



MEMORANDUM

Date: September 13, 2011

To: The Honorable Chairman and Members
Pima County Board of Supervisors

From: C.H. Huckelberry
County Administrator

A handwritten signature in black ink, appearing to read "C.H. Huckelberry", is written over the typed name and title.

Re: **Wellness Program Expansion and Phased Assumption of the Kino Community Center by the YMCA of Southern Arizona**

For some time, the County has been in discussions with YMCA of Southern Arizona leadership regarding the establishment of a membership based YMCA at the Kino Community Center. Such is a logical progression to improve wellness and exercise opportunities for residents of the area, including the substantially expanding medical services and employment base at the Kino Campus.

We are now in a position to have a dedication and grand opening ceremony in January of 2012 to initiate a transitional period over five years wherein the YMCA will operate the YMCA Kino Community Center to not only expand their presence in southern Pima County but to also meet significant health and wellness community demands, including collaboration with Pima County and The University of Arizona in diabetes management and exercise rehabilitation. Today, under County management, the facility is open 55 hours per week. Under YMCA management, the facility will be open more than 100 hours per week; thereby, substantially increasing availability of the facility to the community.

I am attaching a copy of the August 16, 2011 letter from Dane Woll, President and CEO of the YMCA of Southern Arizona. Staff is presently developing plans to discuss the points contained in Mr. Woll's letter. None of the points are of significant concern, as the County has always anticipated a transitional operating transfer and to be responsible for capital improvements at the facility, since the facility has, and will remain, County owned.

The cost of needed capital facility improvements is in the vicinity of \$720,000. As identified by the YMCA, approximately \$500,000 is for modification to the building facilities, including a significant improvement to the public swimming pool. The pool improvements are estimated to be \$360,000, and approximately \$140,000 is for other facility improvements, including expansion of the locker rooms.

As this expanded use and transition of Kino Community Center to the YMCA is integrated with our community health and wellness plans, including a significant expansion of the Kino Medical Campus through The University of Arizona, I have authorized an expenditure

The Honorable Chairman and Members, Pima County Board of Supervisors
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up to \$500,000 for one-time capital improvements necessary for this transition, with funding being reallocated from the Pima Health System (PHS) Transition Reserve Fund. It appears the amount of the reserve can be reduced since the PHS transition is continuing smoothly without significant unanticipated costs being incurred.

As necessary, I will be asking the Board of Supervisors to authorize appropriate fund transfers to effectuate this transfer to the capital projects fund at the appropriate time.

In addition, due to the relocation of Pima Vocational High School from Kino Community Center to a leased space, an additional one-time capital expenditure of \$175,000 will be needed to facilitate the high school relocation. All other expenses, including the lease, will continue to be paid through state school revenue sharing. I will also request this transfer from the same fund at an appropriate time.

CHH/dph

Attachment

- c: Hank Atha, Deputy County Administrator for Community & Economic Development
- Jan Leshner, Deputy County Administrator for Medical and Health Services
- Tom Burke, Director, Finance and Risk Management
- Reid Spaulding, Director, Facilities Management
- Dane Woll, President and CEO, YMCA of Southern Arizona



FOR YOUTH DEVELOPMENT
FOR HEALTHY LIVING
FOR SOCIAL RESPONSIBILITY

August 16, 2011

Mr. Hank Atha
Deputy County Administrator
130 West Congress Street, 10th Floor
Tucson, Arizona 85701

Dear Mr. Atha,

The YMCA of Southern Arizona and Pima County are making plans to partner on another exciting project. In an effort to move this project forward, I have outlined some of the items my Board would like to have me discuss with you in our future negotiations:

- Confirm that Pima County will cover operating losses in years one and two.
- Suggest we split the deficit amount in years three - five.
- Agree to an operating agreement containing an out clause after year five.
- Clarify the naming rights for the Kino facility.
- Determine if County will contribute funds to renovate the expanding cardio and weight facilities?

I have enclosed information on this project including: the project timeline, the capital budget, the operating budget for year one and year two along with the proposed site plan for the YMCA Kino Community Center. I will make myself available to discuss this project with your team. Our board is very excited about this opportunity. The only concerns are how we would cover deficits to a new facility in these difficult economic times.

Thank you for your consideration of what we feel is a model collaborative project.

Sincerely,

Dane Woll
President/CEO

Timeline:

August 23, 2011

YMCA Metropolitan Board Meeting: The YMCA Finance and Properties Committees will recommend that the Board approve Dane Woll to proceed with negotiations between the Y and Pima County.

September, 2011

Negotiations: Dane Woll and the County will work to finalize the terms of the collaborative project.

September 27, 2011

YMCA Metropolitan Board Meeting: The YMCA Board will review the negotiated agreement between the YMCA and the County and determine if the YMCA will move forward with the Kino project.

Immediately following the September 27, 2011 YMCA Metropolitan Board Meeting

Construction: The Y will begin moving forward with the construction on the Kino Center. The center can remain open during construction but our major promotion will take place after completion.

January 2012

Grand Opening: A dedication ceremony will introduce the YMCA Kino Community Center to the public and the center will open for business.

Kino Performa Budget - Summarized

	Combined with Mulcahy as a Program Center Year 1	Combined with Mulcahy as a Program Center Year 2
ADMINISTRATION		
Revenue	103,573	118,161
Expense	<u>212,340</u>	<u>224,373</u>
Net	<u>(108,767)</u>	<u>(106,212)</u>
MAINTENANCE		
Revenue	29,240	30,550
Expense	<u>269,618</u>	<u>277,662</u>
Net	<u>(240,378)</u>	<u>(247,112)</u>
MEMBER SERVICES		
Revenue	428,306	627,713
Expense	<u>287,698</u>	<u>270,846</u>
Net	<u>140,608</u>	<u>356,867</u>
AFTER SCHOOL		
Revenue	200,000	220,000
Expense	<u>164,400</u>	<u>169,012</u>
Net	<u>35,600</u>	<u>50,988</u>
PRESCHOOL		
Revenue	372,000	409,200
Expense	<u>360,000</u>	<u>376,000</u>
Net	<u>12,000</u>	<u>33,200</u>
DAY CAMP		
Revenue	185,000	203,500
Expense	<u>113,328</u>	<u>120,244</u>
Net	<u>71,672</u>	<u>83,256</u>
OPERATING TOTALS		
Revenue	1,318,119	1,609,124
Expense	<u>1,407,384</u>	<u>1,438,137</u>
OPERATING NET	<u>(89,265)</u>	<u>170,987</u>
ASSESSMENTS***	218,484	265,629
DEPRECIATION*****	80,000	80,000
TOTALS		
Revenue	1,318,119	1,609,124
Expense	<u>1,705,868</u>	<u>1,783,766</u>
NET INCOME (DEFICIT)	<u>(387,749)</u>	<u>(174,642)</u>

***Assessments include:

Y-USA Fair Share, Metro Fair Share, Citywide Marketing, Maintenance Reserve, Branch Reserve, IT Reserve, and Greater Good

*****Depreciation expense is based on \$400k in capital expenditures depreciated over 5 years

YMCA - Tucson
 Capital Budget
 Branch: Kino

PHASE 1		Projected	Notes
Description	Capital Expense		
Wellness Cardio Room			
Cybox: Includes 14 cardio pieces and 12 strength installation, shipping + 1 year support	\$ 95,928	-?	
FitLinux for all cardio and strength equipment	\$ 57,681		
Gym Divider Curtain	15,000		
Structural support	\$ 1,000	Structural Engineer Needed. Existing Structure should be adequate.	
Electrical	\$ 5,000		
	\$ 21,000	PC	
Computers and Installation	\$ 7,000		
Telephone Systems	\$ 1,200		
Southwest Rooms			
Cosmetic modifications	\$ 1,000		
Flooring			
Replace carpet in meeting room	\$ 4,500		
Replace carpet in wellness center	\$ 3,700		
	\$ 8,200	PC	
Outdoor Building Logo			
Signage	\$ 25,000		
Electrical	\$ 5,000		
Y logo on building	\$ 300		
Fabricate and install (1) set of flat cut-out letters	\$ 30,300	PC	
Secure necessary sign permits, final inspections	\$ 450		
Indoor Banners	\$ 500		
Values Banners (interior)			
Fabricate & Install (4) 16' X 9' single-sided hanging banners in gym			
PHASE 1		Projected	Notes (PPC in blue)
Description	PCC NUMBERS		
Areas of focus Banners (exterior)	\$ 200		
Fabricate (4) 36" x 60" double-sided outdoor banners			
Existing Locker Rooms			
Refurbish shower heads	\$ 3,000		
Purchase larger lockers	\$ 21,000		
Refurbish toilet partitions	\$ 5,000		
	\$ 29,000	PC	
Southeast Room (cardio)		Structural Engineer should be consulted	
Remove Block wall	\$ 15,000		
Remove dry wall walls	\$ 8,000		
Repair Ceiling	\$ 3,000		
Repair Flooring	\$ 3,000		
Repaint	\$ 1,100		
Ventilation	\$ 5,000	Rebalancing; possible new VAV box	
Electrical	\$ 10,000		
	\$ 45,100	PC	
Misc.			
Licensing (Day Camp)	\$ 4,000		
Architectural	\$ 20,000		
Permits	\$ 20,000		
Contingency Funds	\$ 20,000		

Phase 1 TOTAL \$ 64,000
\$ 361,559

PHASE 2	Description	Projected PCC NUMBERS	Notes
	Swimming Pool Heater (purchase & Install)	\$ 60,000	
	Additional Pool House Westside of pool	\$ 300,000	
		\$ 360,000	
	Phase 2 TOTAL	\$ 720,000	

\$ 360,000 PC