

Downtown Wellness Center YMCA  
Strategic Planning Executive Summary  
May 2003

## **COMMUNITY**

The Downtown YMCA Wellness Center began its development in April 2001. That is when, after 18 months of studies and research, the board decided to purchase the Apple Sportsplex for a new facility and lease a smaller downtown branch. All studies indicated that there were no cost effective ways to keep the old location at 301 W. Lenawee. Possible sites for a new downtown location were looked at and proposals were accepted from landlords owning buildings downtown. After reviewing all of the options presented, the current location and lease with Stockwell Reality created the new home for the Downtown YMCA Wellness Center. After some delays construction began in September 2002 and the Wellness Center opened for business Jan. 2003.

The Downtown YMCA Wellness Center community consists primarily of the downtown work force. The work force comes from all over the greater Lansing area and even outside of that area. The current population for the downtown work force is 14,000, which is smaller than in recent years. Factors influencing this target market and its size are the recent State of MI early retirement program, State offices leaving the downtown market and vacant office space. According to a Lansing State Journal report, March 2003, the vacancy rate for office space is between 22 and 33 percent. Class A office space is less with a vacancy rate of 6 percent. Some experts have the national average at 14.6 percent. According to Leanne Stites, Executive Director of the Principle Shopping District, there are less than 500 permanent residents in our target market zone. According to a study commissioned by the YMCA of Lansing and executed by Capital Research Services (CRS, June 2002), the most common zip codes for workers in the downtown workforce are 48823 – East Lansing, 48911 – South Lansing, and 48917 – Waverly and Grand Ledge. Other demographics from the CRS survey stated that almost half, 46% of the market were between the ages of 35-49.

For the market that the Wellness Center is serving, rival services are very few. Some would include Lansing Community College, Lansing Parks and Recreation (River Trail), Sparrow Hospital, the new Curves located on South Washington Sq., and in house corporate fitness facilities. To date, the Wellness Center has no collaborations and partnerships that help support YMCA programs. Efforts are underway to establish relationships with corporate partners, Accident Fund, Foster Swift and Collins, MI Dental Corporation, to offer fitness options at their facilities and for their employees at our facility. Relationships are being sought with organizations such as Weight Watchers, physical therapy houses, and orthopedic doctors, all in an effort to enhance the personal training and fitness program.

## **FINANCIAL RESOURCES**

The current 2003 budget calls for membership dues revenue of \$461,000 (\$90,000 thru March 2003). Pro forma's for the Wellness Center show Membership revenue of: \$470,000 for 2004. Total program revenue for the 2003 budget is \$86,000. Program revenue includes personal training, massage, community participants in aerobics and specialized fitness classes.

Current assets include some of the fitness equipment, plus computers and other items used within the facilities that have been purchased. Monthly payments for leases are paid on other equipment including the washer and dryer, treadmills, bikes, steppers, free weight equipment, machine weights, lockers and saunas. All leases are 36-60 month, with a \$1 buy out. Facility occupancy cost includes monthly rent, \$12,733.00 in 2003, plus utilities and employee parking. The annual rent escalator is 3%.

To date, the Downtown YMCA Wellness Center has no annual campaign, grant funding, endowments, or United Way allocation. Grants are being written and applied for throughout 2003 and the Wellness Center will be a part of the association annual campaign in 2004.

## **MEMBERSHIP**

Through May 14, 2003, 350 new memberships have been sold. With branch five (Wellness Center) conversions and the 400 units from the Lenawee location, the current membership base is 775 units. The most common zip code area for the 775 units of membership are the East part of Lansing, 48912 – 58 units, Central Lansing, 48933 – 36 units and South Lansing, 48910 – 35 units. There are roughly 30 different zip codes among our membership base proving that the downtown workers come from a very large area to work downtown. The membership goal is 850 units by the end of 2003. The retention rate has been very good with a total of 22 cancellations through May 14<sup>th</sup>. A higher than average retention rate is assumed with our membership base. Unless members lose their job or get transferred, the Wellness Center will continue to be very convenient for them to use. An exact retention rate has not been calculated as of yet due to the 400 units coming from Lenawee have not been identified.

The CRS study states that the average household pre-tax annual income for downtown workers is: \$75,000 and over – 27%, \$50,000 to \$74,000 – 17%, and \$35,000 to \$49,999 – 16%. Education levels for the workforce polled in the CRS study: Some college – 37%, college graduate – 36%, and graduate degree – 16%. Zip code distribution of members is scattered as workers drive from all over to work in downtown Lansing.

The age range for our members is primarily between 35 and 50. There are younger students from Cooley and LCC, but the vast majority of members are business professionals working downtown. Gender for membership (primary members) is males 55% and females 45%. The CRS survey indicated the market is male – 33% and female – 67%.

The usage patterns are predictable with our prime time usage areas being 5:30 – 7:30am, 11:30am – 1:30pm, and 4:30 – 7:30pm. Members with flexible schedules are using the facility during non peak times to avoid crowded fitness and locker room facilities

## **PROGRAMS**

Wellness Center programs have been 100% adult participation to date. All of our aerobics and group exercise classes are open to community participants. Group exercise classes have been popular. Total attendance by month: January – 484, February – 603, March – 714, April – 667. Also included is massage, personal training, weights for women, functional resistance training and post physical therapy program. Teen activities such a dance, karate and exercise classes are being explored as options. There are no trends as far as growth or decline in programming after 4 months. Currently, we have no off site programming. Meetings with local corporations have been approached but no one has accepted as of yet. There are no programs receiving special funding but grants have been written for mature adult programs.

## **PEOPLE**

Volunteer participation is currently through three advisory groups for the Wellness Center. Executive and Finance – 5 people, Marketing – 3 people, Program – 3 people for a total of 11 branch volunteers. There are commitments from other volunteers for the branch Advisory Board beginning in Sept. 2003. These volunteers are helping with branch functions in the titled areas. We are looking into program volunteers for assistance in running and walking clubs based from the Wellness Center.

The staff consists of two full time employees: the Executive Director, and an administrative supervisor/aerobics director. The aerobics staff is all part time and 95% have nationally accredited certifications. The average age is 32 and they are all females with the exception of two. The fitness staff and desk staff are all part time with an average age of 25. There are two males in these groups combined and the rest are female. The total number of part time employees is 23.

Training and development for volunteers has consisted of recruitment from the membership base and acting members of the community and business world. Some have been recommended and others recruited by the Executive Director (ED). Many of the volunteers are learning right along with the ED as they work through the advisory groups and become the first branch advisory board.

Staff career development is minimal to date as there are only 2 full time employees. Salary administration is in line with the policies set forth by the YMCA of Lansing.

## **FIXED ASSETS**

The building and grounds associated with the Wellness Center consists of 10,000 sq. feet of Wellness Center featuring a fitness center, aerobics studio, lobby, various storage and maintenance rooms and two locker rooms, and a massage room. The Wellness Center is a newly renovated first floor in a downtown building occupied through a 10 year lease with Stockwell Reality. The building was designed and built out to accommodate the YMCA of Lansing's needs for the Wellness Center. There are no outdoor grounds that are associated with the lease or facility. Our maintenance investment consists of a cleaning company and supplies to maintain general cleanliness and usage of the showers and other amenities. The YMCA of Lansing has invested in some alterations that were beyond the scope of the original design. Extra floor drains, coat racks, locker hooks, and signage.

Our equipment consists of the fitness equipment and computers in the building. The landlord owns all mechanical and attached fixtures. Our computers consist of a total of three: Front desk check in and member manager, a second computer at the front desk for backup and support staff, and a third in the ED's office. There is also member maker hardware at the front desk for member identification cards.

## **DATA SOURCES**

YMCA of Metropolitan Lansing

YMCA of Metropolitan Lansing – Capital Research Services Report, June 2002

Lansing – Principle Shopping District

Downtown YMCA Wellness Center Participation Reports

Lansing State Journal – May 2001, June 2001, March 2003

Easy Analytical Software, Inc. – Census 2000

Mid-Michigan Regional Demographics Report