



Washtenaw County Parks and Recreation Commission

MEMORANDUM

To: Washtenaw County Parks and Recreation Commission
 From: Robert L. Tetens, Director
 Date: March 12, 2013
 Re: Eastside Recreation Center Market Study

Background

In January 2012 the Commission entered into a Letter of Intent (LOI) with the City of Ypsilanti regarding the possibility of developing a community recreation center in downtown Ypsilanti. Specifically, on the western edge of the Water Street Redevelopment Area. The LOI specified an 18-month time frame for WCPARC to conduct the appropriate due diligence and secure the needed partners to complete the project.

Staff has been working diligently towards fulfilling the terms of the LOI and forging a three way partnership to advance the project - where the City provides the property, WCPARC constructs the building, and the YMCA operates the recreation center. The Ann Arbor YMCA is already invested in the Ypsilanti community through the operation of several programs and recreational opportunities year round. The YMCA also brings invaluable experience of building and operating nearly three thousand facilities in diverse urban areas around the Country.

Discussion

The YMCA conducts a detailed market study for each proposed new facility to help determine if the community can indeed support a new recreation center. A consulting firm out of Atlanta, GA, FourSquare Research, Inc., is under contract with the YMCA and has completed nearly 700 studies in recent years. Many of these studies have involved projects that are a partnership between the YMCA and local municipality.

We have received a proposal from FourSquare to conduct a comprehensive market study for the proposed Eastside Recreation Center for a fee of \$28,000 (see attached proposal). The study will take two to three months to complete.

Recommendation

I recommend that the commission authorize staff to proceed with the market study as proposed by FourSquare Research, Inc. The cost of the study will be split equally between WCPARC and the YMCA, \$14,000 each.



A Proposal for a FourSquare **Market** Study

Assessing Opportunities for A New East Washtenaw County Recreation Center in Collaboration with Ann Arbor YMCA

Presented to
Ann Arbor YMCA

January 30, 2013

Submitted by



3577 Chamblee Tucker Road
Suite A225
Atlanta, Georgia 30341
Tel: 404-888-0530
Fax: 404-881-9860
www.foursquarereseach.com





Market Research and Strategic Planning for Nonprofits Nationwide

Via Email

January 30, 2013

Diane Carr
Vice President of Program & Community Development
Ann Arbor YMCA
400 W Washington St
Ann Arbor, MI 48103

Dear Diane:

I enjoyed talking to you last week. Thank you for your interest in FourSquare Research, Inc. Based on our conversation I have developed a proposal for a FourSquare Market Study assessing opportunities for a new East Washtenaw County Recreation Center in collaboration with Ann Arbor YMCA. Please find it enclosed for your review.

Having conducted nearly 700 studies for YMCAs and nonprofit organizations throughout the United States, we are known for our comprehensive methodology, accurate data, user-friendly reporting and reliable track record.

The attached proposal outlines our experience, scope of work, research methodology, timeline, fees and schedule. If you have any questions, please do not hesitate to contact me.

Thank you for your consideration. I welcome the opportunity to work with you.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Li Li", written in a cursive style.

Li Li
Managing Partner

Enclosure

■ 3577 Chamblee Tucker Road
Suite A225
Atlanta, Georgia 30341
Tel: 404-888-0530
Fax: 404-881-9860
www.foursquareresearch.com

PROPOSAL
A FourSquare Market Study Assessing Opportunities for
A New East Washtenaw County Recreation Center in
Collaboration with Ann Arbor YMCA

COMPANY EXPERIENCE

Having conducted nearly 700 studies for YMCAs and nonprofits throughout the United States, the team at FourSquare Research, Inc. has **more experience** with this type of project than any other market research team in the nation.

We specialize in **non-profit organizations** and have worked with many YMCAs in Michigan cities, including Hastings, Pittsfield, Saginaw, Detroit, Plymouth, Monroe, Niles, and Grand Rapids.

Many of our recent projects also involve working with government entities. In the recent years, we've helped develop new facilities in collaboration between YMCAs and local municipalities and counties such as Royalton and Barberton, Ohio; Las Cruces, New Mexico; Superior and Westminster, Colorado; Jackson, Platte County, Excelsior Springs, and Sugar Creek, Missouri; and Canton, Georgia.

SCOPE OF WORK

Specifically, the study will answer the following questions:

Community Needs and Demand

- How can a new East Washtenaw County YMCA Recreation Center better meet community needs and serve the residents in the area?
- What is the demand for a new East Washtenaw County YMCA Recreation Center in the community?
- How many households will join the new YMCA recreation center during the first 12-18 months after the new YMCA is built?
- What is the potential in revenue generated from new membership units within the first 12-18 months of operation of the new YMCA recreation center? Would it be sufficient to support the operation?

Location

- How would prospective members perceive the proposed location of a new East Washtenaw County YMCA Recreation Center in Ypsilanti at 35 North Michigan Ave? Would it attract enough users?

Programming and Member Services

- Which configuration of facility features for a new East Washtenaw County YMCA Recreation Center will attract the highest number of new membership units? If the new facility is to be built in phases, which features should be included in phase I in order to attract most new membership units? These features could include, but are not limited to, the following:
 - a first-class, comprehensive fitness area with a wide variety of cardiovascular and muscle-strengthening equipment that can be segmented according to the specific needs of members
 - an indoor multipurpose field house with versatile flooring and areas for a variety of indoor sports and recreation activities as well as dividers and retractable hoops so it can be used for different types of events
 - aquatics facilities such as an indoor warm-water pool for recreation, therapeutic exercise, and instruction with water playground features, an indoor cool-water pool for lap swimming and swim teams
 - multipurpose space for community meetings such as wellness programs, weight management classes, healthy cooking classes, and testing and screening for certain health conditions
 - first-class aerobics, dance, and gymnastics studios
 - an indoor climbing wall/tower
 - activities for active older adults with fitness and recreation programs designed specifically for them
 - creatively-designed spaces for child care programs from infant care to preschool
 - a fitness, recreation, and adventure center designed and programmed specifically for youth and teen
 - facilities for summer day camps, from traditional camp with crafts and swimming to theme-based camps like water sports camp and arts camp

- What types of traditional and new services should be offered to adults of all ages, ranging from Zumba classes, cardiovascular, weight management, and exercise programs designed specifically for women, to new aquatic-based orthopedic rehabilitation services?
- What types of child care services should be offered for children? These could range from preschool to before- and after-school programs to summer camps with special themes.
- What types of programs should be offered for active seniors? These could range from fitness programs specifically designed for older adults to interest clubs such as books and cards to travel groups.

Marketplace and Pricing

- What are the demographic and psychographic profiles of prospective members?
- What is the facility's niche in the area?
- What pricing policy would be appealing to prospective members? Does the current pricing structure of the Ann Arbor YMCA work best? Or should new pricing structure be considered?

Partnerships

- Other than Washtenaw County and City of Ypsilanti, what opportunities for partnerships are present? Potential partners might include:
 - local public, private, and charter schools
 - hospitals
 - local economic development authorities
 - other non-profit organizations

Social Impact

- How can a new a new East Washtenaw County YMCA Recreation Center make the community better and improve the quality of life of the people living in it by identifying, targeting and supporting Health-seekers? Health-seekers include youth, adults, seniors, and families of all ages, who are struggling to achieve and maintain healthy lifestyle.

STAKEHOLDER AND AUDIENCES

The following stakeholders and audiences will be targeted and included in the study:

- **prospective members**, who will be identified from households in the service area that currently do not belong to a YMCA
- senior **staff** of the Ann Arbor YMCA, Washtenaw County and City of Ypsilanti
- key representatives of the **Board of Directors** of the Ann Arbor YMCA and other community representatives who are interested in expanded YMCA programs and services in the area

METHODOLOGY

We will answer these questions through both qualitative and quantitative research.

Qualitative Research

- Step 1 The Consultant will conduct secondary research to conceptualize the needs, determine the targeted survey boundaries, and audit providers of similar services. Previous research and plans will be reviewed.
- Step 2 The YMCA will designate a strategic planning team consisting of four to six members to work with the Consultant. This team will meet with the Consultant on four occasions:
- as host for focus groups with staff, board members and any potential partners (Step 3)
 - to review the proposed survey (Step 5)
 - to receive the study's initial findings (Step 8)
 - as host for the presentation of the final report (Step 9)
- Step 3 The Consultant will conduct focus group(s) with key board members and senior staff.

Quantitative Research

- Step 4 The Consultant will develop the survey instrument based on focus groups, market audits, exploratory interviews and national trends identified by the Consultant. The Consultant will field-test the instrument for the appropriateness of the questions, the chronology and the language.
- Step 5 The Consultant will review the survey instrument with the strategic planning team word-by-word, issue-by-issue as needed. While the actual survey instrument

remains proprietary to the Consultant, the design of the survey will be unique to, and approved by, the Client.

Step 6 The Consultant will conduct in-depth **telephone interviews** with a total of **600** randomly selected households that currently do not belong to a YMCA and live in the targeted survey area. Please note this is the number of interviews completed, not attempted.

Quota systems are in place to ensure the makeup of the sample mirrors that of the total population.

Data Collection, Analysis, Interpretation and Presentation

Step 7 The Consultant will collect, tabulate and analyze all findings.

Step 8 The Consultant will deliver the initial findings via conference call with the strategic planning team and discuss the presentation of the final report.

Step 9 The Consultant will present the written final report in person. The report will answer the questions set forth in this proposal, including:

- the forecasted number of households that will join a new East Washtenaw County YMCA Recreation Center
- anticipated revenue generated from annual new memberships
- specific recommendations for facility development
- specific suggestions for marketing, programming, and pricing strategies

This process will provide findings with a 95% confidence level and a statistical error of plus or minus 4.0%. It is critical to maintain such an error range, given the national average penetration of a full facility YMCA is between 4%-5% of the total number of households in the community.

Please note that the survey instrument is intellectual property owned by FourSquare Research and as such cannot be distributed outside the company under any circumstances. However, the YMCA has full ownership of the study findings and the final report and can choose to circulate it as desired.

WHY CHOOSE FOURSQUARE RESEARCH?

- **We're accurate** – We honor the laws of statistics, market research, and business planning. Because our methodology employs both quantitative and qualitative research, there is no guesswork involved.
- **We're professional and do all the work ourselves** – Our in-house staff completes all aspects of the study; we use no subcontractors or outsourced call centers, giving us total control over the entire process and ensuring the utmost quality.

- **We understand non-profits** – We have unparalleled expertise in working with non-profit organizations; our staff has over 50 years combined non-profit experience. We understand the unique challenges facing non-profits and are able to help interpret study results and provide specific recommendations on programming, pricing, facility size and key features required for optimal growth.
- **We're reliable** – Our research findings and strategic recommendations have withstood the test of time. Our clients have invested over a billion dollars based on our recommendations: not one client has ever reported our findings in error.
- **We're the most experienced** – Having conducted nearly 700 studies for YMCAs nationwide, we have more experience with this type of research than any other market research team in the nation.

SCHEDULE

Typically, this type of project takes two to three months to complete. Please see the Appendix for a sample implementation timeline.

COSTS

The total cost for the study will be \$25,000 in professional fees and \$3,000 in out-of-pocket expenses.

In addition to items outlined in the Scope of Work, the cost also includes the following:

- current and projected population trends and households characteristics by census tract
- ten (10) bound copies of the final report, as well as an Adobe Acrobat file of the report
- necessary follow-up analysis and phone consultations after the final report is delivered

In accordance with our payment procedure, 50% of the fee is due at the inception of the project. Another 25% is due upon delivery of initial findings. The remaining 25% will be billed in the final invoice. Payment is due upon receipt of invoice. A 1% per month finance charge is added to overdue accounts.

Approved by

Ann Arbor YMCA

Date

By signing, this document will serve as the contract for both parties.

APPENDIX A: SAMPLE IMPLEMENTATION TIMELINE

The following table shows a sample timeline of each step as outlined in the proposal, starting the project **mid February 2013**.

Step	Tasks	Client Involvement	Data Needed from Client	Proposed Time	Fees & Expenses
1	Secondary research	Planning Committee	Project Summary	2 weeks	50%
2	Schedule startup focus groups	Invite and schedule focus group with YMCA representatives, community leaders and any potential partners	None		
3	Official startup visit & focus groups (face-to-face meeting)	Planning Committee and focus group participants	None	mid February	
4	Survey design	Provide program prices and other related details for survey design	Program prices	2 weeks	
5	Survey review meeting (via conference call)	Planning Committee reviews and approves the survey questionnaire and survey area	None	Late February	
6	600 telephone interviews	None	None	2 weeks	
7	Data tally and analysis	None	None	1 week	
8	Initial findings via conference call	Planning Committee	None	Late March	25%
9	Final report (face-to-face meeting)	Planning Committee, focus group participants, and other community leaders	None	Late April	25%