. Louis Park Community Center	Learning and wellness	School District	School campus	Former school
Hopkins	Lindbergh Center	Recreation and fitness	Joint School and City	School campus	Custom
Minnetonka	Williston Fitness Center	Recreation and fitness	City	City campus	Custom
Eden Prairie	Eden Prairie Community Center	Recreation, fitness, classes, meetings	City	School campus	Custom
Richfield	Richfield Community Center	Meetings	City	Park	Custom
Bloomington	Activity Centers	Recreation and fitness	Joint School and City	School campuses	Custom

School District Facilities

In every neighboring community, the classrooms, computer training rooms, gymnasiums, auditoriums, swimming pools, tennis courts, field houses and cafeterias of the public schools are available for rent by the public after school hours and when not reserved by the schools or the City (for its sports organizations). Residents of other cities or for-profit organizations may rent the facilities but they may pay higher rates.

Normandale Community College, located at 9700 France Avenue in Bloomington, has classrooms, conference rooms, a banquet room (up to 250 capacity), a theatre and an auditorium available for rent to the public.

Gymnasiums and Major Fitness Centers

As noted above, major fitness and recreation facilities are available in each of the neighboring cities either through the school district, the municipality or private businesses. Those owned by the City may be in buildings independent from a school campus or integrated into a high school or a community center building that is owned by the school district (as in Edina).

Once again, facilities in the schools are meant primarily for school use and are not available during the school day or immediately after school. Evening use is sometimes dominated by City-sponsored sports organizations but some time is available for other groups. The Eden Prairie and Minnetonka fitness center include meeting rooms for rent.

A summary comparison of these facilities is presented below.

Comparison of Fitness Centers and Clubs

	Name	Owner	Location
Edina	<ul style="list-style-type: none"> ▪ School gymnasiums and pools ▪ LA Fitness ▪ Southdale YMCA 	<ul style="list-style-type: none"> ▪ School District ▪ City ▪ Business 	<ul style="list-style-type: none"> ▪ Community Center ▪ Schools ▪ Park ▪ Independent
St. Louis Park	<ul style="list-style-type: none"> ▪ School gymnasiums and pools ▪ LA Fitness; Lifetime Fitness ▪ Jewish Community Center 	<ul style="list-style-type: none"> ▪ School District ▪ City ▪ Business 	<ul style="list-style-type: none"> ▪ Schools ▪ Park ▪ Independent
Hopkins	<ul style="list-style-type: none"> ▪ Lindbergh Center ▪ School gymnasiums and pools ▪ LA Fitness 	<ul style="list-style-type: none"> ▪ School District ▪ Business 	<ul style="list-style-type: none"> ▪ Schools
Minnetonka	<ul style="list-style-type: none"> ▪ Williston Fitness Center ▪ School gymnasiums and pools 	<ul style="list-style-type: none"> ▪ City ▪ School District 	<ul style="list-style-type: none"> ▪ City campus ▪ Schools
Eden Prairie	<ul style="list-style-type: none"> ▪ Eden Prairie Community Center ▪ School gymnasiums and pools ▪ Lifetime Fitness 	<ul style="list-style-type: none"> ▪ City ▪ School District ▪ Business 	<ul style="list-style-type: none"> ▪ School campuses
Richfield	<ul style="list-style-type: none"> ▪ School gymnasiums and pools ▪ LA Fitness 	<ul style="list-style-type: none"> ▪ School District ▪ Business 	<ul style="list-style-type: none"> ▪ Schools
Bloomington	<ul style="list-style-type: none"> ▪ Activity Centers ▪ Lifetime Fitness 	<ul style="list-style-type: none"> ▪ School District ▪ Business 	<ul style="list-style-type: none"> ▪ High schools (2)



Private Fitness Facilities in Edina

Private fitness and exercise facilities in Edina were inventoried and evaluated to establish an understanding of the extent of services currently available in the marketplace for Edina residents. The table below provides an overview of the 11 facilities identified, their hours, and membership options. The table on the following page summarizes available amenities among these providers.

A significant number of these facilities serve niche segments of the population. Many are focused on specific activities (e.g., boxing, yoga), while several others target specific age groups (e.g., Welcyon – Fitness After 50), or appeal to users beyond the introductory level. Thus, despite the number and diversity of private fitness and exercise providers in the community, there still appears to be an unmet need for broad-based facilities that offer wide age-segment appeal and cater to all experience levels.

FACILITY	HOURS OF OPERATION	MEMBERSHIP TYPE AND PRICING					
	Number of Hours Open per Week	Adult Individual (unlimited access)	Dual (unlimited access)	Family (unlimited access)	Per Session	8 visits per month	8 visits per month (Dual)
Anytime Fitness	168	\$39 per month	\$60 per month	NA	NA	NA	NA
Core Power Yoga	95	\$155 per month	NA	NA	\$23	NA	NA
Crossfit	62	\$130 per month	NA	NA	\$15	NA	NA
LA Fitness	136	\$30 per month	NA	NA	NA	NA	NA
Orange Theory	93.5	\$159 per month	\$320 per month	NA	\$22	\$110 per month	\$210 per month
Power Source Personal Training	By Appointment	NA	NA	NA	\$70	NA	NA
Snap Fitness	168	\$85 per month	\$50 per month	\$60 per month	NA	NA	NA
Southdale YMCA	115	\$66 per month	\$99 per month	\$122 per month	NA	NA	NA
Steele Fitness	140	\$79 per month	NA	NA	NA	NA	NA
Title Boxing	80	\$79 per month	\$150 per month	NA	NA	NA	NA
Welcyon	75	\$69 per month	NA	NA	NA	NA	NA

AMENITIES	Anytime Fitness	Core Power Yoga	Crossfit	LA Fitness	Orange Theory	Power Source Personal Training	Snap Fitness	Southdale YMCA	Steele Fitness	Title Boxing	Welcyon
Self Directed Fitness	✓		✓	✓			✓	✓	✓		✓
Group Exercise Programs		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Group Exercise Programs incl. in membership		✓	✓	✓	✓	✓	✓		✓	✓	✓
Fitness studios for group exercise classes		✓		✓	✓	✓	✓	✓	✓	✓	✓
Cardio equipment	✓			✓	✓	✓	✓	✓	✓		✓
Resistance training machines	✓			✓	✓	✓	✓	✓	✓		✓
Free weights	✓		✓	✓	✓	✓	✓	✓	✓		✓
Boxing Studio										✓	
Racquetball courts				✓				✓			
Indoor lap pool				✓				✓			
Warm water leisure pool								✓			
Whirlpool				✓				✓			
Zero-depth entry pool								✓			
Vortex Pool								✓			
Basketball court				✓				✓			
Kids gym								✓			
Family locker room								✓			
Youth locker rooms								✓			
Adult locker rooms	✓	✓		✓	✓	✓		✓	✓	✓	✓
Sauna (in locker rooms)				✓				✓			
Steam rooms (in locker rooms)								✓			
Personal training	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Fitness Assessments	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Tanning Beds	✓										
Drop-in Child Care				✓				✓			
Climbing wall								✓			



Arts Facilities in the Region

Over the past three decades, art centers have proliferated in first, second, and third ring suburban cities surrounding major metropolitan areas across the country. As part of a broader effort to more clearly establish unique identities and more directly provide cultural amenities, cities like Edina have built arts facilities and launched arts initiatives intended to make them increasingly competitive and attractive to businesses and residents of all ages. Several Twin Cities suburban cities have a dedicated “Arts Center” in addition to local community centers. These Art Centers provide locally-focused arts and culture programming to residents of all ages. The EAC directly compares with the wide-range of small and large Metro arts facilities listed in the chart below. The majority of these centers are 501c3 arts organizations benefitting from philanthropic contributions from their local community as well as State, Regional and Local government support.

TWIN CITIES METRO AREA ARTS FACILITIES

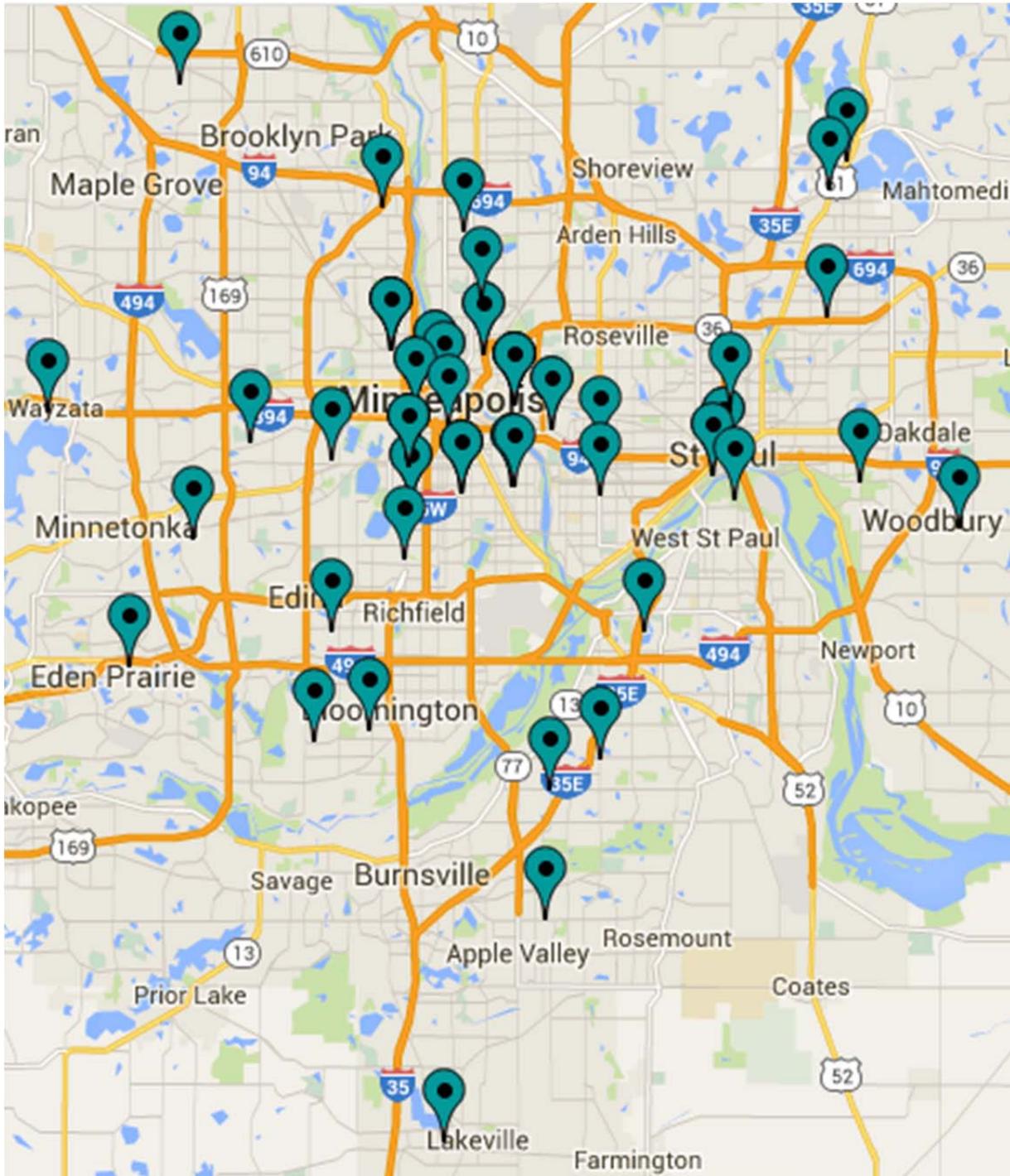
City	Facility Name	Disciplines
Edina	Edina Arts Center	▪ Pottery, jewelry, visual arts
Apple Valley	Ecumen Seasons at Apple Valley	▪ Multidisciplinary
Bloomington	Artistry Minnesota Masonic Home	▪ Visual arts ▪ Visual arts
Brooklyn Center	Ecumen Prairie Lodge	▪ Dance
Eagan	Caponi Art Park and Learning Center Eagan Parks and Recreation, Eagan Art House	▪ Multidisciplinary ▪ Multidisciplinary
Eden Prairie	Eden Prairie Center for the Arts	▪ Visual Arts, multidisciplinary
Hopkins	Hopkins Center for the Arts	▪ Music, visual arts
Lakeville	Lakeville Area Arts Center	▪ Visual Arts, multidisciplinary
Maple Grove	Maple Grove Arts Center	▪ Visual Arts, multidisciplinary
Maplewood	Ecumen Lakeview Commons Ecumen Seasons at Maplewood	▪ Crafts, fiber ▪ Music
Minneapolis	American Swedish Institute ArtiCulture Artspace Chicago Avenue Fire Arts Center Community Celebration of Place East Side Neighborhood Services Fired Up Studios Foci Minnesota Center for Glass Arts Free Arts Minnesota Highpoint Center for Printmaking Intermedia Arts Juxtaposition Arts Kulture Klub Collaborative Leonardo's Basement Minneapolis Park and Recreation Minnesota Center for Book Arts Northeast Minneapolis Arts Association Northern Clay Center NorthPoint Health and Wellness Center Pathways Phyllis Wheatley Community Center Simply Jane & Art Able St. Louis Park Friends of the Arts	▪ Multidisciplinary ▪ Visual arts ▪ Multidisciplinary ▪ Metal, glass, jewelry ▪ Multidisciplinary ▪ Dance ▪ Pottery ▪ Glass ▪ Multidisciplinary ▪ Visual arts, graphics ▪ Multidisciplinary ▪ Visual arts ▪ Multidisciplinary ▪ Design arts ▪ Music ▪ Visual arts, graphics ▪ Visual arts ▪ Crafts, clay ▪ Photography ▪ Visual arts, painting ▪ Multidisciplinary ▪ Drawing, Painting ▪ Drawing, painting

	Textile Center	<ul style="list-style-type: none"> ▪ Crafts, fiber
	The Atelier	<ul style="list-style-type: none"> ▪ Drawing, painting
	The Film Society of Minneapolis/Saint Paul	<ul style="list-style-type: none"> ▪ Media Arts, film
	The Loft Literary Center	<ul style="list-style-type: none"> ▪ Literature
	The Minneapolis Institute of Arts	<ul style="list-style-type: none"> ▪ Visual arts
	Urban Arts Academy	<ul style="list-style-type: none"> ▪ Multidisciplinary
	Urban Strategies, Inc.	<ul style="list-style-type: none"> ▪ Crafts, metal
	VSA Minnesota	<ul style="list-style-type: none"> ▪ Multidisciplinary
	Weavers Guild of Minnesota	<ul style="list-style-type: none"> ▪ Crafts, fiber
St. Paul	Amherst H. Wilder Foundation	<ul style="list-style-type: none"> ▪ Multidisciplinary
	ArtStart	<ul style="list-style-type: none"> ▪ Visual arts
	East Side Arts Council	<ul style="list-style-type: none"> ▪ Multidisciplinary
	IFP Minnesota	<ul style="list-style-type: none"> ▪ Media Arts
	Minnesota Association for Children's Mental Health	<ul style="list-style-type: none"> ▪ Multidisciplinary
	Mizna	<ul style="list-style-type: none"> ▪ Multidisciplinary
	Neighborhood House	<ul style="list-style-type: none"> ▪ Painting
	Paquet Studios	<ul style="list-style-type: none"> ▪ Multidisciplinary
	People Incorporated	<ul style="list-style-type: none"> ▪ Media Arts, film
	Saint Paul Neighborhood Network	<ul style="list-style-type: none"> ▪ Folk/Traditional crafts/visual arts
	Twin Cities Housing Development Corporation	
St. Anthony	Silverwood Park-Three Rivers Park District	<ul style="list-style-type: none"> ▪ Multidisciplinary
St. Louis Park	Arts-Stop	<ul style="list-style-type: none"> ▪ Drawing, painting
Wayzata	Minnetonka Center for the Arts	<ul style="list-style-type: none"> ▪ Visual arts
White Bear Lake	Phoenix Alternatives, Inc.	<ul style="list-style-type: none"> ▪ Visual arts
	White Bear Center for the Arts	<ul style="list-style-type: none"> ▪ Visual arts
Woodbury	Merrill Community Arts Center	<ul style="list-style-type: none"> ▪ Multidisciplinary



Map of Metro Arts Facilities

Mapping the Twin Cities Metro Area Arts Facilities offering one or more arts programs like the EAC shows an outlay of organizations with highest concentration in the Minneapolis Metro and St. Paul Metro areas and some scattering of offerings into the major suburbs. The major competitive zone is in Minneapolis with many facilities offering overlapping programming in a very small area.



Arts Facility Benchmark Analysis

This section provides an overview of the Edina Art Center, including its features, mission, programming mix, and financials. Nine similar facilities from the region and across the nation are also analyzed using the same points of comparison.

Edina Art Center



Size: Approx. 10,000 sq. ft.

Location: Edina, MN

Organizational Structure: City-owned & operated

Mission: The Edina Art Center mission is to provide facilities, programs and services that meet and reflect the needs of our residents and neighbors for participation, education, and enjoyment in the arts with emphasis on fine arts.

Programming Mix: Classes for adults and children, year round. Summer day-camps for children. Classes in a variety of fine arts disciplines: drawing, painting, ceramics/pottery, jewelry. Also offer media classes and facilities.

Community Demographics

- Population: 48,000
- Median Age: 45.2
- Predominant racial group: 88% white
- Median Household Income: \$79,500; Per Capita Income: \$56,800
- Education: 97.4% of people over 25 have at least a HS degree or higher; 62.9% have a Bachelor's degree or higher
- 30% of households have children under 18

Budget (2013, 2014, 2015) was a range each year between \$607,650 and \$661,111

Budget (2015) \$661,111

- Earned Income \$355,090
- Membership \$21,467
- Pottery Fees (includes Firing Fees) \$82,605
- Gallery & Retail Sales \$46,175
- Concession Sales \$113

Expenses (2015) \$661,111

- Administrative and general costs \$450,212
- Operations and Maintenance Costs \$184,649

Number of Paid Employees: 14 (not including interns). 2 FTE, 12 PTE



General Findings about the Edina Arts Center

Over the past three decades, art centers have proliferated in first, second and third ring suburban cities surrounding major metropolitan areas across the country. As part of a broader effort to more clearly establish unique identities and more directly provide cultural amenities, cities like Edina have built arts facilities and launched arts initiatives intended to make them increasingly competitive and attractive to businesses and residents of all ages. Several Twin Cities suburban cities have a dedicated “Arts Center” in addition to local community centers. These Art Centers provide locally-focused arts and culture programming to residents of all ages.

The Edina Arts Center (EAC) opened its doors in the fall of 1977 in a former residence that was transformed into studios and workshop areas. Its facility is located just south of the Crosstown Highway near the south western edge of Edina. EAC operates as a semi-autonomous department of the Edina Parks and Recreation Department with maintenance provided by the City and ongoing operating support provided through the Enterprise Fund. Edina Parks & Recreation provides both oversight and an important connection to the City’s Administration and its budgeting process.

EAC’s current facility has approximately 10,150 square feet situated on three levels. Circulation in the facility is awkward and programmatic growth opportunities are highly limited. Now nearly thirty years old, the facility is no longer competitive with other arts centers in the area and has substantial ADA issues as well as significant deferred maintenance. Based on current class participation data approximately 65% of participants are Edina residents with approximately 35% come from the surrounding area.

Location Challenges

As with any business operation, location and local competition are key factors. Although the EAC has a devoted following and has retained general participation levels it has not seen much growth in the last two decades. Further, although EAC is easily accessed off France Avenue and the Crosstown Highway, it is not central to Edina’s population and it’s somewhat “out of the way” location negatively impacts participation in EAC programs by Edina residents. While EAC remains highly active and its program revenues are holding relatively well, growth in participation, sales and fundraising are increasingly unlikely at the current location.

Current Program Offerings

EAC is focused primarily on visual arts and ceramics education programs including the following media;

- Pottery & Ceramics, Clay Sculpture
- Painting & Drawing
- Water media
- Mosaics
- Digital Media & Photography
- Literary Arts
- Jewelry
- Crafting
- Specialty/Holiday-themed Activities; Henna Tattoo Art, Pumpkin Decorating for Halloween, Christmas/Hanukkah/Solstice craft workshops

The most popular programs at EAC of Pottery, Ceramics and Jewelry rate the same in terms of participation statewide and nationally according to Americans for the Arts ADP5 data on leisure

participation. Arts program areas the EAC cannot fill due mostly to space constraints such as Leatherwork, Metalwork, Woodwork, and other textiles rate at levels of participation in Minnesota that are significantly higher than the national averages. Program expansion in these areas, one could safely say would bring as high or higher high levels of participation as compared to the ceramics programs.

Class levels range offerings for the true beginner to those appropriate for advanced students. The pottery, painting, drawing, and water media programs are particularly diverse, and include many specialized classes. For example, the painting offerings range from figure painting to abstract landscapes; the drawing offerings include pastel chalk classes, drawing portraits from photographs, and botanical drawing. EAC also offers open studio time for adults interested in working individually on their water media, drawing and painting, or jewelry projects.

Class offerings for children are generally taught at an introductory level and geared towards elementary and middle school aged students, as adult classes are open to ages 15 and up. Many of the class offerings for children are interdisciplinary survey classes intended to introduce students to a variety of art media. Classes for the youngest age groups are more thematically driven (ex. Backyard Art, the Animal World, Clay for Kids), and use mixed media crafting to engage these young students. EAC also hosts an after-school Art Academy, separated by age groups, for students looking to explore their artistic interests and talents.

Of these offerings, Pottery and Clay Sculpture is by far and away the biggest draw at EAC, consistently bringing in the greatest amount of earned income and attracting the greatest number of young people to EAC programs. Along with excellent instructional leadership, innovative class offerings and continuing investment in the ceramics area and both indoor and outdoor kilns, EAC hosts one of the most highly respected pottery/ceramics programs in the state. The Pottery program is in high enough demand to support two times the number of classes presently offered. Space demands, however, hinder the possibility of expanding this program to meet demand.

While Painting & Drawing classes remain a mainstay at EAC and are taught by highly respected instructors, there has been less dynamic change in this area. EAC cannot accommodate many of the classes requested or flex to meet market demand due to space constraints. Figure drawing classes which are regularly requested and offered at the majority of similar arts centers locally, do not fit in the current space. It is fair to say that deferred improvements to the painting and drawing studios including improved ventilation, lack of adequate student lockers, and the growing presence of the digital world in image-making presents an increasing challenge to these types of programs. Nonetheless, these programs are vital to the life of EAC and, as with many other programmatic offerings, interest will wax and wane but the basic programs should remain rooted in disciplines related to a fine arts education.

Potential Areas of Growth

EAC programming trends have been tracked from 2011 to the present and reveal a consistent pattern of registration that varies by season. Registrations are high in the Fall and lower in the Winter, rising slightly in the spring and steady through the summer. There is a definite spike in children's registration during the summer that one might expect during non-school months and is typical of the "Art Center" and Community Ed children's programming. Reviewing class registrations, interviewing staff about most frequently requested classes and main competitors,



revealed a demand for more classes that could potentially be met by a larger, up-to-date facility specifically designed to house such programming.

A new centralized facility could accommodate growth in programs in the following areas

- Greater overall participation by Edina residents in current programs due to better location and higher visibility
- Senior and special needs participants
- Children and Youth oriented program offerings
- Added programming in highly requested areas including glass, metal work, sculpture
- Evening classes in all programming areas

Comparable Art Centers

Nine regional and national centers are identified below along with information about their facility, program, legal structure and operation. Each has comparative relevance to Edina and judged to be reasonably successful in their communities based upon program participation and range of community support. In particular, the Minnetonka Art Center and Artistry in Bloomington are viewed as highly successful because of the quality of their facilities, the reach of their programs and the range of funding that they receive to support their programs and operations.

Minnetonka Center for the Arts



Size: 31,000 sq. ft.

Location: Wayzata, MN

Organizational Structure: Private 501(c)(3)

Mission: the belief that the visual arts are indispensable to a healthy community, it is the mission of the Minnetonka Center for the Arts to provide teaching excellence, quality exhibitions and cultural enrichment for people of all ages, interests and abilities.

Programming Mix: Year-round programming for young children, teens, and adults. Teens are distinguished as a special group with certain classes targeted at their interests. Summer day-camps for kids and teens. Partnerships with Walker Art Center and Ridgedale Mall.

Community Demographics (Wayzata & Minnetonka)

- Populations: 50,000 (M) & 3,700 (W)
- Median Age: 45 (M) & 48 (W)
- M: 90% white, W: 92.5% white

- M: 25% of households have children under 18, 52% are married: 14% of households have children under 18, 42% are married
- Median household income: \$81,000 (M) and \$64,000 (W)
- Per capita income: \$47,200 (M) and \$56,700 (W) Education: M = 98% HS degree or higher; W = 99% HS degree or higher

Budget (2015) \$750,511

- 65% Tuition Revenue
- Nearly 35% Contributed, Grants, membership, fundraising events

Number of Paid Employees: 40 (11 full-time, including 7 admins, 2 registrars, 2 studio managers)

Annual Participation

Serves more than 10,000 people each year through arts center programs

Undefined gallery visits

Curates and manages' Ridgedale Center regional artists display which millions of visitors who pass through the shopping center each year



Aristry (Formerly Bloomington Art Center)



Location: Bloomington, MN.

Organizational Structure: City-owned, public/private operating partnership

Mission Statement: We exist to enrich the cultural fabric of the communities we serve by providing high quality performing arts, visual arts, and arts education programs, and by welcoming and nurturing talent.

Programming Mix: Big focus on presenting work and encouraging audience appreciation. Partnership with Bloomington Civic Theatre. Adult and youth workshop courses in a variety of fine arts disciplines (clay, painting, drawing, glass, fiber, photography, etc.). Very focused class topics, like Shade and Light Drawing. Offering theatre/drama classes for kids in collaboration with BCT. Outreach activities for kids (working with charter schools, Boy/Girl Scouts, etc.).

Community Demographics

- Population: ~83,000
- Median age: 43
- 80% white
- Median Household Income: \$57,800; Per Capita Income: \$34,000
- Educated: about 2/3 have at least some college, if not a bachelor's degree or beyond
- Household types: most people are either single (32%), or married w/o children (36%) and (23%) of households have children under 18.

Budget (2015) approximately \$1.9million

- 62% Ticket sales, class fees, art sales (\$1,179,608)
- 44% In-Kind Contributions and Grants (836,598)
- 4% Undefined

Number of Paid Employees: 21 (8 full-time)

Annual Participation (2014-2015) 39,869

- 5,599 Children and adults served through arts education partnerships
- 534 On site registrations for youth art programs
- 1,186 On site registrations for adult art programs
- 26,885 Tickets issued to Schneider Theatre performances
- 5,665 Tickets issued to Black Box Theatre Performances

The Phipps Center for the Arts



Size: 64,000 sq. ft.

Location: Hudson, WI

Organizational Structure: Private 501(c)(3) ownership & operation

Mission: Two identifiable areas of focus: presentation of art (in galleries, exhibits, curations, etc.) and art education (year-round class offerings for both children and adults).

Programming Mix: Classes offered for both children and adults, but summer programming is almost exclusively for children. The selection for kids' summer camps is outstanding - over 50 to choose from, ranging from one day-long class to ones that last for a week. Separate classes for both children and teens. Partnerships with local hospitals and Spirit of St. Croix Days - art display/sale opportunities. Gallery shows for members and non-members. Bench Project - permanent installations of usable art project benches made by community members/groups.

Community Demographics

- Population: 12,700 (Hudson and surrounding area: 34,000)
- Median Age: 33
- 98% white
- Median Income: \$51,000. Per capita income: \$27,000
- 31% of all households have children under 18, 29% of all households are single people
- 75% have at least some college, if not a bachelor's degree or beyond

Budget (2013, 2014, 2015) was a range each year between \$1.1 million and \$1.2 million

Projected Budget (2016) \$1,230,874

- 30% Performance Income (\$368,054)
- 22% Class Income (\$271,250)
- 14% Rental, Concessions, Gallery Sales, Interests Income and Investments (\$166,070)
- 34% Other including: Contributions and Grants, etc.

Expenses Projected (2016) \$1,230,874.00

- Administrative and general costs \$365,443
- Operations and Maintenance Costs \$234,835
- Producing, Presenting, Exhibiting Costs \$462,145
- Class Costs \$168,451



Number of Paid Employees: 12

Annual Participation (July 2014 through June 2015)

- 23,545 people came to 147 performances, recitals, and events ranging from dramatic to musical theater productions and from jazz to classical concerts.
- Thousands were attracted to the 26th annual free outdoor concert by the Minnesota Orchestra and the Spirit of the St. Croix Art Festival
- 368 students took individual music lessons
- Over 2,900 valley residents were attracted to 54 community rental activities
- Nearly 1,650 attended 11 art receptions
- 84 visual arts class offerings totaled 773 students
- 248 performing arts classes attracted 2,672 participants

Maple Grove Arts Center



Size: 2,000 sq. ft.

Location: Suburban Maple Grove, MN

Organizational Structure: 501(c)(3)

Mission Statement: To provide fine art, musical and theatrical exploration and appreciation opportunities.

Programming Mix: Fewer class options than most other organizations. Classes for kids and adults, but mostly for kids and teens. Variety of classes offered in both visual arts and performing arts disciplines. Also offer free open studio dates for the community.

Community Demographics

- Population: 61,600
- Median Age: 38
- 86% white
- 40% of households have children under 18; 19% of all households are single people
- Median Household Income: \$93,000; Per Capita Income: \$40,900
- Education: 97% have HS degree or higher; 49% have Bachelor's degree or higher

Budget (2014) \$150,000

- 52% In-Kind Donation (\$78,000 from a single source which covers rent and utilities)
- 17% Fundraising Gala (\$25,000)
- 31% Remainder from sponsorships, programming and program fees

Number of Paid Employees: 0 FTE's (Volunteer Executive Director at 40 hours per week) and 15-20 PT art teachers

Annual Participation (2015)

Approximately 5,000 including those served by arts education, attending gallery shows and annual gala



White Bear Center for the Arts



Size: 10,000 sq. ft. (new facility in 2013)

Location: White Bear Lake, MN

Organizational Structure: 501(c)(3)

Mission Statement: The mission of White Bear Center for the Arts is to provide a gateway to diverse arts experiences. We will: Educate new and established artists; Cultivate the understanding of art in its many forms; Celebrate the joys of arts. We value: Creative process; Openness; Transformative experience.

Programming Mix: Classes for Adults, Teens, and Kids. Very thorough mixture of class offerings. Even offer a “create your own class” offering - kind of like a private lesson: if you want to learn something but can’t make the scheduled class time or the offered classes don’t address your topic adequately, you can find an instructor and get studio time with them (they require you to get at least 4 people to do the class). Examples of create your own classes - sewing, mosaics, printmaking, art history, etc. Offer a lot of community conversations with artists, easy art contests (ex. sand castle contest in the summer), and a community “Iron Pour” event. Partnership with Stepping Stone Theatre to offer kids’ drama courses. The center boasts 430 current members, 30% are White Bear residents.

Community Demographics

- Population: 23,800
- Median Age: 41
- 90% white
- 27% of households have children under 18; 34% of households are single people
- Median Household Income: \$57,000; Per Capita Income: \$31,000
- Education: 94% have HS degree or higher, 31% have Bachelor’s degree or higher

Budget (2014) \$672,452

- 47% Contributions and Grants: \$316,500
- 49% Program Fees (\$329,400; Arts Education: 51%, Contributions: 31%, Community Programs: 7%, Membership Revenue: 6%, Grants: 5%)
- 4% Other

Number of Paid Employees: 6 FTE’s

Annual Participation (2014)

33,000 people attended arts education, gallery shows, education partnerships, rental events. With a regional presence, WBCA draws participants from more than 100 zip codes, with the majority of participants from Ramsey and Washington counties.

From July 2013 through June 2014, the first year in the new facility, WBCA offered 774 classes. This was an increase of 27% compared to the previous 12 months. During the same time period, class registrations

increased 44%. WBCA will offer 205 classes in fall 2014, more than any other quarter in the organization's history.



Hopkins Center for the Arts



Location: Downtown Hopkins, MN

Size: 36,000 sq. ft.

Organizational Structure: City-owned, city-operated, 501c3 tenants

Mission: The Arts Center builds community through the arts by fostering creative expression and providing artistic and educational opportunities for people of all ages.

Programming: Theatre Performances, concerts, films, exhibitions, lectures, literary arts, and classes in fine arts. Arts Center also houses Stages Theatre Company and space rentals from Hopkins Public Schools. Big focus on exhibitions and gallery showings. Classes are mostly for adults, and are focused on painting and take-home project-based classes (ex. Knit yourself a scarf, make a jewelry box). On the whole, the Hopkins Center for the Arts seems more about presenting the arts and creating exposure, rather than teaching the arts. Also offer space rentals.

Community Demographics

- Population: 17,600
- Median Age: 34
- 70% white, 13.5% African-American, 8.5% Asian
- 5% of households have children under 18; 43% of households are single people
- Median Household Income: \$47,000; Per Capita Income: \$29,400
- Education: 93% have HS degree or higher, 39% have Bachelor's degree or higher

Budget (2013) \$756,563

- 17% Facility Operations (\$127,723)
- 48% Salaries and Benefits (\$361,634)
- 35% Arts Programs (\$267,206)

Actual Revenue (2015) \$776,191

- 48% Leases and Rentals (\$369,822)
- 19% Programs (\$151,510)
- 19% City Transfers (\$147,920)
- 8% State Grants (\$62,962)
- 6% Friends Contributions (\$22,707) plus Facility Fees (\$21,267)

Funding sources

- The Friends of the Hopkins Center for the Arts raise money through memberships, sponsorships

and fundraising event.

- \$61,000 was transferred from the Economic Development Fund and \$86,920 from the cable fund
- Grants are a source of revenue for the center though HCA has received reduced grant funding in recent years and put supplemental planning in place
- A plan is in place to decrease expenses and increase revenue in 2015

Historically, the Hopkins Center for the Arts has received a subsidy from the Economic Development Fund. The reason behind this was that the Center has an impact on the economic health of the City and the downtown area in particular by bringing in over 215,000 visitors each year. However, devoting these funds to the Center meant that there were fewer resources to devote to other development projects in the City. According to the City of Hopkins' adopted Financial Management Plan, this subsidy will be replaced by supplemental funding through the General Fund in a manner similar to the Activity Center beginning in 2015.

Number of Paid FTE's=4, PTE's=13, Volunteers=Undefined

Annual Participation (2013-2014) 215,000 Visitors

- The Center presented 12 concerts serving 6,019 patrons
- 26 different organizations rented space at the Center for arts events; a total of just under 3,000 hours of programming
- Tenants of the Center provided over 17,300 hours of arts programming

Rental Stats at Hopkins (2014)

- A key source of earned income for the Center is the rental of rooms to outside users
- Rentals increased in both 2013 and 2014, altogether a 40% increase over 2012
- 90 businesses held meetings or other events at the Center in 2013; 95 in 2014
- 40 individuals chose to have family gatherings at the Center in 2013; 50 in 2014



Evanston Art Center



Size: 17,000 sq. ft.

Location: Evanston, IL

Organizational Structure: 501(c)(3) organization

Mission: The Evanston Art Center is dedicated to fostering the appreciation and expression of the arts among diverse audiences. The Art Center offers extensive and innovative instruction in broad areas of artistic endeavor through classes, exhibitions, interactive arts activities, and community outreach initiatives

Programming: They have a mix of youth, teen, adult, and family classes. Some of the adult classes are more unique - woodcutting techniques, fashion design, figure drawing, metalsmithing. Also offering youth summer camps. 10 week sessions for adult classes, 5 weeks for kids. Seasonal arts & crafts expos. Community Outreach programs for both youth and seniors (artists-in-residence programs at local schools, partnership with Loyola University, Summer Reading program with Public Libraries, sending Art Center employees into nursing homes to work with residents). Also exhibit some pieces in a gallery.

Community Demographics

- Population: 74,500
- Median Age: 34
- 66% white, 18% black, 9% Hispanic, 8.5% Asian
- 26% of households have children under 18; 38% of households are single people
- Median Household Income: \$68,000; Per Capita Income: \$43,000
- Education: 93% have HS degree or higher, 66% have Bachelor's degree or higher

Budget (2015) \$1,144,460 million

- 63% Earned Income
- 20% Contributions and Grants
- 8% Special Events
- 5% Memberships
- 4% Investment Income

Annual Expense (2015)

- 74.5% Total Charitable Program Service Expenditure
- 13.5% Management and General Expense
- 12% Fundraising Expense

FTE's=4, PTE's=6, Teaching artists=68, Interns=87, Board of Trustees=16

Annual Participation (2014)

- 3,000 students (ages 3 to 85 representing 80 zip codes)
- 223 Artists exhibiting in the galleries
- Gallery Attendees is undefined

Kirkland Arts Center



Size: 8,400 sq. ft.

Location: Kirkland, Washington

Organizational Structure: Independent 501c3

Mission: Kirkland Arts Center promotes artistic mastery and community participation in the visual arts through innovative educational programming, contemporary exhibitions, and dynamic events while providing stewardship of the historic Peter Kirk Building.

Programming: The art center hosts 5 to 6 gallery shows per year of mostly local artists and one juried show of national and international submissions. Adult and Youth programming in the areas of painting, ceramics and pottery and print, jewelry, digital art, printmaking and art history. Creative programs and events for adults such as Art & Wine night are other revenue generators. The Kirkland Art Center also manages the Kirkland Artists Studio Tour as well as acts as a host studio for local ceramic artists on an ongoing basis.

Community Demographics

- Population: 84,430
- Median Age: 38.4 years
- 71.8% white, 1.3% Black, 14% Asian, 7.4% Hispanic
- 18.8% of households have children under 18; 33% of households are single people
- Median Household Income: \$93,655; Per Capita Income: \$50,991
- Education: 96.2% have HS degree or higher, 58.4% have Bachelor's degree or higher

Annual Revenue (2013) \$567,707*

- 13% Contributions (\$73,789)
- 8% Government Grants (\$46,750)
- 57% Program Services (\$324,368)
- Investments \$97
- 17% Special Events (\$96,120)
- 4% Sales (\$14,289) and Miscellaneous (\$12,295)

Annual Expenses (2013) \$607,071

- 79% Program Services (\$478,117)
- 17% Administration (\$105,299)
- 4% Other (\$23,655)



*Annual Revenue and Expenses above came from most recently published IRS 990 forms. The development director at the center reported in a phone conversation that due to space and program expansion and increased funding, the center now operates (2015-2016) on an annual budget of about \$950,000. The center depends on earned income from studio art programs remains near 60%.

Number of Paid Employees: 8 FTE's, Volunteers and other PTE's undefined

Annual Participation (2014)

1200 students served per quarter through arts center programming;

- 40 Adult classes, 10 Youth Classes, 30 Adult Workshops and Intensives, 20 Youth Camps and Workshops.
- Summer quarter has additional youth classes

Other visitors to the center for gallery, performance, etc. are not specifically defined. According to the Director, thousands attend Kirkland's artist studio tour, gallery shows and craft events each year.

MCCLEAN COUNTY ARTS CENTER



Size: 5,000+ sq. ft. (Former Church combined with house)

Location: Bloomington, Illinois (McClean County)

Organizational Structure: Independent 501c3

Mission: We encourage and promote the appreciation, study, cultivation, development, and practice of the Arts in McLean County. MCAC is an independent 501c3 non-profit organization, we are the arts agency for McLean County.

Programming: *Currently the Arts Center presents approximately twelve exhibitions yearly, including the annual Holiday Treasures exhibition and the annual Amateur Competition and Exhibition which for over 80 years has showcased the best amateur artists from the region. MCAC also offers art classes, artist lectures, art workshops for youth and adults and associated performing and literary arts presentations. The community is also offered opportunities to purchase artwork through the Sales Gallery. MCAC facilitates two arts festivals annually, Spring Bloom Arts Festival in March at Illinois State University's Bone Student Center and Sugar Creek Arts Festival in July at Uptown Normal.*

Community Demographics

- Population: 78,902
- Median Age: 33.8 years
- 73.5% white, 11.7% Black, 7.3% Asian, 5.0% Hispanic, 3.3% Other
- 23% of households have children under 18; 53.9% of households are single people
- Median Household Income: \$60,652; Per Capita Income: \$33,640
- Education: 95.1% have HS degree or higher, 45.1% have Bachelor's degree or higher

Annual Budget (2013) \$314,590 – breakdown not available

Actual Revenue (2013) \$330,282

- 46% Contributions, Gifts, Grants and other similar amounts (\$151,791)
- 31% Program Service Revenue (\$101,501)
- 11% Investment income (\$37,009)
- 5% Net Gain from Sales (\$18,495)
- 7% Miscellaneous Revenue (\$21,486)

Annual Participation (2015)



More than 2,000 served through arts programs and the center (youth and adult) and offsite programs (youth)

Tens of thousands attend the two major outdoor festivals coordinated by the center annually.

Summary and Implications

- The primary market for the Community Center should be in the range of a 10-15 drive time from the site (serving the Edina population and adjoining communities). However, some features of the center can be designed to serve a broader secondary market, such as a 20-minute drive time, or the entire Twin Cities metropolitan area, especially if this broader market helps achieve financial and cost recovery goals.
- Each of the measured service areas is demographically similar. Growth is projected to be slightly below that of national rates over the next fifteen years. The makeup of the service areas population will change as it is expected to age, however, will remain relatively affluent with income levels above both state and national medians.
- National topline recreation trends show that fitness walking, running/jogging, and using a treadmill are the activities with the most participation. Other national sports, fitness, and recreation trends that may affect planning for the Grandview Community Center include:
 - Despite a decline, basketball also ranks highly in participation
 - Gymnastics is experiencing steady increase
 - Racquetball participation is decreasing
 - Traditional fitness center activities (aerobics, free weights, treadmill, stationary cycling) are among the highest ranking in participation
 - Martial arts and Pilates are exhibiting declines in participation.
- Although many residents of Edina participate in arts programming, the City itself has limited facilities and organizations within its geographic area other than the existing EAC. Edina residential demographics demonstrate a high degree of both affluence and education characteristic of arts consumers throughout the country.
- Local market potential metrics (i.e., MPIs) suggest that fitness/exercise programming would be successful at Grandview Community Center. This translates to facility needs for indoor group exercise/multi-use spaces, a fitness center, and an indoor track. There is a lack of demand for a sports programming and a gymnasium within the 10-minute drive time service area.
- Survey findings from 2014 showed that indoor fitness and exercise facilities rank highly in terms of overall community need, unmet need, importance, and spaces that residents would use. Senior centers ranked moderately, but as expected for a facility that is targeted to a specific age segment. Indoor courts and gymnasiums ranked moderately low.
- While Edina has another community center, it is operated by Edina Public Schools and does not offer substantial use to non-district activities. Community centers of neighboring cities generally emphasize fitness, while Edina provides a combination of learning and recreation. In spite of similar providers, considerations for the Grandview Community Center include uses for meetings, wellness, and recreation.
- Despite the number and diversity of private fitness and exercise providers in the community, there still appears to be an unmet need for broad-based facilities that offer wide age-segment appeal and cater to all experience levels.



- Crossover cultural/fitness/wellness programming at the Grandview facility could combine the best of these types of offerings in a facility designed to serve residents of all ages and attract participation from the surrounding area.
- Current programming of EAC could compliment wellness oriented activities like Pilates, Yoga, dance movement, etc. Fitness programs that offer a social component for seniors could mesh well with a general community wellness approach to programming a new center.

7. OPERATIONAL ANALYSIS

The Edina Grandview Community Center (EGCC) financial plan is outlined in the pro forma and various schedules presented in this chapter of the report. The conceptual plan is based on the development of a 69,294 gross square foot facility with major components consisting of an art center, active adult (i.e., senior) center, community gathering spaces, café, and fitness/wellness areas.

A list of pro forma assumptions was established in order to depict a dynamic operation in a static environment; these assumptions are presented on the following pages of this report. The validity of the pro forma and financial plan is based on these assumptions being met in their entirety. 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 Grandview Community Center should be operated and maintained, as well as how the services should be priced.

Following discussion with the project Task Force, Parks & Recreation Board, Arts & Culture Commission, City Council, and staff, the adopted program for the facility reflects transferring existing core programs such as arts and senior programming to the new center. It also allows for the creation and/or expansion of some core programs such as performing arts. The EGCC space program has some but limited space available for fitness and wellness activities, as well. To be successful and financially sustainable, the EGCC must operate using a flexible, entrepreneurial approach, allowing for program changes when necessary, real-time adjustment of operations to market conditions.

Operations and Financial Plan Assumptions

The initial development of the feasibility and business plan study focused on developing a clear set of assumptions. The end product focuses on determining operating costs and revenue streams of the EGCC; this included developing an operational budget and a pricing strategy to best meet the outcomes desired while accounting for market factors.

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.

General Assumptions

The assumptions in this study assist in understanding how the financial plan was developed and the strategies with which the EGCC will ultimately be operated. This allows for the revision of assumptions in the future while still maintaining the integrity of the plan by understanding the impact that the changes will have on the operational budget or market capture. The major assumptions for the site used for the development of the financial plan are as follows:

- Operations and financial plan is based on major components as depicted in concept plan, including:
 - An Art Center consisting of a gallery, studio, pottery/ceramics area, metal arts, glass/jewelry, gift shop, and storage; totaling 20,142 gross square feet.



- An Active Adult center consisting of commons, multipurpose classrooms, seminar room, game room, and storage; totaling 10,284 gross square feet.
- Community Gathering spaces consisting of a lobby/reception area, commons, flexible meeting spaces, café, catering kitchen, and culinary arts instructional area; totaling 9,105 gross square feet.
- An Event Venue including dressing suites, storage, and event support areas; totaling 10,627 gross square feet.
- Fitness and Wellness studios to conduct programming; totaling 8,134 gross square feet.
- Administrative and building support areas; totaling 11,003 gross square feet.
- The pro forma budget is based on 2016 dollar values.
- Salaries are based on 2016 salaries of equivalent job descriptions.
- Food service will be provided by a vendor/contractor.
- Grounds maintenance costs are not included in the pro forma as it is budgeted separately by the City.

Capital Investment Assumptions

- Capital investment for the EGCC is based on the concept plan and components as detailed in program spaces identified to date.
- Capital costs for the EGCC is projected at \$45,435,546 for the 69,294 gross square foot building, plus parking with parking for 380 spaces.

Pricing Assumptions

- Pricing is outlined for each individual program within the electronic Excel model and summarized within this report document.
- Pricing is value-based, meaning that pricing was determined based on existing rates then adjusted as necessary for typical market rates given the assumed level of service received.
- Pricing comparisons to other related facilities were used for guidelines for developing the pricing schedule, however, the ultimate goal of value provided was utilized for developing the pro forma.

General Expense and Revenue 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.
- Percentage of cost recovery is based on the assumed market participation and value/market based pricing.

- 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 for employee benefits and utilities.
- All projections are based on assumptions and estimates made within the electronic Excel model.
- Pro forma assumptions beginning in Operating Year 1 are based on management and staff performing extensive lead-in/pre-opening marketing, promotions, and programming tailored to the customer base.
- Pro forma program is based on an aggressive program offering (60% of total available space and/or 60% productivity of programs) that will require detailed scheduling to allow for successive usages on a regular basis.
- Center utilities are estimated based upon similar municipal facilities in the area.

Staffing Assumptions

- Center staffing is a direct result of the requirement of the operating hours.
- Center staffing is based on “lean management” practices where all positions/human resources expended for any goal other than the creation of value for the customer base are nonessential.
- As the EGCC reaches operational and programmatic maturity, additional staff persons may be required.
- Staffing salary/wages based on current salaries and national industry averages.
- General benefits for full-time staff have been calculated based on input from the City of Edina.
- Inclusive benefits and other charges required for most employees regardless of employment status (including payroll taxes and fees) are factored at a percentage of total seasonal staff salary and full-time staff overtime, excluding any general benefits.

Membership Assumptions

- Separate membership programs would be implemented for the Art Center and Active Adult Center, both assumed to reflect increases based upon increased program space and capacity.
- It is assumed that management will assess memberships and admissions and will implement promotions as needed; it is assumed that limited discounting will occur.
- It is assumed that management will assess memberships and admissions and discontinue practice and/or revise price points if demand far exceeds assumptions; this will ensure validity of financial projection.

Programming Assumptions

- Programs assume that 60% of the classes will make the minimum number to hold the class.
- Programming and rentals are based on estimates for units per experience/session, total sessions offered, fee per program/activity, and/or extrapolations from existing program participation rates.



- Programs shown are depicted as either contract instructor or staff administered; contract instructor-led programs could be shifted to staff personnel if management deems staff instructors as the most equitable for operations.
- Rentals for major components are assumed to be:
 - Multi-purpose classroom rentals – 100 occurrences of 2-hour rentals at \$35 per hour
 - Event venue premium rentals – 52 occurrences of 3-hour rentals at 225 per hour
 - Caterer revenue – 15% caterer commission

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.
 - Revenues are projected to growth annual by 3.0% through growth in users and fee adjustments
 - Salaries and Benefit growth rate is calculated at 4.0% annual growth due to the potential volatility of the insurance/pension fund requirements
 - Supplies growth rate is calculated at 3.0% annual growth due to inflation
 - Services growth rate is calculated at an average of 4.0% annual growth due to inflation and the potential volatility of the energy sector
 - Capital expenditure and revenue categories average a growth rate of 2.0%
 - Transfers vary with increases in revenues.

Six (6) Year Pro Forma

Based on all operating assumptions set forth within this report, and excluding any unforeseen circumstances, the EGCC is projected to achieve a cost recovery of 70% in its first year of operation. A summary of the six-year pro forma is presented below.

Pro Forma Revenues & Expenditures						
EDINA GRANDVIEW COMMUNITY CENTER - Option B						
6 YEAR PRO FORMA						
Revenues	1th Year	2nd Year	3rd Year	4th Year	5th Year	6th Year
Administration	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Maintenance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Custodial	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Arts	\$588,671.00	\$606,331.13	\$624,521.06	\$643,256.70	\$662,554.40	\$682,431.03
Active Adults	\$107,364.00	\$110,584.92	\$113,902.47	\$117,319.54	\$120,839.13	\$124,464.30
Fitness Programs	\$46,800.00	\$48,204.00	\$49,650.12	\$51,139.62	\$52,673.81	\$54,254.03
Facility Rentals	\$94,100.00	\$96,923.00	\$99,830.69	\$102,825.61	\$105,910.38	\$109,087.69
Café	\$714,400.00	\$735,832.00	\$757,906.96	\$780,644.17	\$804,063.49	\$828,185.40
Total	\$1,551,335.00	\$1,597,875.05	\$1,645,811.30	\$1,695,185.64	\$1,746,041.21	\$1,798,422.45
Expenditures	1th Year	2nd Year	3rd Year	4th Year	5th Year	6th Year
Administration	\$529,650.00	\$539,797.00	\$550,341.33	\$561,298.63	\$572,685.14	\$584,517.78
Maintenance	\$156,405.37	\$158,146.67	\$159,954.70	\$161,832.03	\$163,781.36	\$165,805.46
Custodial	\$146,055.62	\$146,471.62	\$146,901.56	\$147,345.92	\$147,805.18	\$148,279.87
Arts	\$555,180.00	\$572,842.00	\$591,191.82	\$610,256.41	\$630,063.79	\$650,643.08
Active Adults	\$145,000.00	\$149,105.40	\$153,369.89	\$157,799.67	\$162,401.20	\$167,181.18
Fitness Programs	\$46,357.50	\$47,549.70	\$48,789.14	\$50,077.69	\$51,417.31	\$52,810.02
Facility Rentals	\$24,570.00	\$24,680.00	\$24,794.10	\$24,912.46	\$25,035.23	\$25,162.58
Café	\$607,240.00	\$631,529.60	\$656,790.78	\$683,062.42	\$710,384.91	\$738,800.31
Total	\$2,210,458.49	\$2,270,121.99	\$2,332,133.32	\$2,396,585.22	\$2,463,574.12	\$2,533,200.28
Total Cost Recovery	70%	70%	71%	71%	71%	71%



Financial Plan Outcomes

The Financial Plan for the EGCC was developed as a feasibility business plan study – first and foremost focusing on the validity of moving forward with a community asset as well as advanced planning involving a conceptual design and general business planning. This process focuses on the potential of meeting a market need and extrapolating this need to project future operations – revenues and expenditures – based on a conceptual design. A financial plan including a pro forma and support schedules were created to project the financial ramifications resulting from the recommended program and pricing recommended for the Community Center.

Operating in a competitive market requires flexibility and an entrepreneurial approach by all management and staff as it pertains to all facets of Community Center operations. Based on all operating assumptions and recommendations set forth within this report, excluding any unforeseen circumstances, the EGCC is projected to recover just over half of the total operating costs related to center operations and require approximately \$800,000 in annual subsidy for the foreseeable future.

Recreation Center Staffing

Staffing requires a delicate balancing act of resource allocation to the core areas and the bottom line. This will necessitate that the Community Center Manager has a keen understanding of all the operations and understands the value of programming the site versus maintaining the site.

The staffing levels are a result of outcome expectations. In an effort to allow for the most flexibility in the start-up years of the Community Center, proposed staffing levels (full-time, seasonal) are projected to account for 42.5% direct cost of the operational budget. Based upon assumptions, staffing levels for the EGCC will require a total of 6 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 full-time staff of the following:

- Community Center Facility Manager – 1 FT position
- Administrative Manager – 1 FT position
- Maintenance – 1 FT position
- Custodial – 2 FT positions
- Pottery Supervisor – 1 FT position

A bevy of seasonal staff to supplement functions such as customer service, maintenance, custodial, Active Adult programming, fitness programming, and facility rental are also included in the staffing projections. It is projected that the Community Center employees – both fulltime and seasonal – will consume approximately \$687,000 of the \$1.6M annual operational budget.

Depending on the EGCC's success, the most important addition to the staff composition may be in the management of the front line staff – the seasonal employees that are the face of the organization. As such, it is imperative to utilize the Customer Service positions to manage the front of the house effectively. Dedicated and enthusiastic full-time employees will successfully adapt to the ebbs and flow of a customer-centric operation on a daily basis. However, this could pose a problem for seasonal staff, many of whom are projected to work limited hours for the greatest operational flexibility. Accordingly, this balance of resources and customer service will

make it critical that systems are in place to ensure that front line employees share a common and enthusiastic vision for service delivery.

Utilization of seasonal and independent contractors is typically chosen by management for the flexibility they provide – a benefit that allows market factors to determine the need of instructor utilization consequently boosting the goal of fiscal sustainability. Benefits of seasonal and contract instructors are:

- Ability to offer quality, diverse, and affordable programs with no startup costs to the EGCC.
- Specialized skill set or training with no cost to the EGCC.
- Typically, continuity and retention exists.
- Work on demand – hiring an independent contractor or seasonal staff person offers flexibility to programming which keeps programs “fresh;” increases the ability to take added opportunities as they arise, and during slow periods, have greater cost control.
- Classes are discontinued when minimum participation levels are not met without incurring the cost of the instructor.
- Contractors do not require employers to withhold and pay federal, state and Social Security (FICA) taxes as they require for employees.
- The Community Center Manager obtains the right to terminate Independent Contractor Agreements at any time by giving written notice and contractors are not eligible for unemployment insurance benefits.

It is understood that contract instructors are not best suited for all applications. Flexibility should be given to the Community Center Manager in the allocation of contract and or employee instructors to programs. It is possible that use of employee instructors in certain situations could result in a cost savings and/or significant revenue opportunities. Based on the current allocation of funds to contract instructors versus seasonal instructors it is assumed that a shift in philosophy of instructor use to more contracting could be made with minimal effect on the budget.

Community Center Memberships and Admissions

The preferred design option for the EGCC supports memberships for the Art Center and the Active Adult Center, but as separate enterprises each with specific markets, operational requirements, and pricing strategies. As currently designed, memberships and admissions account for 31% of all revenues. Community centers that are most successful in leveraging membership revenue offer complimentary amenities to attract a broad and frequent user base, such as a fitness center, indoor track, aquatic center, gymnasium, child care facilities, or other assets that promote multi-generational use. However, the findings of the market analysis, community need assessment, and physical site restrictions limited the ability of the EGCC program to include those elements.

Membership and admission revenues are projected as follows:

- Art Center – estimated annual membership revenues of \$24,358 and class registration revenue of \$388,952;
- Active Adult Center – estimated annual membership revenues of \$20,000;



- Fitness – estimated annual class admission revenues of \$46,800.

Community Center Programming

Operations and programs must be coordinated for seamless delivery of services; this means that the level of service provided, program, and price point must be harmonious for optimal results. Based on the program plan for the feasibility business plan study, an aggressive program plan has been created around the following core programs:

- Arts: studio, pottery, ceramics, metal arts, glass, jewelry, retail sales
- Active Adult: self-directed activities, events, lectures, sports, fitness
- Fitness: organized classes
- Facility Rentals: multi-purpose rooms and special events in the Event Venue
- Common Area / Café: self-directed activities and concession-operated food service

These core programs will activate the Center and keep in the building versus a high level of drop in usage. Activities within each core program category can and will change as the market dictates; however, the categorical offering is based on the mission, market, and assets available to administer programs and therefore will remain constant. Revenues by core program area are presented in the summary below. Not all core program areas are expected to cover all of their operational cost.

Pro Forma Revenues & Expenditures

EDINA GRANDVIEW COMMUNITY CENTER - Option B

ONE YEAR SNAPSHOT SUMMARY of PRO FORMA

SERVICE TITLE	Revenues	Expenditures	Revenues Over (Under) Expenditures	Cost Recovery - Percent
Administration	\$0.00	\$529,650.00	(\$529,650.00)	0%
Maintenance	\$0.00	\$156,405.37	(\$156,405.37)	0%
Custodial	\$0.00	\$146,055.62	(\$146,055.62)	0%
Arts	\$588,671.00	\$555,180.00	\$33,491.00	106%
Active Adults	\$107,364.00	\$145,000.00	(\$37,636.00)	74%
Fitness Programs	\$46,800.00	\$46,357.50	\$442.50	101%
Facility Rentals	\$94,100.00	\$24,570.00	\$69,530.00	383%
Café	\$714,400.00	\$607,240.00	\$107,160.00	118%
Total	\$1,551,335.00	\$2,210,458.49	(\$659,123.49)	70%