

Dear Mayor, Assembly and Administrator:

The Hames Wellness Center Task Force and Community Schools wish to offer an update on the Hames PE Center. This outline includes information reported to you at your June 24 meeting and gives an indication of the utilization, work being done and tasks accomplished.

As approved by the Assembly, Hames PE Center operation is funded by CBS and is under lease from Sheldon Jackson College. It has been operated by Community Schools since Nov 2007. In Spring 2008 all assets of the College were assigned to Alaska Growth Capital. Hames lease is now administered by Chilkat Services for AGC.

OPERATIONS

Activity programs for July 2008 include:

Gymnasium Open Gym
Basketball
Adult Noontime Aerobics
Ping Pong
Courts Handball
Racquet Ball
Pool Open Swim
Lessons
Therapy swim
USCG Training
Exercise Rooms
Treadmills
Cycles
Step machines
Elliptical machines
Free Weights

Community Schools Programs Administration

Pilates Studio programs (private sub-lease

Revenues from the gate only for the first six months totaled \$81,000.

Memberships May 2008 total 91

Family: 44

Single: 40

Seniors: 2

Groups: 2

Corporate: 3

Punch Cards: 226

Walk-ins

Utilization April and May from samples of daily attendance sheets:

Mon 95-121(person-visits)

Tue 105-119

Wed 82-126

Thu 83-140

Fri 64-100

Sat 32-43

Sun 9-74 FACILITY MAINTENANCE since Nov 2007 included

Remove clutter from building by volunteers
Deep cleaning of building by volunteers
Exterior clean and trim by volunteers
Lobby painting by volunteers and donated paint
Locker room painting by volunteers
Pilates Studio remodeled by tenants.

Electrical safety corrections at pool
Boiler segregation to serve Hames only by Chilkat
Roof stabilized by volunteers and Chilkat
Air handling repairs by Community Schools
Pool filter piping repaired by Chilkat

Shower drains repaired by Chilkat
(Building lease cost adjustments for down-time made by Chilkat)
Graded parking lot, CBS
Janitorial contract by CBS - Malo

LONG-TERM SUSTAINABILITY WORK

Ad-Hoc Task Force meets about once each month
Considering alternatives, Task Force recommends acquire and upgrade Hames
Deferred maintenance estimate for \$6M+, by CBS Public Works
Building structural analysis report of by Schneider Structural Engr 2/08 – Chilkat
Mechanical repair/upgrade estimates 5/08 by Schmolck Mechanical

Ketchikan Rec and Pool program report 6/08, John Stein for Community Schools
Review appraisal instructions and appraiser choice John Stein and Jim Corak
Appraisal ordered by AGC from Kim Wold and Assoc. (due 7/08)
Appraisal to value “as-is” and “as repaired” as discussed by Wold/AGC 6-25-08
Bio-fuel furnace demonstration project proposed, involving USFS project

Identify funding sources, timing, local, state and private
Provided blank comment postcards for users to Assembly

COST/REVENUE/BOND OPTIONS FOR \$10M – John Stein for Community Schools

Purchase price \$1M-\$3M?, determined by appraisal and negotiation
Insured replacement value \$7M
Deferred maintenance and rehabilitation \$6M plus, CBS-DPW
Total acquisition, rehab cost +/- \$10M
Local \$10M bond issue? Alaska Bond Bank?

Confirm CBS bonding capacity and rating
USDA-rural development loan 30 yrs 5% for up to \$25M
State legislative grant request by Assembly +/- \$5M
Rasmuson “last increment” grant application +/- \$1M
Phase rehabilitation over time to reduce front-end cost.
Purchase Hames after AGC completes repairs? Could reduce repair cost

Debt Service Estimates

Debt service sources: fees, sales tax, special sales tax, property tax
Debt service on \$10M, 30 years 5% is about \$620,000/yr
Revenue to Wellness center estimated about \$200,000/yr

Operation cost est. \$500,000/year

Operating revenue sources: fees, sales tax, special sales tax, property tax
Organization chart under development
Position titles under development
Integrate with Community Schools program and budget

PARTICIPATION IN LONG-TERM CAMPUS REDEVELOPMENT PLANNING

“The college is dead, long live the Campus”

Premise: A special intensive development planning effort may be good
Important to Hames for access, parking, lot size, future expansion area

Objectives: maximize economic and cultural benefits to Sitka, facilitate
subdivision process to satisfy SJC debt

Involved: Chilkat Services, Trustees, NPS, SSSC, Sitka Historical
Preservation Comm., Sitka Conservation Society, SJ Day Care,
Repository Group, CBS Administration, Sitka Planning Office.

END

Prepared for Hames PE Task Force through Sitka Community Schools by John Stein

Respectfully submitted

John C. Stein, Contractor to Sitka Community Schools

Copy: Task Force Members

Acronyms

AGC - Alaska Growth Capital

CBS - City and Borough of Sitka

DPW – Dept of Public Works

NPS- National Park Service Totem Park

SJ - Sheldon Jackson

SJC - Sheldon Jackson College, Board of Trustees

SSSC – Sitka Sound Science Center Inc.

Appendix

List of Task Force Participants

Appendix

Hames Task Force email list

Here's the list of folks who have been getting Hames emails.

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