



UNIVERSITY OF ALASKA
ANCHORAGE

FORMAL PROJECT APPROVAL

Name of Project: UAA Mat-Su Valley Center for Arts & Learning (VCAL)

Location of Project: UAA, Mat-Su Campus

Project Number: 07-0035

Date of Request: November 02, 2011

Total Project Cost: \$20,000,000

Approval Required: Board of Regents

Prior Approvals: Preliminary Project Approval February 21, 2011

Project Agreement August 22, 2011

Reference Materials:

Proposed Project Budget

Concept Drawing s

Project Agreement

Business Plan

UNIVERSITY OF ALASKA		
Project Name: MSC Valley Center for Arts & Learning		
MAU: UAA		
Building: New	Date:	August 2011
Campus: Mat-Su	Prepared by:	FP&C
Project #: 07-0035	Acct #:	512032
Total GSF Affected by Project:	30000	
PROJECT BUDGET	FPA Budget	SDA Budget
A. Professional Services		
Advance Planning, Program Development	200,000	
Consultant: Design Services	1,200,000	
Consultant: Construction Phase Services	300,000	
Consul: Extra Services (List: _____)		
Site Survey	8,500	
Soils Testing & Engineering	30,000	
Special Inspections	13,500	
Plan Review Fees / Permits	8,000	
Other		
Professional Services Subtotal	1,760,000.00	0
B. Construction		
General Construction Contract(s)	15,000,000	
Other Contractors (List: _____)		
Construction Contingency	1,500,000	
Construction Subtotal	16,500,000	0
<i>Construction Cost per GSF</i>	<i>550</i>	
C. Building Completion Activity		
Equipment	340,000	
Fixtures		
Furnishings	200,000	
Signage not in construction contract		
Move-Out Costs		
Move-In Costs		
Art	200,000	
Other (Interim Space Needs or Temp Reloc. Costs)		
OIT Support		
Maintenance Operation Support		
Building Completion Activity Subtotal	740,000	0
D. Owner Activities & Administrative Costs		
Project Plng, Staff Support	400,000	
Project Management	600,000	
Misc. Expenses: Advertising, Printing, Supplies, Etc.		
Owner Activities & Administrative Costs Subtotal	1,000,000	0
E. Total Project Cost	20,000,000	0
<i>Total Project Cost per GSF</i>	<i>666.6666667</i>	
F. Total Appropriation(s)	\$20,000,000	

EXTERIOR RENDERING - MAIN ENTRY



CONCEPT DESIGN
9-22-2011
EXTERIOR RENDERING
A-1

UAA MSC
Valley Center for Arts & Learning



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EXTERIOR RENDERING - VIEW FROM THE SOUTH: UPPER PLAZA, LOBBY, EDUCATIONAL LEVEL, AMPHITHEATER



CONCEPT DESIGN
8-22-2011
EXTERIOR RENDERING
A-2

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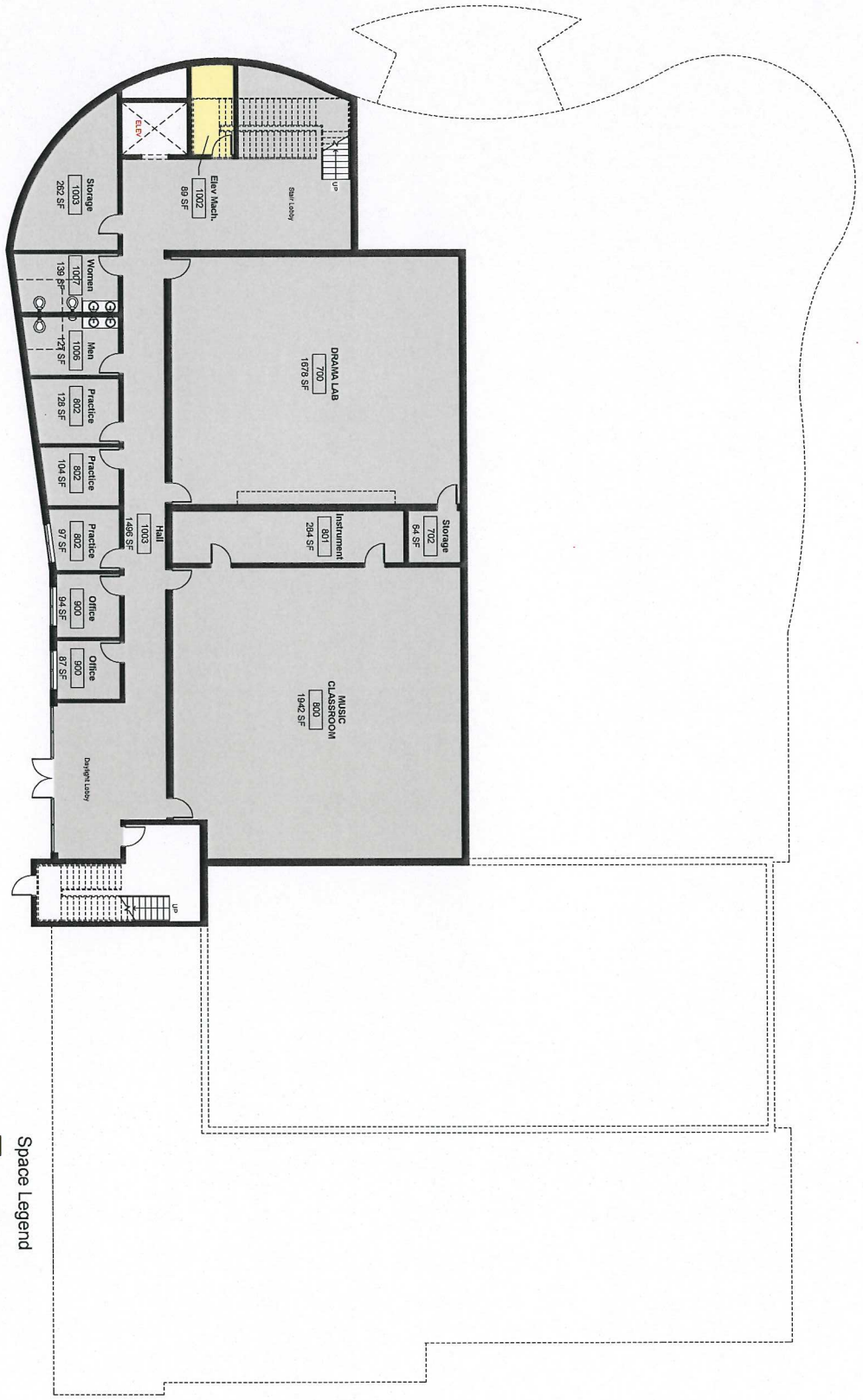
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Level 0
1/8" = 1'-0"

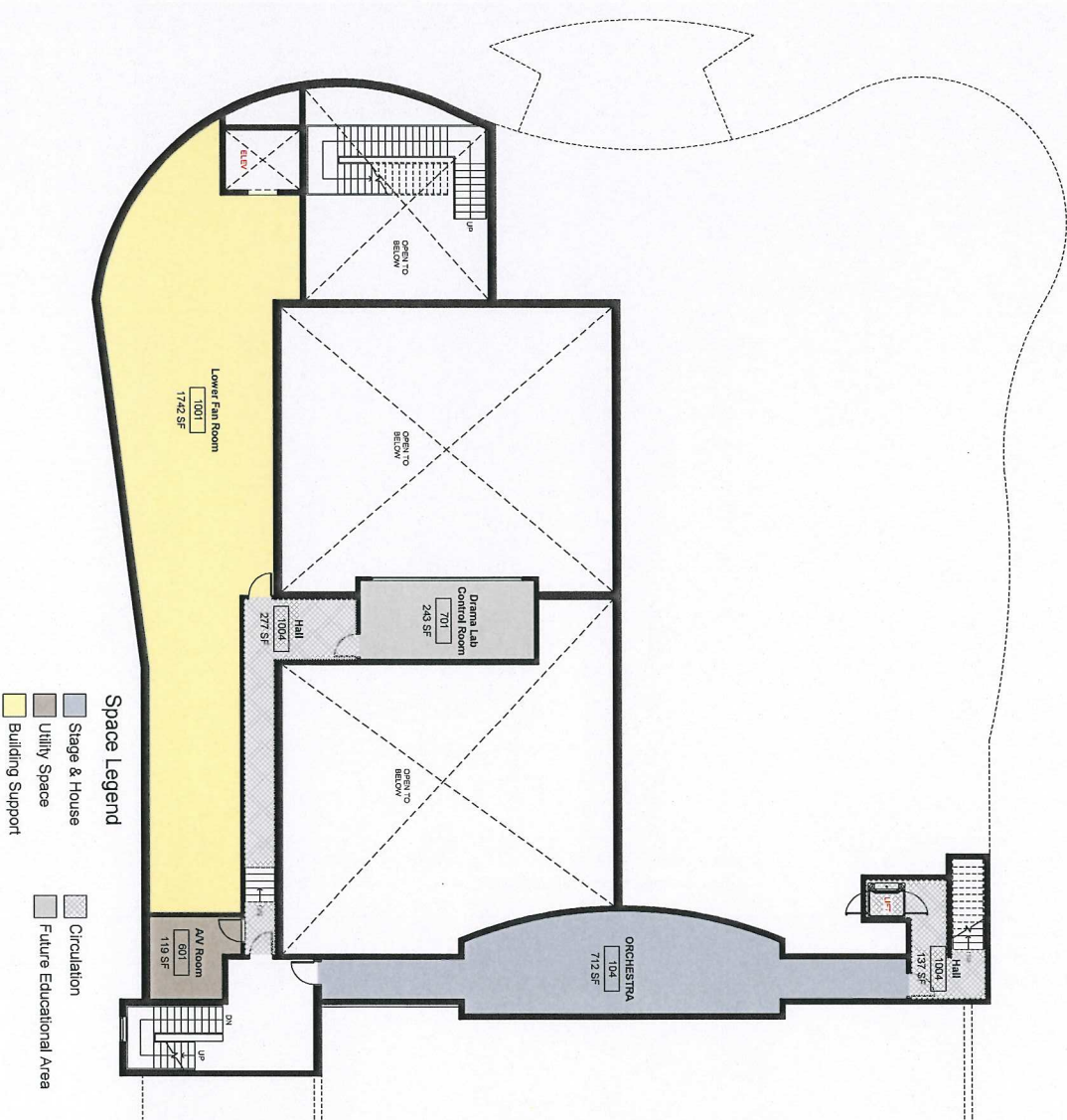


Space Legend

- Building Support
- Future Educational Area



① Lower Orchestra & Fan
1/8" = 1'-0"



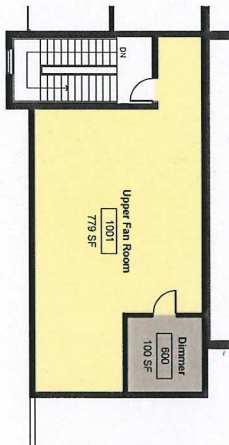
Space Legend

- Stage & House
- Utility Space
- Building Support
- Circulation
- Future Educational Area

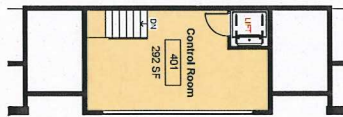
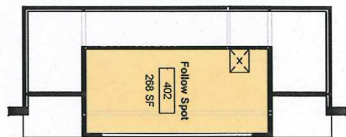
② Upper Fan Room
1/8" = 1'-0"



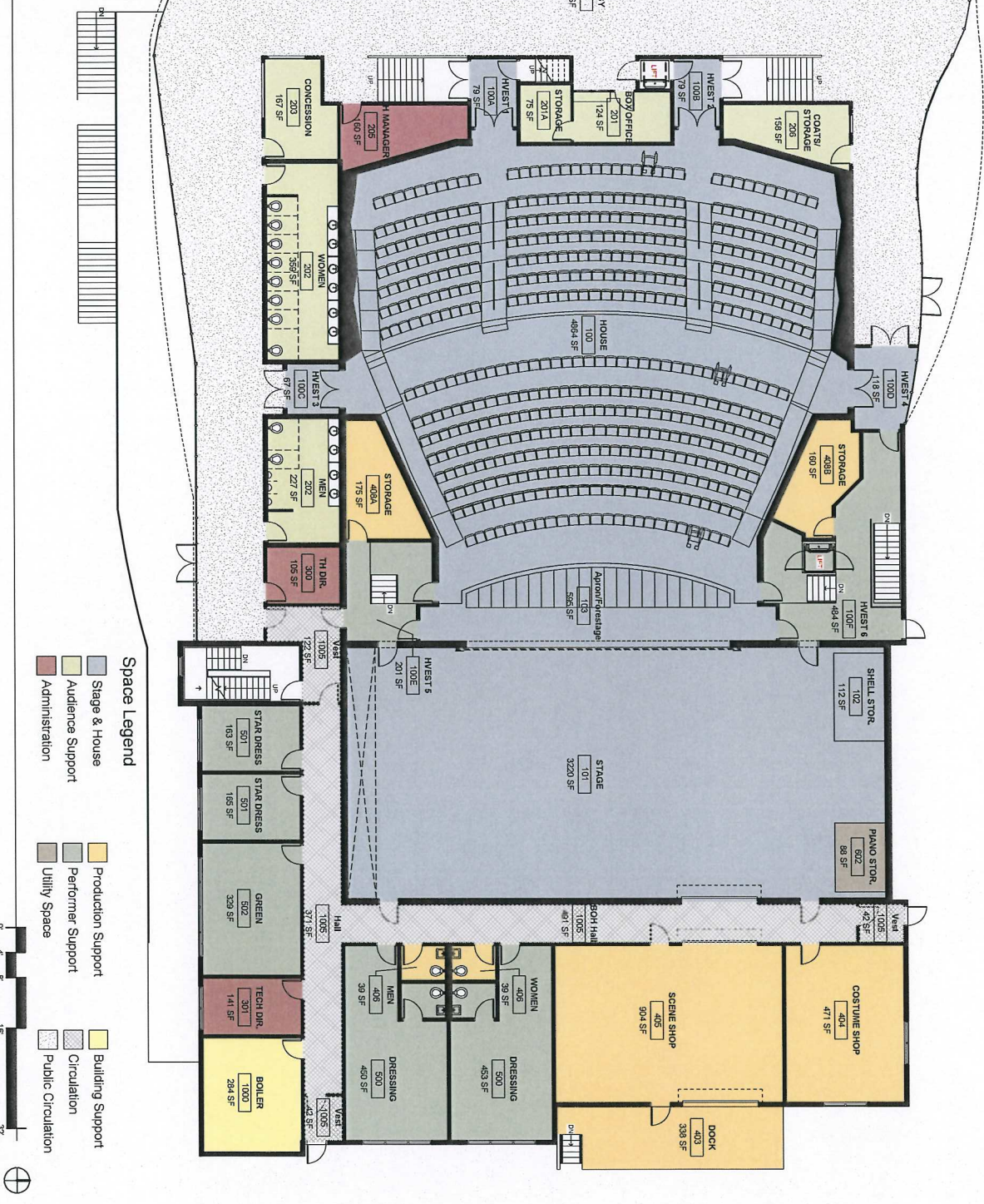
③ Control Room
1/8" = 1'-0"



④ Follow Spot
1/8" = 1'-0"



Level 1
1/8" = 1'-0"

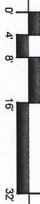
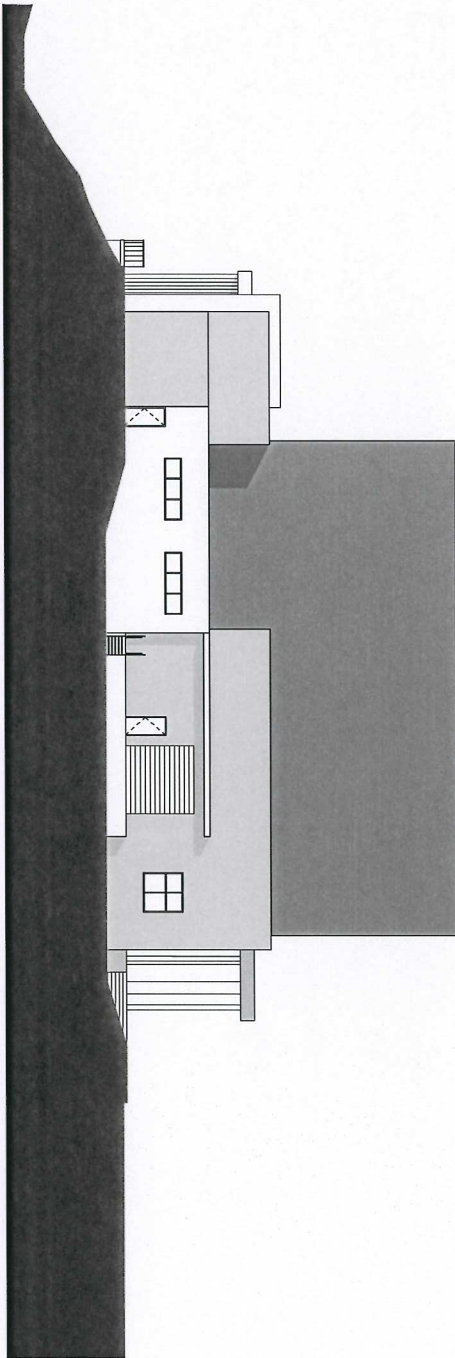


CONCEPT DESIGN
8-22-2011
FLOOR PLAN LEVEL 1
A-5

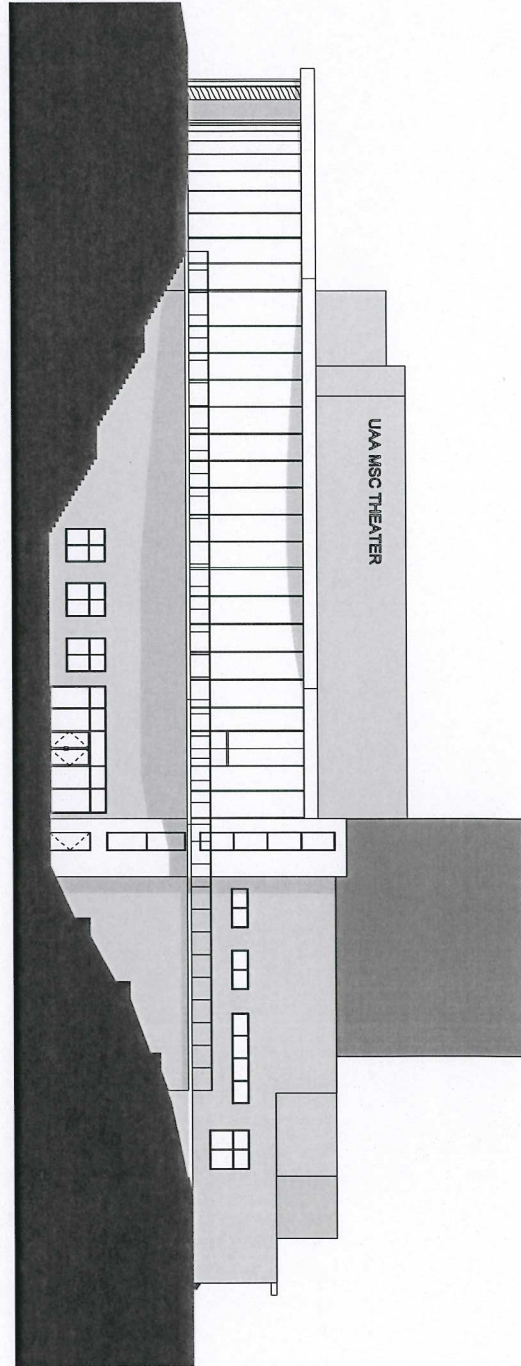
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



② East Elevation
3/32" = 1'-0"



① South Elevation
3/32" = 1'-0"



MATERIAL LEGEND

	WOOD PANEL		METAL PANEL - A
	GLASS		METAL PANEL - B
	CONCRETE PANEL		

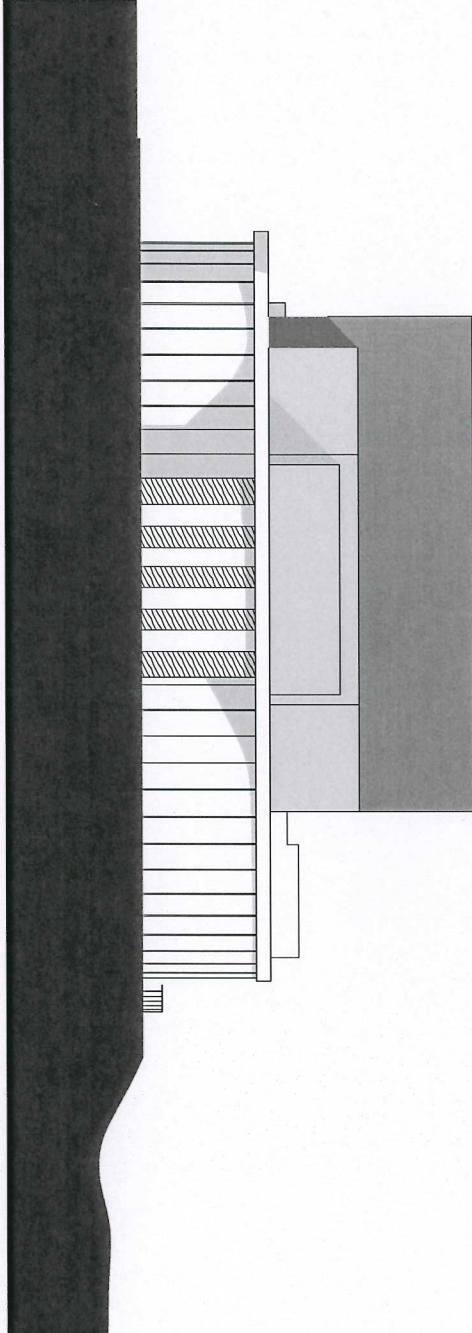
CONCEPT DESIGN
8-22-2011
EXTERIOR ELEVATIONS
A-6

UAA MSC Valley Center for Arts & Learning

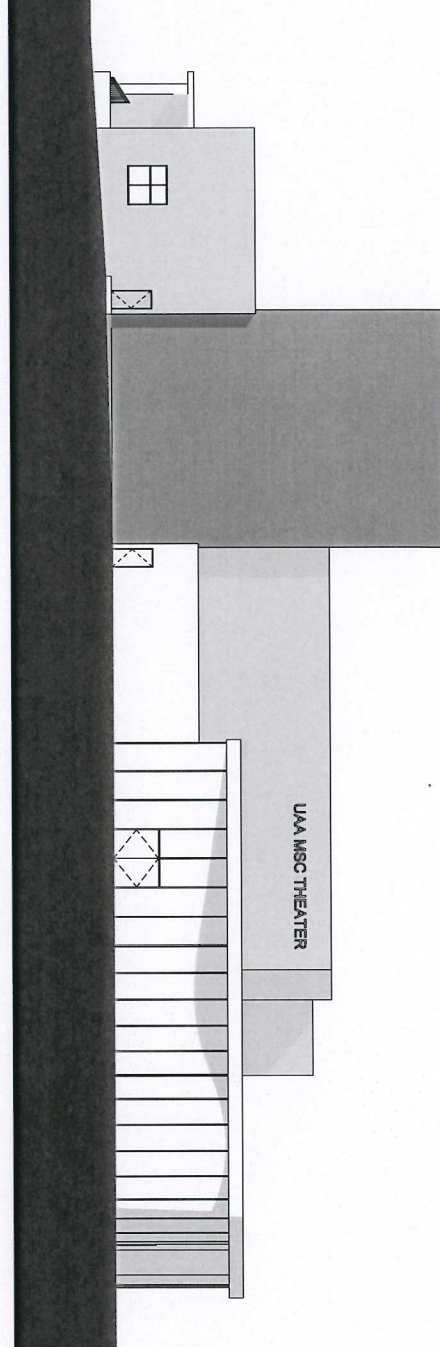


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



② West Elevation
3/32" = 1'-0"



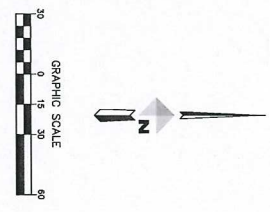
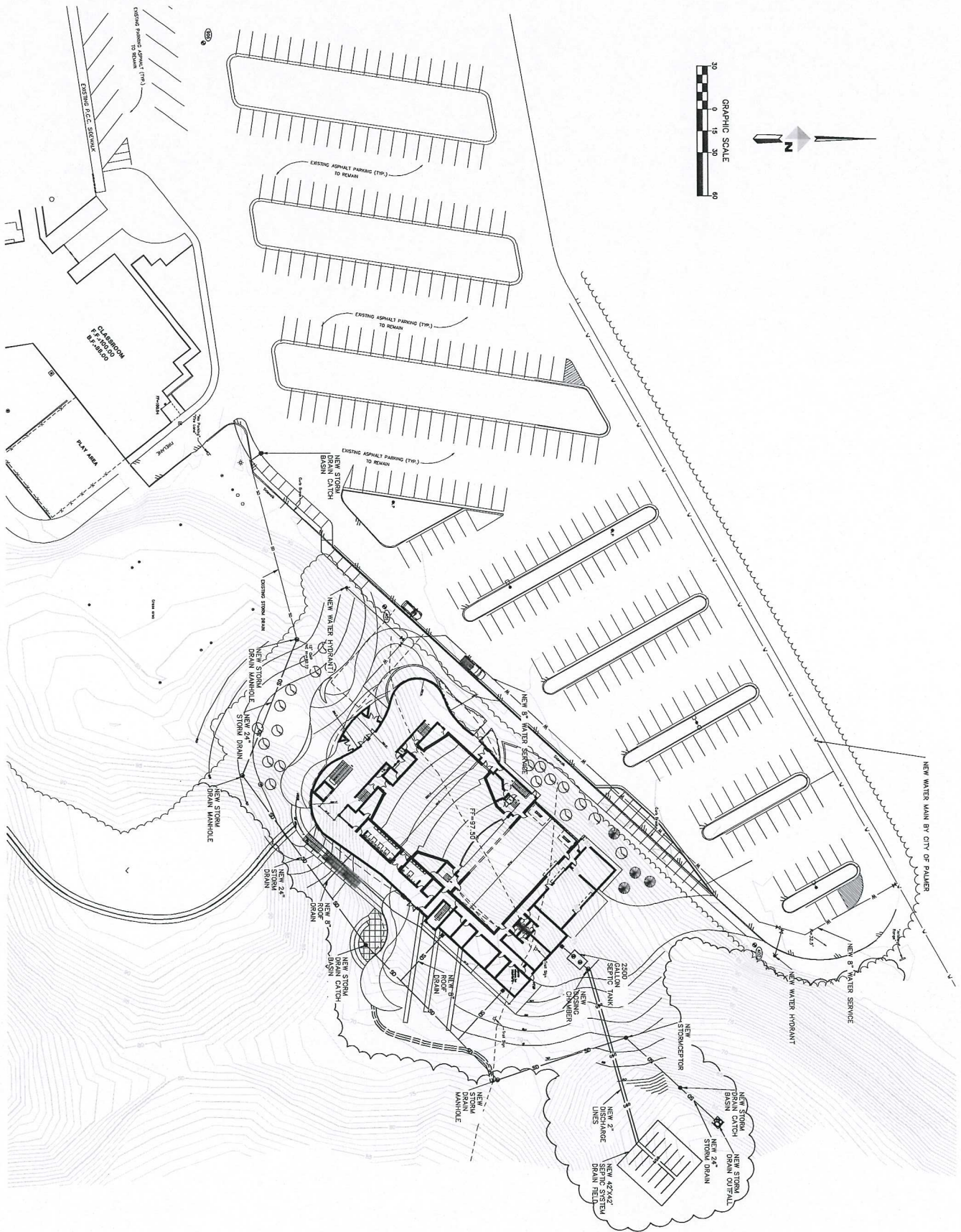
① North Elevation
3/32" = 1'-0"



MATERIAL LEGEND

	WOOD PANEL
	GLASS
	CONCRETE PANEL
	METAL PANEL - B
	METAL PANEL - A

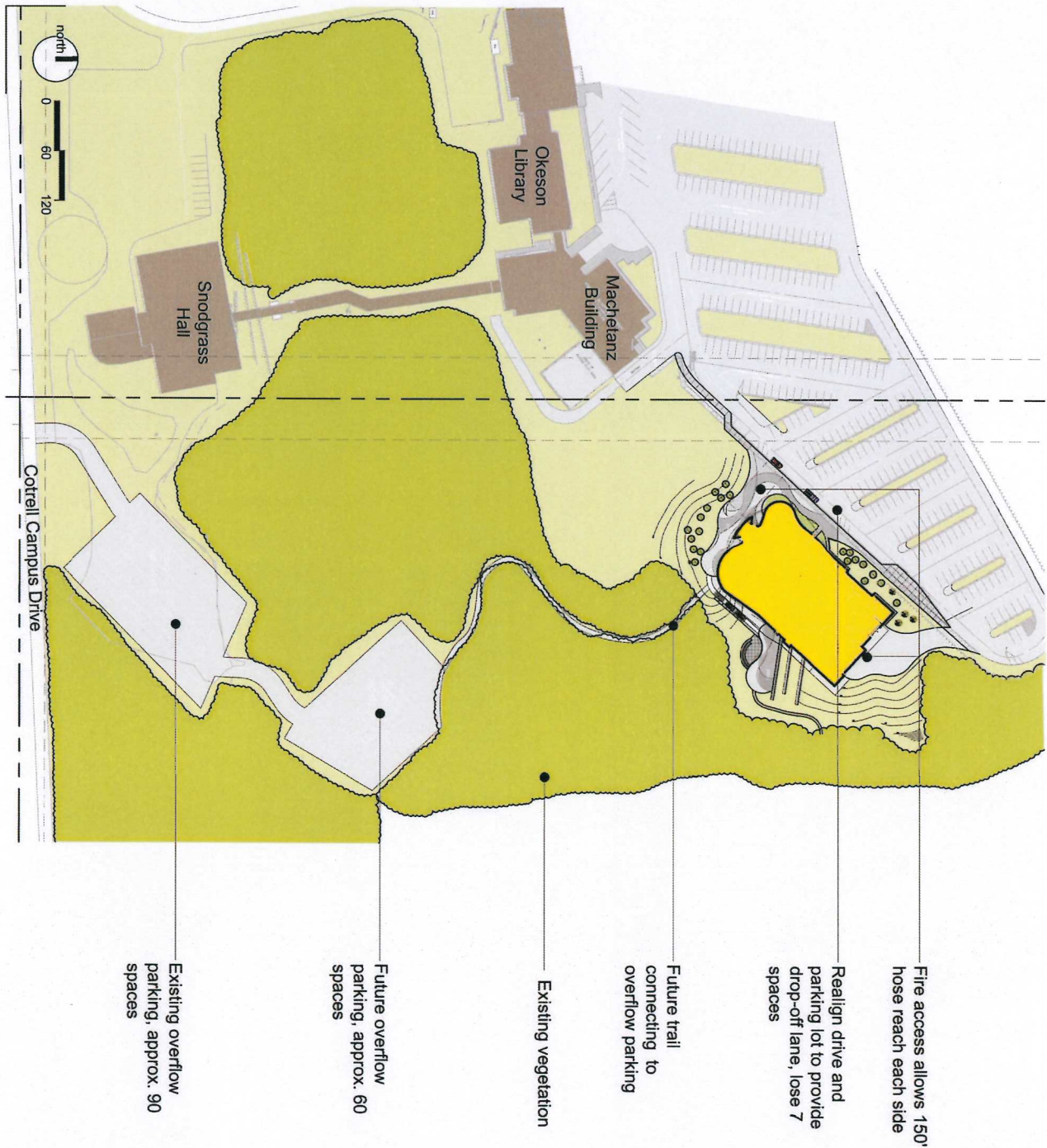




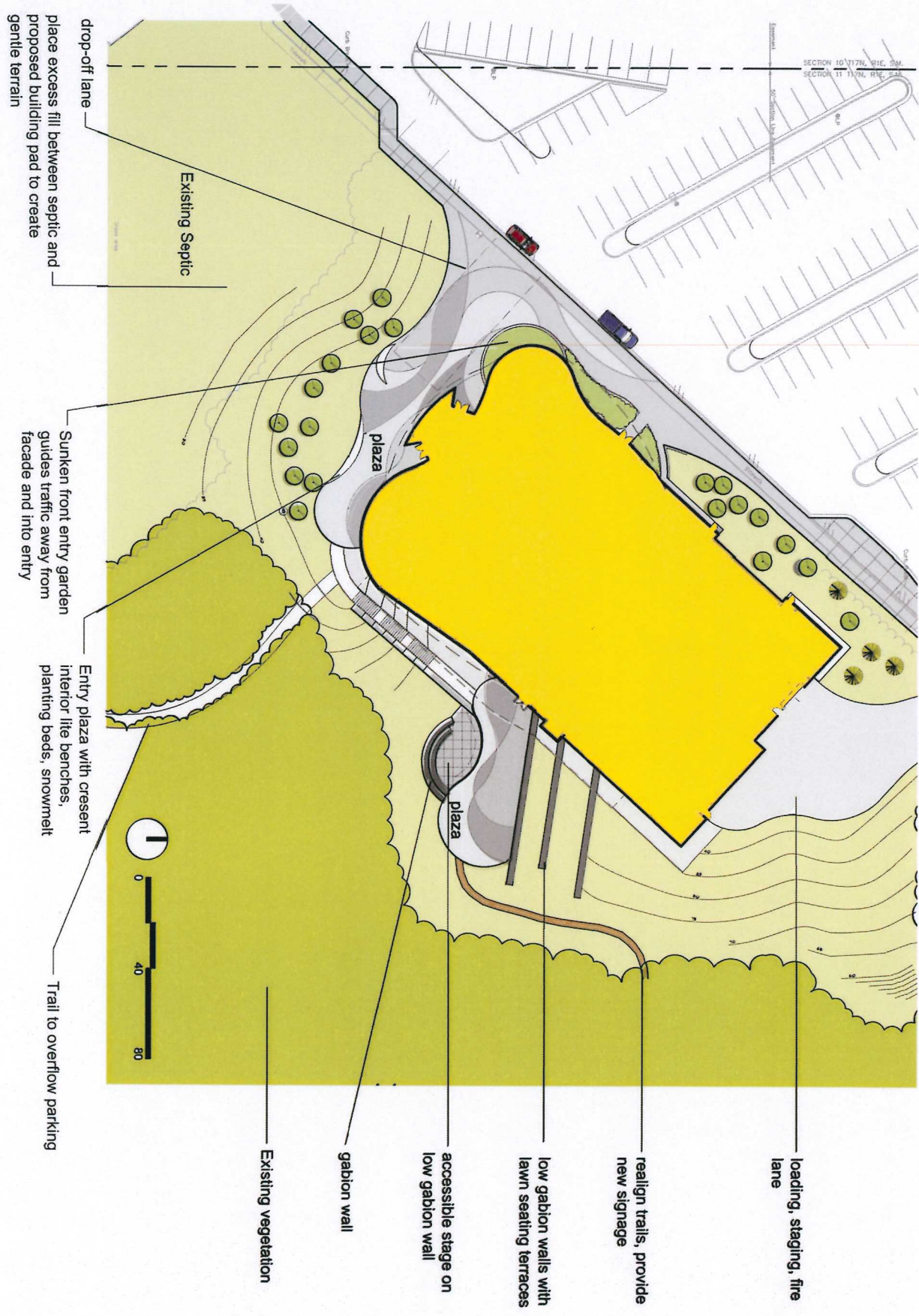
CONCEPT DESIGN
 8-22-2011
 SITE GRADING & UTILITY PLAN
 C-2

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UAA MSC
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drop-off lane
 Existing Septic
 place excess fill between septic and proposed building pad to create gentle terrain

Sunken front entry garden guides traffic away from facade and into entry

Entry plaza with crescent interior life benches, planting beds, snowmelt

Trail to overflow parking



Existing vegetation

gabion wall

accessible stage on low gabion wall

low gabion walls with lawn seating terraces

realign trails, provide new signage

loading, staging, fire lane

MATANUSKA-SUSITNA COLLEGE BUSINESS PLAN

VALLEY CENTER FOR ART AND LEARNING



September 1, 2011

(Revised October 6, 2011)

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Executive Summary

In fifty years, Matanuska-Susitna College (MSC) has evolved from a school staffed by part-time employees working in rented facilities teaching enrichment classes for part-time middle-aged students to a fixed campus, with a full array of certification and degree programs, attracting recent high school graduates and employing nearly 100 full-time faculty and staff. MSC's enrollment approaches two thousand students each semester. MSC is bustling with people eager to have a place to house active student life, and expanded music and theatre offerings, a place for lecture series, performances, large general education courses, convocations, in addition to community-partnered events. The cafeteria, atrium and library do not adequately meet the needs of over 900 full-time equivalent students. The Valley Center for Art and Learning (VCAL) will address both campus needs and university goals, and will further strengthen MSC's public square mission within the Mat-Su community. With the voters passing a GO bond to fund this project, the community has shown its support of and need for this facility on the MSC campus. While this facility supports growth and existing programs it entails no new programs.

Mission Area Analysis

Matanuska-Susitna College has been setting new attendance records with each new semester. This is a natural result of the corresponding population growth in the surrounding borough. Currently, no single room on MSC's campus can accommodate more than 120 people at one time (cafeteria). Space limitations severely hamper MSC's ability to engage large groups of students, faculty, staff and community members. Guest speakers, lectures and presentations are limited seating or must go unscheduled; theatre, music and other performance-driven courses can't be offered to the fullest extent; faculty/staff/student commencements and convocations cannot be held on campus due to lack of space; multiple sections of GER classes must be held when a larger space would allow for more student seating availability. See Appendix 1 for more detailed explanation.

The Valley Center for Art and Learning will further help to solve many of these problems and will also help MSC meet many of the goals outlined in the UA Academic Master Plan, the 2010 Campus Academic Plan and Vision, UAA's Strategic Plan 2017 and the 2008-2018 Facilities Master Plan.

Specifically:

Priority A: Strengthen and Develop the Total UAA Instructional Program (UAA 2017)

- The VCAL would allow MSC to offer music and expanded theatre classes.
- The VCAL would allow for fewer sections GER classes with a larger space allowing for more student seating availability.
- The VCAL would allow students, faculty and staff to have increased access to academic lecture series and guest speakers on a wide variety of educational topics.
- The VCAL would allow for expanded community-educational partnerships with the area medical community providing a larger space for continuing education/medical professional training in larger space.

Goal 2: Advance research, scholarship and creative activity. (UA Academic Master Plan)

Priority D: Strengthen the UAA Community. (UAA 2017)

- The VCAL would allow MSC to once again reconstitute band and chorus classes.
- The VCAL would create practice space for musicians and other performers.
- The VCAL would create a student-activity hub to build a stronger campus community through concerts, lectures, readings, performances, convocations, commencements, all-campus meetings.

Goal 3: Engage Alaskans via lifelong learning, outreach and community development. (UA Academic Master Plan)

Priority E: Expand and Enhance the Public Square. (UAA 2017)

- The VCAL would create a space for campus and community sponsored events such as: concerts, lectures, readings, theatre and musical performances, conference meetings, among many other events. Some of these uses would be revenue generating.

In 2007 and 2008, MSC hosted a series of visioning meetings regarding the potential needs and uses for a campus theater. In addition to educational and student life opportunities listed above, the committee identified other possible uses for such a venue:

- Local government meetings (i.e. Borough Assembly when a large crowd is anticipated since current borough assembly chambers are severely limited in terms of crowd capacity)
- Student government or student organization conventions
- Political forums or debates
- Dance and speech contests and or performances
- Small conference meeting opportunities
- Film festivals
- Major Academic Unit (MAU) faculty professional development conferences

A GO Bond was passed in 2010 to fund this project and it has support of the area community and its legislators.

Statement of Need

In 2006, an estimated 73,984 people resided in the borough. The Alaska Department of Labor and Workforce Development reported that in 2010 there were 88,995 people in the Matanuska-Susitna Borough. That number is projected to be 92,990 at the end of 2011.¹ The borough job market has experienced a corresponding growth rate, “which grew at 5.5 percent in the last decade, more than three times as fast as the rest of Alaska.”²

MSC’s student enrollment stood at an all-time high of 1,842 in Fall 2010, and 1,734 in Spring 2011. The 2011 enrollment records have already been shattered this fall. The head count for Matanuska-Susitna College had already reached 2,026 on August 22nd, 2011. The full-time staff numbers about 48 people. In addition, 29 full-time faculty and up to 120 part-time adjuncts teach at MSC.

Existing facilities in the Matanuska-Susitna Borough cannot meet the needs of this campus or borough for a theatre and learning center. The two largest venues for public gatherings in the borough are the Curtis Menard Sports Center (3,500 person capacity) and the Raven Hall at the Alaska State Fair (2,500

¹ Appendix 1a

² Appendix 1b

person capacity). Both are large warehouse-configuration structures that can be used for gatherings, but not performances. In addition, the borough also has several churches and high schools with large spaces, including Wasilla's First Baptist Church (500 person capacity), Colony High School Theater (300 person capacity) and the Valley Performing Arts Theater (150 person capacity). While these places are available for outside rental, they do not meet the needs for on-campus classes and events such as student orientation, campus assemblies, university guest presentations, convocations and student performances, among others. The Wasilla-based Valley Performing Arts (VPA) plans to expand its theater, but its production schedule runs from August through May of each year.

MSC currently has no place for the presentation of significant lectures or public discourse. Examples of events without ample space in the past year include:

- Joan Juster of Juster Hills Productions. More people than fire code allowed for attempted to attend event. The room was full beyond capacity.
- Congressman Don Young came to the college in February 2011. Advertizing the event required an unfortunate choice between advertizing too much, creating an audience too large for the space, and not publicizing the event enough, resulting in under-attendance. This is a dilemma that repeats itself with each distinguished guest opportunity.
- Dr. Bill Long. Once again, publicity vs. space resulted in a great program being relegated to a classroom with cautious advertizing, resulting in poor attendance.
- MSC's Machetanz Art Festival in June 2011. MSC had no venue for the large group of attendees to gather in one place.

With the addition of the VCAL to MSC's facilities, the following activities are just a few that could enrich the educational experience for our students:

- Coordinated efforts could be made to provide UAA guest speakers the opportunity to make presentations to Matanuska-Susitna Borough students and residents.
- College and/or community sponsored entertainment opportunities such as dance, music, and public debates.
- Educational, foreign, and popular film presentations and festivals.
- College assemblies.
- A student performing arts program where students could learn stage management, lighting, sound and technical systems, in addition to writing, producing and performing plays.

When complete, the VCAL will include weekday use for band, chorus, drama and large GER classes; campus meetings and assemblies. Evenings and weekends the VCAL would serve as a lecture hall or a concert and performance venue.

Statement of Requirements

This project will provide a theater with seating for 500-700 people. Operating and maintenance costs for a 500 plus seat theater were estimated by UAA Facilities and Campus Services in February, 2011, to be as follows on an annual basis:

Estimated Annual Maintenance and Operating Costs (O&M) based on the MAU model

Maintenance and Repair	\$210,000
Custodial	\$22,500
Grounds	\$17,500
Administration	\$17,500
Utilities	<u>\$65,000</u>
Total	\$332,500

*Matanuska-Susitna College will probably have several opportunities to reduce some of these estimated costs through student workers and learning opportunities. These figures are further explained in *Appendix 2* attached for "Assumptions for MSC Auditorium/Theatre Building Pro Forma".

Vision scenario: When complete, an ideal week in the life of the theater will include weekday use of a classroom for band, chorus, and drama; the intermittent scheduling of campus meetings; assembly; and evening and weekend use as a lecture hall and as a concert and performance venue. The theater will provide a place for community and student events and films. Some events would be charged for facility use.

Meeting Financial Requirements

NO Debt Service.

Personnel

Staffing requirements at a minimum entail theater manager and technician positions. UAA Facilities estimates may project a larger staff. Support staff often used in theater operations can include:

- Theater technician(s)
- Office assistant
- Maintenance

A manager and a technician are the key staff components. A manager will schedule and solicit theater uses, and a technician will make the facility operable during a technical-use period. Anchorage School District theater operations provide evidence of the successful use of a single technician for operating a standard theater during a performance. Additional technician or assistant positions could provide educational and learning opportunities for students. Maintenance would be absorbed by existing campus maintenance personnel. Accordingly, two additional full-time employees could be projected at the following estimated costs:

	Monthly	
Theater Manager	3,750.00	Estimated Grade 78
Technician	2,750.00	Estimated Grade 75
Total	6,500.00 =	78,000.00 per year

With benefits for both positions: 124,382.00 per year

Increased Semester Credit Hours and Revenue

A theater would generate student credit hours. Once again, band and music courses would be feasible components of the college offerings. When last offered, the music offerings generated fairly low SCH. However, with an actual facility for such classes, the following courses which were previously offered and discontinued could once again be offered at Matanuska-Susitna College:

- A102 Concert Chorus I
- A202 Concert Chorus II
- A045C Mat-Su Comm Chorus
- A103 Comm Band
- A045D Mat-Su Comm Band

Theater instruction, stage craft, and drama could also be added to the class offerings in support of existing general college programs.

Furthermore, basic survey courses could feature expanded enrollment to make use of the large space as a lecture hall.

Assuming new enrollment for band, chorus, drama, stage craft/technical training and a general average enrollment of 25 per class and adjunct pay offset, the net revenue from obvious new offerings would be helpful in offsetting personnel costs for the project.

Note that even from the general publicity generated to date, already local musicians and potential music instructors have enquired about both using and teaching at the new theater.

Revenue generation: Currently, the large capacity venue buildings in the Matanuska-Susitna Borough charge a variety of rates for use:

- 1) Menard Sports Center, Wasilla - \$3,500.00 per day.
- 2) Raven Hall, State Fair Grounds, Palmer – depends on event.
- 3) Comparative Anchorage, UAA Wendy Williamson - \$900.00 per performance.

The proposed theater would be able to generate revenue from some but not all of the proposed uses:

- 1) Plays
- 2) Concerts
- 3) Dance performances
- 4) Films
- 5) Lectures
- 6) Entertainment venues
- 7) Rental to outside users

- The sale of tickets for: plays, concerts, dance performances, films, lectures and entertainment could be significant.

It is estimated, based on comparable facility uses, that the rate of \$800.00 per performance was deemed reasonable, then the facility would be capable of generating the revenue necessary to offset the basic operational costs.

As a new facility, an appropriate revenue projection is to “stair step” the rentals for the first few years to build up to the forecast usage level. Based on 12 rentals per month, the facility would initially generate \$9,600 per month progressing to \$13,500 by the third year of operation. This approach will have, when combined with other projected facility revenue sources (Appendix 3), projected revenue falling \$ 36,282 short of the projected expenses but by the third and successive years we are at or above a breakeven point. A successful and aggressive marketing effort may far exceed that projection and bring the facility into a self-sustaining status earlier.

Concessions at paid events are also a revenue opportunity that will further contribute to the bottom line for facility operation. Concession revenue could be conservatively estimated at \$6,000.00+ / year.

There would also be opportunities for recharge revenue. The potential for paid parking opportunities and naming rights are not explored at this time but also options that might be appropriate in the future.

Facility Operation Plan

Matanuska-Susitna College Facilities and Maintenance will operate the building and provide preventative maintenance, custodial and trash service, landscaping, and maintenance and repair.

Utilities will be provided by Matanuska Electric Assn., Enstar Natural Gas Company, and the onsite water and sewer system although on August 9, 2011 the City of Palmer formally voted to approve (entirely at their own expense in exchange for a piece of land) to connect the college with Palmer City Water by no later than December 1, 2015.

Implementation Schedule

DESIGN:

Conceptual Design	August 22, 2011
Formal Project Approval	November 2, 2011
Schematic Design	December 2011
Schematic Design Approval	February 2012
Construction Documents	May 2012

BID & AWARD:

Advertise and Bid	May 2012
Construction Contract Award	June 2012

CONSTRUCTION:

Start of Construction	July 2012
Date of Beneficial Occupancy	July 2014

Communication/Marketing Plan

Beginning in 2013 (one year prior to occupancy), Matanuska-Susitna College will begin a major marketing effort to inform the community of the availability of the theater.

The grand opening of the theater would naturally be a major publicity event which could be featured in stages of presentation. A gala opening event will happen with receptions leading up to and following the

opening with distinguished guests and serious efforts to obtain maximum press coverage. This will be a momentous event for both the borough and the college.

A theater manager would be hired in advance to begin the process of establishing usage schedules and scheduling non-local lecturers and performers.

The Machetanz Fund (which currently has a balance of \$67,000.00) and the General Support Fund (with a balance of \$33,000.00) would be used to fund an honorarium to establish a lecture series. The lecture series would be a trial run which, under ideal circumstances, would lead to an annual lecture series which could focus on certain topics on a yearly basis.

Key Personnel/Roles and Responsibilities

UAA Administration

MSC Personnel

Talis J. Colberg, College Director

Eric Blomskog, Physical Plant Supervisor

Harlen Harmon, Director of Administrative Services

Challenges to success and mitigation planning

Program Goals:

Risk	Mitigation
Competing user group scheduling conflicts. Academic, assembly, lecture, entertainment, performance, and public square uses might compete for facility priority use.	A theater management plan and manager will be essential for prioritizing and scheduling uses.
Early visioning was heavily weighted to outside non-academic community groups which might lead to conflict about intended priority uses.	Schematic Designs will be shared with the community so they can see a sustainable facility with a seating capacity based on available construction budget and operational revenues.
Parking capacity is already a problem on campus during peak weekday periods.	A new parking lot will be necessary for the new theater. 75 spaces will be part of the program and another 50 will be added if funds allow. No Building Code requirement to add parking in this area of the Borough; if in Anchorage the space of this size would require about 125 spaces.

Design, Construction and Beneficial Occupancy:

Risk	Mitigation
Project expectations exceeding budget capacity.	Set realistic expectations for size and capacity from the beginning of the design process.
Design time delays that postpone start of construction.	Establish reasonable timelines from the beginning of the project.
Protest in the solicitation of design or construction services.	Respond to protests in a timely manner and start over promptly if necessary.
Construction estimates exceeding construction budget.	Keep design proposals aligned with completed similar projects. Seek value engineering on equipment, process, and programs to narrow construction.
Material or delivery delay.	Identify long-term and specialty needs early. Identify readily available common items.
Migratory birds land clearing.	Clear the site prior to May 1. Prepare a separate clearing contract.
Delay in cost due to design errors and omissions.	Use design review. Use third-party design reviews for problems as they arise.
Delay or failure to obtain necessary building or occupancy permits.	Engage building and fire officials in the project from the beginning to address design and construction needs of the facility.

Operational Issues:

Facility use is not sufficient to cover operating expenses, especially in first year.	Establish a facility-use schedule and manager will need time to be established. The operational budget for the college includes unallocated contingency that may be available to cover operating expenses.
Staffing during summer months might be more problematic for the student support component due to traditional decreased enrollment in the summer.	Community use may actually increase in the summer periods and, while the student body is smaller, unique opportunities in theater operations will appeal to summer student employees.

Appendix 1a

Student Head Counts	Formerly reported data			UAR DATA	UAR DATA	Opening Data			
	FY06	FY07	FY08	FY09	FY10	FY11 Up to date			
Distinct Headcount Per Academic Year	2,272	2,312	2,365	2,439	2,701	2,900			
Baseline Trends									
Student and Faculty Statistics at Fall Semester	Fall 2005	Fall 2006	Fall 2007	Fall 2008	Fall 2009	Fall 2010	Fall 2011	Fall 2012	Fall 2013
Student									
Distinct Headcount Fall Semester	1,572	1,577	1,535	1,636	1,782	1,950	2,100 *	2,184 #	2,271 #
Student Full-Time Equivalents (FTE)	705	688	697	713	818	907	939	976 #	1,015 #
Student Credit Hours (SCH)	10,579	10,323	10,461	10,699	12,271	13,609	14,088	14,651 #	15,237 #
SCH Delivered by Distance Technology	410	646	669	821	834	1,216	N/A		
Non-Credit Instruction Units	107	61	73	349	425	392	N/A		
Faculty									
Regular Unrestricted Instructional Faculty FTE	18	18	19	21	25	21	26	28	30
Faculty to Student Ratios									
Avg. Student FTE Taught by Regular Faculty FTE	39	39	37	34	41	42	N/A		
Avg. Student FTE Taught by Total Faculty FTE	14	14	15	14	18	16	N/A		
Community Context									
Regional Population	-	73,984	77,128	79,699	82,515	89,358	92,990		
Data Source: UA in Review, SW PIR									
* This is a projected figure. Total numbers will be available at the end of November. The final number is projected to be near 2,100.									
# These numbers are conservative estimates based on a 4% growth projection, even though the historical growth rate has been 4.7% over the last 5 years.									

Appendix 1b

- **Class Offerings and Sizes:** As of fall semester 2009, MSC delivered more than 12,000 Student Credit Hours with an average class size of approximately 15 students. Although class sizes have increased in recent years, the average is still below the UAA average of 17.
- **Faculty:** MSC has just over 20 Full-Time Faculty¹³ and an average of 80 adjunct professors who teach on campus in any given semester. Providing adequate office space for faculty, and a place for adjunct professors to base themselves (e.g., shared phone, computer terminals, offices for meeting students) has been an ongoing challenge. Over the past decade a number of renovations have carved offices out of less fully utilized spaces and classrooms scattered across campus. There is still additional demand.

Campus History and Regional Context

MSC originated as Palmer Community College, offering its first courses to residents of the Matanuska and Susitna Valleys in 1958. It is one of several regional colleges, formed initially under the territorial Community College Act, that over the decades have fulfilled important roles as⁷:

- “Essential human development agencies and integral parts of their communities;”
- “Cost-efficient and productive education units in the state;” and
- “Contributors to the educational and economic well-being of the state and its residents.”

Classes were originally held at Palmer High School. By 1970, as the population in the region and demand for classes grew, a decision was made to relocate the campus to somewhere between Palmer and Wasilla. In 1971 the newly formed Mat-Su Borough donated 100 acres toward locating the campus at its current site (see map 1, page 6) followed by another 180 acres in 1973. Around this time, Palmer Community College’s name was changed to Matanuska-Susitna College and initial construction began on the Jalmar Kerttula Building.

Over the subsequent two decades, ongoing phased building projects finished out the Jalmar Kerttula Building (JKB) and Okeson Library. In 1985 Snodgrass Hall was constructed and the land base of the campus was expanded when Fred and Sara Machetanz donated 230 acres to the campus, and the Mat-Su Borough donated an additional 440 acres.



MSC’s refrigeration lab in JKP was constructed in the 1970’s and is still a high demand program

In 1987, the college was changed following university system restructuring from its previous designation as a community college and became “an extended college” or satellite unit of the University of Alaska Anchorage (UAA).

During the 1990s the Fred and Sara Machetanz building was constructed followed a decade later by construction of a partially enclosed bridge to connect the Machetanz building with Snodgrass Hall. This was followed by replacement of the Ortner Warehouse in 2005.

As MSC reaches its 50th Anniversary in 2008, the college now serves nearly 1,650 students per semester in facilities totalling 102,676 square feet on its 950 acre campus.

Overall, MSC’s development reflects a regional context of growth. In the past 15 years the Matanuska-Susitna Valley has surpassed all other regions of Alaska in its rate of population and job growth.⁸ Valley growth has especially accelerated since 2000, averaging about five percent annually. Within this pattern of growth, the 25 to 40 year age group has grown faster than the overall population, reflecting the trend of families with young children moving to the area. After high school, about half of the residents in the 20-24 years age group stay in the Valley while half leave to pursue educational and career opportunities elsewhere.

In terms of how this growth relates to MSC, the college has an important role to play in serving the resident young adult population and the growing Valley job market, which grew on average 5.5 percent in the last decade, more than three times as fast as the rest of Alaska. Although there are a few other resources in the area—the Job Corps Center in Palmer, Charter College,

Appendix 2

Assumptions for MSC Auditorium/Theatre Building Pro Forma

Revenue

<u>Facilities Rental</u>	Income derived from non-college entities such as Mat-Su community events, Mat-Su Borough meetings, School District use, and others as well as fees charged to College departments and entities for use of the facility. Facility use “stair-stepped” for first 3 years – starting at 12 rentals per month and building to 16 rentals per month.
Ticket Sales	Income from MSC developed and sponsored events.
<u>Concessions</u>	Food and beverage sales during the events.
<u>Other</u>	Revenue from sources such as cleaning and damage charges.

Expenses

<u>Building expenses</u>	Based on a rate of \$7 per square foot on 30,000 square feet in 2014 and increase 2% a year. Includes maintenance, mechanical operation, utilities and custodial.
Program Expenses:	
<u>New Salaries and Wages</u>	Includes only new positions necessary to operate the auditorium/theatre. It is assumed that wages and benefits will grow 3% annually. Positions anticipated are a facility coordinator/manager and a facility technician.
<u>Contracts</u>	Includes stage and sound equipment maintenance contracts, telephone and computer services, printing, etc.
<u>Commodities</u>	Based on the pro-rate numbers from UAA Wendy Williamson auditorium, includes stage and communication equipment and parts, office supplies, etc.
<u>Equipment</u>	Assumes that new facility will not have all necessary stage, sound and other equipment. Also establishes an annual budget for R&R of this equipment.
<u>Other Expenses</u>	Incidentals not included in other categories, such as janitorial charges for extra clean up after the events.

Appendix 3

	<u>MSC Auditorium /Theatre</u>	2015	2025
<u>Revenue</u>			
Ticket sales (5% growth)		13,500	21,990
Facility Rental (3% growth)		117,600	205,217
Concessions (3% growth)		6,000	8,063
Other (3% growth)		2,000	2,688
Total Operational Revenue		139,100	237,958
<u>Expense</u>			
<u>Building Expense</u>			
Building maintenance (2% growth)		210,000	255,989
Utilities (2% growth)		65,000	79,235
Custodial (2% growth)		22,500	27,427
Administration (2% growth)		17,500	21,332
Grounds (2% growth)		17,500	21,332
Subtotal Building Expense		332,500	405,316
<u>Program Expense</u>			
New Salaries and Wages (3% growth)		124,382	167,159
Contracts/Administration (3% growth)		15,000	20,159
Commodities (3% growth)		11,500	15,755
Equipment (3% growth)		20,000	27,400
Other (3% growth)		4,500	6,165
Total Programming Expense		175,382	236,638
Income (Loss) before the Additional Revenue		(368,782)	(403,996)
<u>Additional Revenue Sources</u>			
State support for building operations (2% growth)		332,500	405,316
Net Income (Loss)		(36,282)	1,320