



LOOK TO THE FUTURE... THE FUTURE IS HERE

The Woodstock Academy Headmaster's Whitepaper Supporting the Purchase of the Hyde Campus

The Woodstock Academy is known for its cutting-edge and comprehensive educational programs, which is supported by its dedicated and outstanding staff. Yet, it is also known and understood that the future of the current program is predicated on maintaining enrollment revenue to meet the programmatic costs and the expansion/upgrading of the facilities to meet our future needs.

Based on other similar institutions, while acknowledging our history of development efforts, it will require a significant investment to be made over the next 15-20 years in many areas of our current campus, including accessing the new land purchased two years ago, to meet the necessary facility requirements to maintain enrollment revenue and our current programs. This investment includes dormitories, classroom space, auditorium, meeting space, and an additional gymnasium.

These facility needs will require a long-term commitment of fundraising and expansion which will consume the leadership efforts for years to come (fundraising, zoning, design, and construction). **The fundraising effort would require the Board of Trustees and the Administration to engage the larger community to raise anywhere between \$40 - \$60 million dollars.** Through the purchase of the entire Hyde Campus in Woodstock, The Academy would be able to accomplish most facility and expansion goals at one time, in a much more cost efficient way.

The motto of The Academy is to "Look to the Future"; this opportunity provides us the ability to meet the current and future needs of this institution. This acquisition would be one of the most significant expansions/purchases in the 215-year history of The Academy; equal to the construction of the current Academy Building in 1873 and the campus expansion opening in 1992.

Facility Realities

Currently, there are over 80 certified staff on campus, yet only a total of 60 classrooms; no teacher has a designated classroom. Each teacher must move classrooms at least 2 of the 4 blocks a day. In addition to the shortage of classrooms, many members of the staff share work spaces, or are in makeshift offices because of a lack of space. For example, the Director of Alumni Relations, the athletic department administration, the athletic trainer, and the social worker currently occupy spaces previously used as storage closets.

In addition to the shortage of classroom and office space, the current campus lacks adequate space for athletics, performances, dining, and boarding.

The occupancy of the cafeteria is currently 225 people. The school day schedule is built around five 20-minute lunch waves to accommodate adequate eating time for the total school population. Within the physical space, including the kitchen and serving area, students encounter up to a 10-minute purchasing/serving wait during their allotted 20-minute lunch.

As we all know, having only the one Field House limits the overall schedule for practices and competitions. During winter months, the facility is scheduled from 3 to 10 PM for practices and competitions. Events with high attendance (music concerts, graduation, Convocation) require the school to incur additional expenses by either renting additional seating, or moving the event to another venue. Additionally, this lack of space significantly impacts community groups in our

many sending towns due to the priority given to our athletic teams. We repeatedly are forced to deny requests from community groups to use the Field House because of the lack of space.

The current auditorium has seating for 400 individuals. While this space is adequate for class meetings or smaller presentations, it is wholly inadequate for any musical or drama performance, or a full student body assembly. While the size limits many activities, the most concerning is that all of our music performances, band or chorus, have to be held off site, either at the Hyde Cultural Center or another area high school (Plainfield High School) which can seat at least 1,000 individuals. Our music program is very popular and is a major recruitment tool for us. During the 2015-2016 School Year, at least 45% of the student body, approximately 430 students, were involved in the music program.

Currently, The Academy has approximately 100 boarding students. These students come from countries all over the world, but mainly from China. With a lack of traditional dorm space, we are significantly limited in the ability to diversify our recruitment efforts. While The Academy owns two houses it has retrofitted to hold approximately 24 students, the remaining students are in home-stays throughout our region. During the 2015-2016 School Year, 44 homes were used to house students. While adequate, this housing system is not economically efficient. It also has a negative impact on recruitment efforts in the area of diversification and impedes our ability to have a true residential life program.

New England Association of Schools and Colleges (NEASC) Recommendations

Our current facilities do not meet our current needs and student population. Based on our recent (2008) New England Association of Schools and Colleges (NEASC) accreditations, this purchase will solve problem areas on which we have been cited. Some of these recommendations have been included in the previous two 10-year cycle reports.

Three examples of their recommendations are:

- *“Increase the amount of classroom space with a focus on creating more subject-specific rooms/space.”*
- *“...address significant space issues to include classrooms and expansion of the dining commons, science labs, music areas and athletic facilities.”*
- *“The Visiting Committee recommends the board address all handicapped accessibility issues at The Academy.”*

Two buildings on our campus are not completely ADA compliant; the historic Academy Building, which is on the national historic register, was built in 1873, and the Bicentennial Building, which was built in 2001. All buildings on the Hyde Campus are ADA compliant.

Facility Needs

The Academy administration started the process of updating its long-term facility plan during the winter of 2015/2016, after discussing the master plan at both the Building & Grounds Committee and a Board of Trustee’s meeting. The first step was to poll stakeholders on our facility priorities. We started with the Board and the staff to assess their views prior to beginning the larger study. The results, below, are the top ten areas of both stake holding groups.

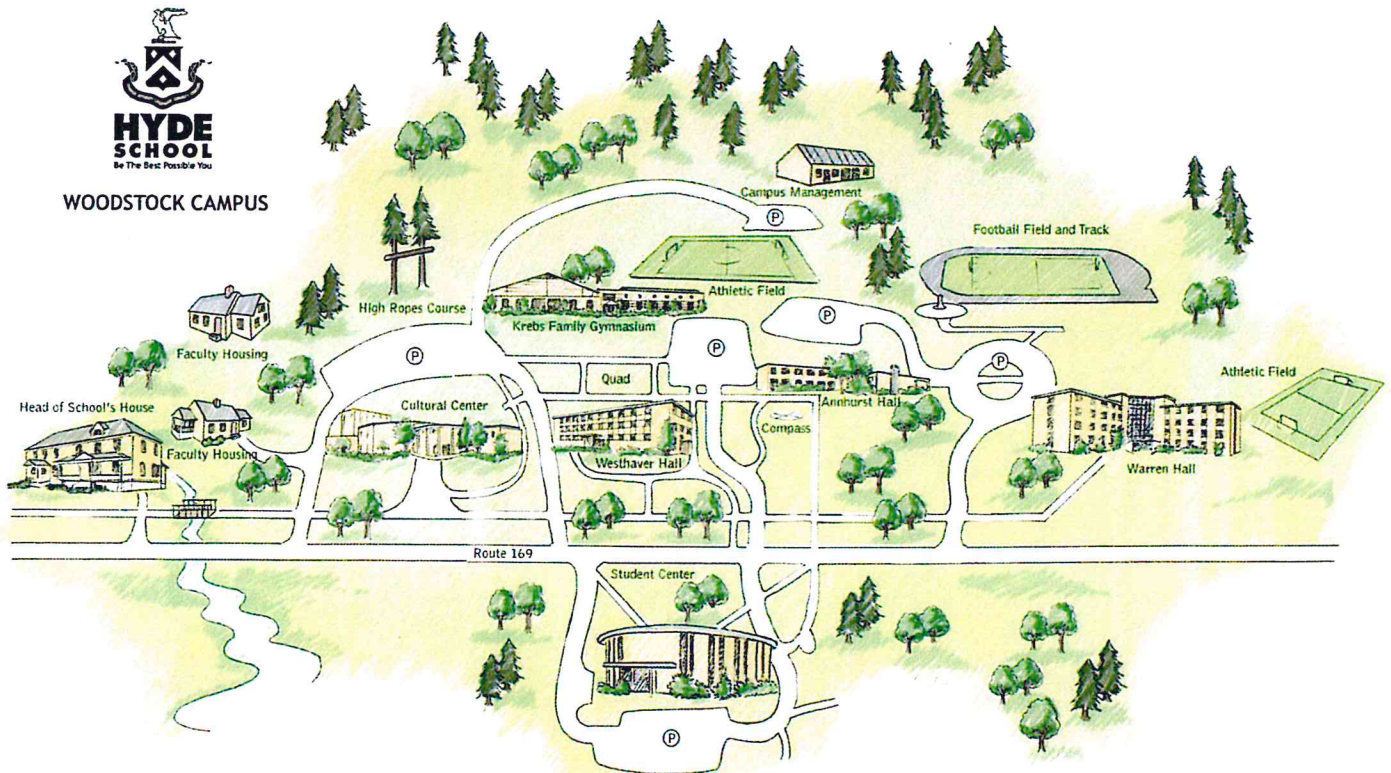
Board of Trustees	Staff
Auditorium	Auditorium
Dormitory	Additional Classrooms
Expanded Cafeteria	Expanded Cafeteria
Second Gym	Expanded Gym & Weight Room
Larger Parking Area	Additional Parking
Admissions Building	Book Storage Area
Student Center	Career Center
Health Center	Conference Room (large)
Common Area(s)	Departmental Office Space
Storage	Dormitory

Based on the facility needs, we worked with the architect and developed estimated pricing using today's construction costs. Using historical data, costs increase about 3-5% per year, so these costs would be much higher if the construction was to occur several years out. These costs also do not take into account any site work that may have to occur on the new land where several of these facility upgrades would have to be built. Based on estimates, anything built on the new land would increase the cost of the project anywhere from \$1 – 2 million.

Facility	Estimated Cost (Today)
Auditorium	\$16 Million
Dormitory (50 Students)	\$4 Million
New Field House/Locker Rooms	\$10 Million
Expanded Cafeteria	\$2 Million
Additional Classrooms (STEAM)	\$5 Million
TOTAL	\$37 Million

THE OPPORTUNITY AND PROPOSAL THE HYDE CAMPUS

The facilities on The Hyde campus meet all of our long-term facility needs. In actuality, that facility provides additional space and flexibility which goes above and beyond our current needs. Through this purchase, we will solve The Academy's facility needs. The map below details the campus and facilities which exist at Hyde.



Warren Hall	Dormitory	140 Beds and 11 faculty apartments
Krebs Family Gymnasium	Gym/Fitness Center	13,000 sq. ft. basketball court, wrestling and locker rooms, offices, cardio and fitness center.
Cultural Center	Auditorium	1018 seat theater, classrooms, atrium, offices, 74 seat lecture hall.
Westhaver Hall	Dormitory/Classrooms	92 Beds, 5 faculty apartments, classrooms, offices and large student lounge.
Student Center	Dining Facilities/Classrooms	235 Seat Dining Facility, art classrooms, offices and administrative space.
Annhurst Hall	Dormitory/Classrooms	28 beds and 2 faculty apartments, classrooms, offices, large meeting rooms and library.
2 Single Family Homes	Residential Housing	2,200 sq. ft. each, 4 bedrooms
Head of School House	Residential Housing	10,000 sq. ft. total. Single Family Home with four attached apartments.
Facilities Building	Facility Garage	6,000 sq. ft. total with a 20,000 gallon campus water system.

In addition to the above list is a turf field with an eight lane track, a pump house, and many outdoor spaces which students can access.

Main Campus	116.5 Acres
Student Center	2.75 Acres
Head of School Residence	8.3 Acres

The entire campus, including all of their holdings in Woodstock, have been appraised at \$13.8 million. This appraisal does not include all furniture, fixtures, and equipment, all of which is included in the \$14 million price. As an example, all dormitory furniture bought new, would cost us about \$500,000, and all kitchen equipment (pots and pans) would cost us about \$300,000 to replace.

The Academy contracted with GZA GeoEnvironmental (Glastonbury) to conduct an Environmental Site Assessment and an Environmental Compliance Summary of Hyde Campus. Nothing of significance was found through either assessment.

Academic & Programmatic Impact

The Academy has a long history of providing a strong core of academic courses, as well as cutting-edge, innovative, and specialized elective offerings. The success of the academic program is due to our high caliber teachers, who thrive despite the limited facilities to support their teaching and learning endeavors. Through this purchase, we would be able provide additional and improved academic spaces that support the efforts of our teachers. But just as important, this purchase would significantly increase our overall educational program, providing students and our larger community with more opportunities. We would better meet our mission as an institution.

The academic focus of the south campus would center around the humanities. Music, art, languages, English, and social studies classes would best fit the Hyde Campus facilities. The addition of 25 classroom spaces will provide each teacher his/her own classroom and create more specialized educational spaces, thereby having a significant impact on educational programming. With the additional space, specific rooms will be created on the main campus, such as a Robotics Lab, a Makers Space, and additional science laboratories will provide students with enhanced learning opportunities. **We would not need to construct the STEAM Center; we would modify current spaces which will become available through moving the music program, to provide the same new spaces in our current facilities.**

The 2.2-mile distance between campuses will require the creation of a new school schedule that provides adequate travel time between classes, as well as dedicated transportation for both students and faculty who will need to change locations between classes.

The auditorium, which is the largest in the area, would be able to house all school concerts and performances. Additionally, the space would be turned into a true cultural arts center which would allow us to host cultural events for the region. This would be both a source of revenue and provide important, positive public relations opportunities for the school.

The new gymnasium and fitness center will provide additional spaces for current physical education classes. Currently, this is the fastest growing department on campus, with approximately 20 classes and 400 students utilizing the gym space each semester.

The new gymnasium would also allow us to better integrate practices into students' busy schedules. Currently with only one gym, especially during the winter, students are practicing until 10 PM. During the winter season, there are 11 teams who are utilizing that space. This limits the ability for the local recreation departments to access the space and, for obvious reasons, does not align well with a secondary educational institution. With an additional gymnasium, we would be able to compress the practice schedule and finish practices by 7 PM at the latest, opening up space for local recreation groups and providing a better schedule for the high school students' academic priorities. We would also be able to have designated spaces for the wrestling team and cheerleaders, who currently do not have a set space. The turf field is adjacent to locker rooms, which will benefit the football and lacrosse programs. This field is also outside of the historic district; The Hyde school has historically rented lights to host night games.

The Academy cafeteria, which is limited to 250 students, requires 5 lunch waves. With an additional cafeteria, combined with moving the humanities classes to the new campus, we would be able to have students eat at both campuses. This would reduce the number of lunch waves, and provide more time for students to eat. This would also be a cost savings; by providing dinner on campus for all boarders, rather than our current method.

The dormitory space would have a significant impact on our current program, as well as a financial impact on all of our community partners. Under the current configuration, which would continue with the acquisition of this new property, the tuition rate charged to our sending towns is roughly \$1,900 less per student because of the boarding program. Through the addition of boarding space for up to 250-300 students, the financial savings to our sending town partners will only increase. With additional boarders, sending town communities will receive access to the new gymnasium, meeting spaces, the auditorium, Health Center, and classrooms without a significant impact on their tuition rate. This would save our community partners millions of dollars in the long term. The addition of dormitories will also provide the opportunity to diversify our student population to better prepare our students for the future.

This campus expansion also allows The Academy to broaden its future academic and co-curricular offerings. Specifically, it allows us to pursue post-graduate programs, as well as establish specialized programs for the learning challenged community that could be effectively integrated into our current school culture.

Community Partnerships

In addition to meeting the obvious needs of The Academy, by purchasing this campus we can continue to expand our resources to the community. Currently, Hyde Campus, as a true private school, does not always make itself available for use by the larger community. As an independent school, The Academy values and continues to look for ways to expand opportunities for collaboration. Just a few examples:

- Allowing 8th graders to attend more classes at The Academy (especially Woodstock, by walking cross the street);
- Creating some type of senior programming for our sending towns, some of which do not have a senior center and/or programming;
- The Academy has a budding collaboration with QVCC to offer courses at The Academy facilities, two this fall; and

- Summer programming, including credit recovery programs, academic enrichment, and language acquisition programs are greatly lacking in the community, and will be positively transformed with the purchase of this new property.

Admissions

Over the last three months, we have developed a comprehensive admissions plan which is based on the best practices and used by other town academies and private schools in New England. The ultimate goal would be to diversify the boarding population in terms of country and demographics, truly meeting one of the main goals of the international program when it was created over six years ago. As with any proposal, there would be short- and long-term goals related to the boarding program.

In order to expand the market and diversity, we would work to attract students from a wide variety of countries, including the United States, and local tuition students. Some of the programs would include: four-year diploma programs, one semester/year experiences, short-term exchanges, summer programs, post-graduate opportunities, and junior boarding experiences. We would develop yearly admissions goals based on the growth of the program and The Academy needs, which would be based on a budgetary dollar amount to run the program. This growth would require a larger admissions staff which would be adjusted, depending upon the yearly needs.

Short-term Steps:

- Maximize consultants and connections with whom we currently work in the international market.
- Create new connections through travel and recruitment efforts around the country/world.
- Bring in a larger number of 2nd semester students for spring 2017 (20-30).
- Recruit students from surrounding schools that close.
- Recruit and accept a larger number of grade 11 & 12 transfers for fall 2017, spring 2018, and fall 2018.
- Involve the Guidance Office with local recruitment of sending towns so admissions can focus on tuition students.
- Hire additional staff to help with international student recruitment.
- Improve and align the on-line application software.
- Maintain and monitor application database and trends.
- Hire additional staff in residential life and student programming.
- Create residential curriculum that will reflect on-campus boarding population needs.
- Ensure retention of current students through program improvement.

Long-term Steps:

- Create lasting relationships with a variety of consultants to help with recruitment of students.
- Develop relationships in developing markets: Brazil, India, Russia, Kazakhstan, Saudi Arabia, Mexico, and Venezuela.
- Create Scholarship and Financial Aid systems in order to recruit smaller markets such as Rwanda, Uganda, Botswana, Czech Republic, Italy, and Vietnam.
- Bring on a Director of Admissions along with an admissions team to recruit, travel, and increase application pool.
- Include special programming when marketing and recruiting (PG, Summer, short-term exchanges).
- Fully integrated international program – this should begin to transition to a residential life program. As the school attracts domestic students, the international students will be a part of the bigger picture.
- Fully implement a residential life curriculum that includes after school programming, short- and long-term goals, and connections to the community through a family ambassador program.

Development Opportunities

The purchase of the Hyde campus presents a number of increased opportunities for gift revenue. Initially, we will shift the capital campaign status from the quiet phase for the STEAM Center to an expanded public phase of what will essentially be a comprehensive capital campaign that would run for roughly the next two years (one year leading up to occupancy, and one year after). To date, we have secured gifts and commitments of \$359,295 toward the STEAM Center. A detailed public relations and marketing/communications plan to implement immediately upon the announcement of the sale has been constructed. As a result, we anticipate being able to transfer these commitments to the support of the new campus and/or the support of the modified plans for STEAM areas in our existing facilities.

In addition to the transfer of existing commitments, we are confident that we will bring in many new gifts. There are many donor conversations we have yet to have, and we would continue the capital campaign efforts with an expanded focus. Added to the people who are most engaged by STEAM would be those whose main interests are in the areas of athletics and the arts. Adding to what we know from the BOT and staff surveys, the planning and feasibility study completed 14 months ago told us there is great interest in facilities for the arts and athletics. This project has something for everyone on the giving spectrum. This will be a non-traditional capital campaign, but one that will be kick started by this extraordinary opportunity.

There will also be a new and unique opportunity, particularly in the naming of specific areas. Even though these buildings are not new, they are “new to The Academy”, and will provide a great deal of excitement to donors interested in a wide range of philanthropic opportunities ranging from athletics, to the performing arts, to student life, and academics.

Many of the spaces on the Hyde campus have already been named. As we would be the new owners, we would have the opportunity to rename them. It is possible that some of the original donors may want to continue to be recognized in the spaces that were named for them. Where appropriate, we will make attempts to connect with them to see if they have an interest in funding the continued naming of these spaces.

As we look a couple years down the road, and beyond, the capital campaign, and as we continue to enhance the advancement culture we’re building, there will be an increased opportunity for ongoing and future annual and capital support from an expanded number of boarding student families – potentially 250-300 families. While we have only just begun our focus on international development, we have experienced success with both annual and capital gifts. An expanded and diversified boarding population creates greater opportunities for future gift revenue. This is true for boarding families, as well as additional local tuition families who may now be more attracted to The Academy as a result of our enhanced campus and programmatic opportunities. As we will be greatly enhancing both the boarding and advancement cultures simultaneously, these two programs will work closely with each other, sharing contacts and maximizing revenue opportunities.

The new campus creates a number of engagement opportunities for alumni and community members. Whether they may send their children or grandchildren to a summer program, attend a sporting event, a concert or theater performance, hold a meeting for their class, company, or organization, or attend a reunion, the new campus provides opportunities to be more present at The Academy on a regular basis. Enhanced engagement leads to enhanced investment. Over time, this will yield additional scholarship opportunities, gifts to the endowment, as well as annual and capital gifts.

Funding/Revenue

Two funding sources were investigated. This first was Commercial Financing. At the time this was written, the commercial mortgage interest rates were running around 4%. The commercial loan would be adjustable every five years and would have a term of either 20 or 30 years. The second was funding through the US Department of Agriculture (USDA). At the time of this paper being written, the interest rates were at 2.75%. As with other loans we have through the USDA, it is a fixed rate for 40 years and there is no pre-payment penalty.

It is the recommendation of the Administration to access funding through the USDA (15 Million).

In addition to the financing, the Administration would work with the Finance Committee to leverage some of our current and/or newly acquired property. Based on our assumptions, and in some cases appraisals, we would be able to sell the homes we own for the following:

Property	Projected Sale Price
Putnam Dorm (Church Street)	\$500,000
500 Route 169	\$350,000
599 Route 169	\$400,000
219 Route 169	\$200,000
207 Route 169	\$200,000
TOTAL:	\$1.65 Million

Under the proposal to purchase at the price of \$14 million, we would add roughly \$600,000 to the debt service. This amount, plus the operating costs associated with the property, would be primarily funded by the boarding population and would allow us to add between \$8 and \$10 million in boarding revenue. With the new campus containing a Cultural Arts Center and Gymnasium which would be used by all the students, boarding or day students, we propose adding a \$175 charge to each student's tuition to cover the cost of some of the operating expenses. This charge mirrors that of the STEAM Center that was already approved. This would raise about \$150,000 toward the yearly cost of the new campus; basically, current students would pay about 25% of the debt service and the boarding population would cover the remaining debt and the operating costs of new campus.

A copy of the proposed budget is attached to this Whitepaper.

WOODSTOCK ACADEMY
PROFORMA PRIVATE BOARDING BUDGET SUMMARY

PROGRAM REVENUE	<u>14 MM</u>
TOTAL PROGRAM REVENUE	\$9,500,000
PROGRAM EXPENDITURES	
SALARIES	\$1,250,000
BENEFITS	\$287,500
INSTRUCTION	\$100,000
AGENCY FEES	\$900,000
HOME STAY FEES	\$0
RESIDENCE FOOD EXPENSE	\$0
CAFÉ FOOD EXPENSE	\$2,194,000
FACILITIES	\$2,400,000
EQUIPMENT	\$200,000
RESERVE	\$613,500
TRANSPORTATION	\$75,000
UTILITIES	\$450,000
STUDENT INSURANCE	\$175,000
PROMOTION/MARKETING	\$100,000
OFFICE EXPENSES	\$35,000
CONFERENCES/TRAVEL	\$100,000
PROFESSIONAL DEVELOPMENT	\$20,000
DEBT SERVICE	\$600,000
TOTAL PROGRAM EXPENDITURES	\$9,500,000
TOTAL EXPENDITURES	\$9,500,000