



AGENDA
COMMITTEE OF THE WHOLE MEETING
MONDAY, JANUARY 4, 2016
NORTH AURORA VILLAGE HALL - 25 E. STATE ST.
(Immediately following the Village Board Meeting)

CALL TO ORDER

ROLL CALL

AUDIENCE COMMENTS

TRUSTEE COMMENTS

DISCUSSION

1. Mid-year Financial Update
2. Community Building Discussion

TRUSTEE COMMENTS

EXECUTIVE SESSION

ADJOURN

Initials SB

Memorandum



To: Village President and Village Board of Trustees
From: Steven Bosco, Village Administrator
Date: 12-28-15
Re: Community Building/Community Space Study

Per the direction of the Village Board and a new goal in the Village’s Strategic Plan that reads, “conduct a formal building needs assessment for a community building/space”, staff began the process of selecting a company to complete a needs assessment for a community building/space.

Staff’s process included soliciting proposals and hosting discussions with four different companies that all have experience in conducting needs assessments/feasibility studies for community buildings. Per the direction given by staff, each company submitted proposals that included at least two distinct phases. The initial phase of each study would focus primarily on assessing the need and/or desire to build a community building/space, with the latter phase(s) focused on the building and annual operations costs associated with community building/space if pursued. By phasing the project, the Village Board will have the opportunity to review the results of the initial phase to determine if it is necessary to proceed with the final phase.

Three of the four proposals submitted included a scope of services that provided for both a full needs assessment as well as an assessment for building and operational costs. One of the proposals primarily focused on building and operational costs and required the hiring of an additional consultant to provide a needs assessment. Of the three proposals considered by staff, the costs of the studies for all phases ranged from \$20,000 up to a potential \$40,000. Those prices did not include additional fees associated with optional citizen input opportunities such as focus groups, input sessions or citizen surveys.

After reviewing the proposals staff believes the proposal from Market & Feasibility Advisors (MFA) to conduct the first phase of a community building/space needs assessment in the amount of \$15,000 is the most effective proposal. Should the Village Board choose to move forward after the first phase, MFA’s proposal to

complete the second phase of a study is an additional \$10,000, bringing their total proposal cost to a potential \$25,000.

Staff believes MFA's proposal has the most comprehensive first phase approach as it focuses specifically on the needs of community building/space, while at the same time determining potential concepts to fill those needs. The process includes interviews with the Village Board members as well as potential stakeholders in the community. Stakeholders in the community interviewed may include the leaders of some of the Village's civic groups, leaders of local youth sports programs and representatives of the municipal entities that work to serve North Aurora residents. Based on the needs determined by the interviews, MFA will provide a list of a 4-5 community buildings/spaces in Chicagoland to benchmark what types of services are typically provided versus what is available to North Aurora residents. At the end of the first phase MFA will focus on a specific concept in order to provide a preliminary projection of operating costs for a community building/space.

Once the final report is provided to the Village Board at the end of the first phase, the Village Board will have the ability to decide whether or not to proceed to the second phase which would be to conduct a feasibility study. The second phase would focus on the specifics of building or occupying a space for community use, such as the specific programs needed to serve the community, potential sites, market support (is there a target audience that would support/use the building/space) and operational costs.

Please find attached the proposal from MFA for your review.



Market & Feasibility Advisors

PROPOSAL FOR REVIEW

North Aurora Community Center Demand Research and Feasibility Study

For:

The Village of North Aurora

Submitted by:

Market & Feasibility Advisors, LLC

Wednesday, December 30, 2015

One South Dearborn, Suite 2100

Chicago IL 60603

312.212.4451 www.marketfeasibilityllc.com

Chicago Austin

Scope of Work

Phase 1

1.0 Orientation

An orientation visit will be held with the client group to review and discuss:

- Names of key contacts in the community and in the area with whom MFA should speak
- The work program and its individual tasks
- The project schedule - meetings, deliverables, and timing
- Community center development trends and issues - suggestions and ideas from our experiences
- Site-related factors at the site(s) under consideration including size, visibility, surrounding uses, and how they might support or detract from a new community center
- Data and information sources
- Concept/positioning consideration – what are your expectations for facility market targets, capacity, composition of elements, overall quality, and location?
- What is your vision behind the idea or motivation – what you would like this to do for you and the community – is it a part of a long-range plan?
- Your financial expectations

2.0 Concept Development Review

A new community center for North Aurora would replace a center closed down just a few years ago. That facility, in a former school, was used for a child care program, a youth activity center with a gymnasium, and various programs offered jointly with the Fox Valley Park District, as well as other specially targeted community programs.

Our sense is that the center was valued for both the programs it offered and as a focal point for community life in North Aurora.

As the child care facility has been successfully relocated and the Fox Valley Park District programs offered elsewhere (outside of town) the programs at a new facility may be different that at the old one.

In general facilities described as “community centers” can be found in many, but certainly not all, municipalities across the US. In some communities city halls, libraries, local YM(W)CA’s, settlement houses (like Jane Addam’s Hull House in Chicago in the 1800’s), community recreation facilities, and other civic buildings fill the role by hosting programs and activities. Some communities have what are called community schools that can be open – and busy 18 hours a day. Other communities seem to operate well without any version of a community center facility.

In some cases community centers are housed in older, often beloved, structures that come to house a changing array of programs and activities in an effort to re-purpose the structure and

house programs that are looking for a home or may have odd (evening) hours that don't fit well with facilities that are secured at night.

For North Aurora we suggest a five-step community center concept review process.

1. An in-depth review of North Aurora demographics and activity demand analysis – to better understand the composition of North Aurora. This analysis will profile North Aurora by age, interest, and likely community needs then identify where these needs are likely to be met or not. We will use up-to-date GIS coded demographic and activity interest data and get to know the community well as we seek to identify where some of the typical “community center” services are now being provided.
2. To help identify what community center services are needed and might be offered at a new North Aurora community center, we will identify 4-5 operating community centers in the greater Chicago area and benchmark the programming offered at those facilities against what is currently available to North Aurora residents. We will also collect operating budget information on these facilities and detail how they are funded. One potential source of revenue will be facility event rental. We will be sure that at least two facilities have significant event rental programs.
3. With a better understanding of what North Aurora residents have and do not have available to them we will prepare a list of what a community center in North Aurora might offer.
4. With the intent of testing this list with the community and learning more about how community services are currently provided in North Aurora, we will interview an array of community representatives, identified with the client, who are readily identifiable as community leaders or representatives of special groups like seniors, veterans, teens, pre-school aged children and others. We will also meet with organizations that are already providing North Aurora with services like the Fox Valley Park District, local sports leagues, and school district representatives. The total number of interviews is expected to be between 12 and 18.
5. The information gathered will be reviewed and evaluated with the client in a charrette-style meeting so that everyone gets a well-rounded understanding of the potential programming and operating parameters. Following that meeting, a summary memo, including a preliminary projection of what operating costs would be, will be prepared for the client along with a PowerPoint presentation. If the client wishes, we will review the report with some of the people interviewed while still a draft. A presentation to the Village of North Aurora, if desired, is included with this step.

At this point the project will proceed to a feasibility study only if the client determines that it should.

If the determination is to proceed, MFA will write up a proposal for a facility describing a preliminary development program and the array and target markets of the programs offered and test that proposed facility through the remainder of the research and analytical process.

Phase 2

3.0 Resident Market Definition and Analysis

The resident market area segments will be defined, quantified, and analyzed in a number of different ways to be sure that we identify and develop profiles of the key segments and extend the knowledge gained in Phase 1.

4.0 Evaluation of Comparable and Competitive Facilities

A panel of 5 to 7 additional comparable facilities will be profiled and evaluated – in addition to the facilities profiled in the first phase. Available information will be provided on facility characteristics, including:

- Budgets (including sources and uses of funds)
- Locational characteristics,
- Programming profiles,
- Targeted markets and their size,
- Proximity to markets,
- Major and minor elements,
- Context: all surrounding uses and any impact they have on attendance,
- Physical characteristics,
- Year opened,
- Operating season,
- Pricing,
- Attendance (in as much detail as possible),
- Contemplated changes that can be identified, and
- Other operating characteristics.

5.0 Site(s) Evaluation

The proposed site(s) – up to three - will be evaluated to determine its impact on market support. Factors to be included are:

- Proximity to resident market sectors
- Proximity to overnight accommodations
- Topography and natural amenities
- Physical limitations or constraints
- Surrounding land development

6.0 Market Support Projections

Annual market support (attendance) for programming and event space rental from each targeted market segments will be projected for the first ten years of project operations.

7.0 Financial Analysis

The financial analysis for the proposed development will be a ten year operating statement projection based on the proposed development concept, projected usage, and a recommended pricing structure and standard operating expenses for the region.

Final Report

MFA will compile a final report and PowerPoint presentation that summarizes results and conclusions. The final report can be printed, and the original electronic version will be provided to the client.

Project Budget and Timing

We have priced the first and second phases separately so that you can reach the end of phase 1 and choose to stop at that point rather than continuing on to a full feasibility that you may not want to commission after Phase 1.

The price for Phase 1 is \$15,000 and the price for phase 2 is an additional \$10,000.

As we do not know yet whether you will choose to continue through Phase 2, the budget and timing below are for Phase 1 alone.

The fee for Phase 1 is \$15,000 plus travel expenses (mileage) to meet with the client and survey the market. Three payments will be due as follows: \$6,000 with a signed contract to initiate work; \$5,000 in the fourth week of the work; and \$4,000 after delivery of the final report.

This report will take eight weeks to complete to a draft final stage and two weeks in addition after client review.

One, three, six, and nine months after we complete this work, we make pass-the-baton calls to the client to see how the project (assuming a positive finding) is progressing – and whether there are any questions about or work that we can help clarify. We have followed the development of many of our assignments in this way. We enjoy helping our clients through the planning and development into operating phases.



Proposal Execution

To execute this proposal, please sign below and return an original to Dan Martin at Market & Feasibility Advisors, LLC. The first payment of \$6,000 is due with the signed proposal.

Please note that MFA reports are prepared as advisory reports for our direct clients. We cannot and do not accept any responsibility for the use of MFA reports beyond that.

The Standard Proposal Addendum at the back of this proposal is included by this mention.

Speaking for MFA, we always look forward to the opportunity to work with you and especially on this exciting assignment. We hope to be able to help in other ways as well.

Sincerely,

Dan Martin, Managing Principal
Market Feasibility Advisors

I accept terms outlined above:

Name – Signature

Date

Name – Printed

Position/Representing _____

About Market & Feasibility Advisors

Market & Feasibility Advisors, LLC (MFA) provides data, analysis, and strategic consideration for public, private, and non-profit clients throughout the United States and overseas. MFA consultants have worked in almost every state and hundreds of communities. Working directly for clients or as a part of multi-disciplinary team, MFA prepares market, feasibility, master plan economics, impact studies and strategic plans based on realistic premises and the unique characteristics of the specific site, project, target markets, and competition.

- MFA's public sector work includes: downtown, neighborhood, and many types of economic development and urban redevelopment plans, as well as real estate and retail studies, community and parks and recreational facilities, and convention and meeting facilities.
- MFA's private sector work includes: retail, hotel and resort, and commercial entertainment, including family entertainment centers, cinemas, theme parks, attractions, and waterparks.
- MFA's cultural and non-profit sector clientele includes: performing arts facilities, zoos, historic structures and districts, aquariums, museums.

For more information please visit our website www.mfallc.com and follow us on Twitter: <http://twitter.com/MFALLC>

The logo for Market & Feasibility Advisors (MFA) consists of a stylized green graphic above the lowercase letters "mfa" in a bold, sans-serif font.

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Market & Feasibility Advisors Standard Proposal Addendum

It is understood by the client that Market & Feasibility Advisors LLC (MFA) can make no guarantees concerning the recommendations which will result from the proposed assignment, since these recommendations must be based upon facts discovered by MFA during the course of the study and those conditions existing as of the date of the report. To protect you and other clients, and to assure that the research results of MFA's work will continue to be accepted as objective and impartial by the business community, it is understood that our fee for the undertaking of this project is in no way dependent upon the specific conclusions reached or the nature of the advice given by us in our report to you.

It is agreed by the client that the report is not to be used in conjunction with any public or private offering of debt or equity securities without prior written consent.

It is further agreed that the client will indemnify MFA against any losses, claims, damages and liabilities under federal and state securities laws which may arise as a result of statements or omissions in public or private offerings of securities.

It is agreed by the client that payment for the services of MFA is due upon receipt of the invoice; that full payment is due upon receipt of the completed report; and that MFA has the right to withhold delivery of the final report pending receipt of any overdue payments.

In the event any invoice is not paid within 30 days after rendering of the invoice, it shall commence bearing interest on the date the invoice was rendered at the rate of 18 percent per annum (or such lesser rate as may be the maximum interest permissible under applicable law) and the client agrees to pay all accrued interest, together with the charges for services rendered as provided for in this agreement. In addition, should an unpaid invoice be referred to our attorneys for collection and MFA is a prevailing party in an action to collect any unpaid fee, the client agrees to pay in addition to the amount due the reasonable attorneys' fee for such work, as well as any costs of suit which may be incurred.

It is further agreed by the client that the report will be presented to third parties in its entirety and that no abstracting of the report will be made without first obtaining the permission of MFA.

It is understood by MFA that the findings of this report are the proprietary property of the client and they will not be made available to any other organization or individual without the written consent of the client.

This proposal will remain in force for a period of 60 days from the date shown hereon.