

Arena Capital Plan

Community Services
Parks, Recreation & Culture

May 9, 2019



What are we doing now?

Arenas

Single Pad

- | | |
|-----------------|----------------|
| • Bobcaygeon | Emily/Omemee |
| • Fenelon Falls | Little Britain |
| • Manvers | Oakwood |
| • Ops | Woodville |

Twin Pad

- Lindsay Recreation Complex

Current Facility Status

Current Scenario

The current facilities all have some infrastructure past Life Cycle. Staff have reviewed costing needs and based on needs and funding availability recommendation is to maintain and budget for current and status quo and incorporate replacements into the next 10 year Financial Asset Management Cycle.

Financial Implications

Current gap between revenues and expenses for in scope arenas is approximately \$125,000 per facility, reduced from \$135,000 per facility in 2016.

Recent Action

Council may recall that on January 27, 2015, staff report PRC 2015-004 was endorsed by Council which increased ice rates by 10%. This was successful in raising the recovery rate cost for our ice pad operations and somewhat minimizing the gap between revenues and expenses.

On December 13, 2016, Council adopted the following resolutions from Report PRC2016-011, **Costing Analysis - Arena Rationalization Strategy**:

- That the decision that municipal ice pads be reduced from a total of ten (10) ice pads to eight (8) be put on hold indefinitely;
- That the Mayor establish a working group including two Councillors appointed by the Mayor to seek input from each community that currently has a community centre to provide input on the issues from a community perspective relating to operations of Community Centres;
- That the working group invite representatives from the Manvers Community to develop a Business Plan for the operation of the Manvers Community Centre that can possibly be used as a template for use in other areas of the City with the report to be completed and presented to Council by the end of Q3 2017.

Recent Action Continued

On July 11, 2017, Council received Report Mayor 2017-001, **Arenas Working Group – Update** while adopting the following resolutions:

- That the general guidelines attached as Appendix A, for various volunteer advisory groups to assist staff with various arena initiatives and provide input, be endorsed;
- That the general guidelines be made available to any other volunteer advisory group interested in assisting with their local arena operations;
- That Staff, the Arenas Working Group and the Arena User Groups continue to work together to reduce the city wide annual operating deficit for arena facilities, with a staff report back on operational savings and efficiencies following the 2018-19 arena season; and
- That Staff and the Arenas Working Group develop a long term Capital Plan for Arena facilities, and provide Council with recommendations and options in Q3, 2017.

Most recently at the Council Meeting of September 12, 2017 Council received Report Mayor 2017-002, Arena Capital Plan with the following resolutions:

- That the Manvers, Bobcaygeon, Fenelon Falls, Lindsay, and Woodville arena facilities be maintained as required for operations;
- That the Ops arena facility be scheduled for a complete refurbishment;
- That a new arena complex be explored in the Oakwood/Little Britain area, with the goal of combining the two existing facilities;
- That a new arena complex be explored in the Village of Omemee to replace the existing Emily/Omemee complex; and
- That staff report back by 2nd quarter of 2018 on the implementation and budget requirements for all actions above.

Arena Feasibility Study

In 2007/8 the City completed an Arena Feasibility Study. This document has been used to develop Policy, review rates/fees, and build capital budget requirements. It also built a business plan for the provision of Arena Services moving forward for the City of Kawartha Lakes. This study provided options on the number of ice pads to be operated.

The purpose of the arena assessment was:

To determine the need for ice surfaces now and in the future. This assessment considered population growth and change; the current supply and use of ice surfaces; any unmet demand for ice; and the possible demand for ice originating outside of the City.

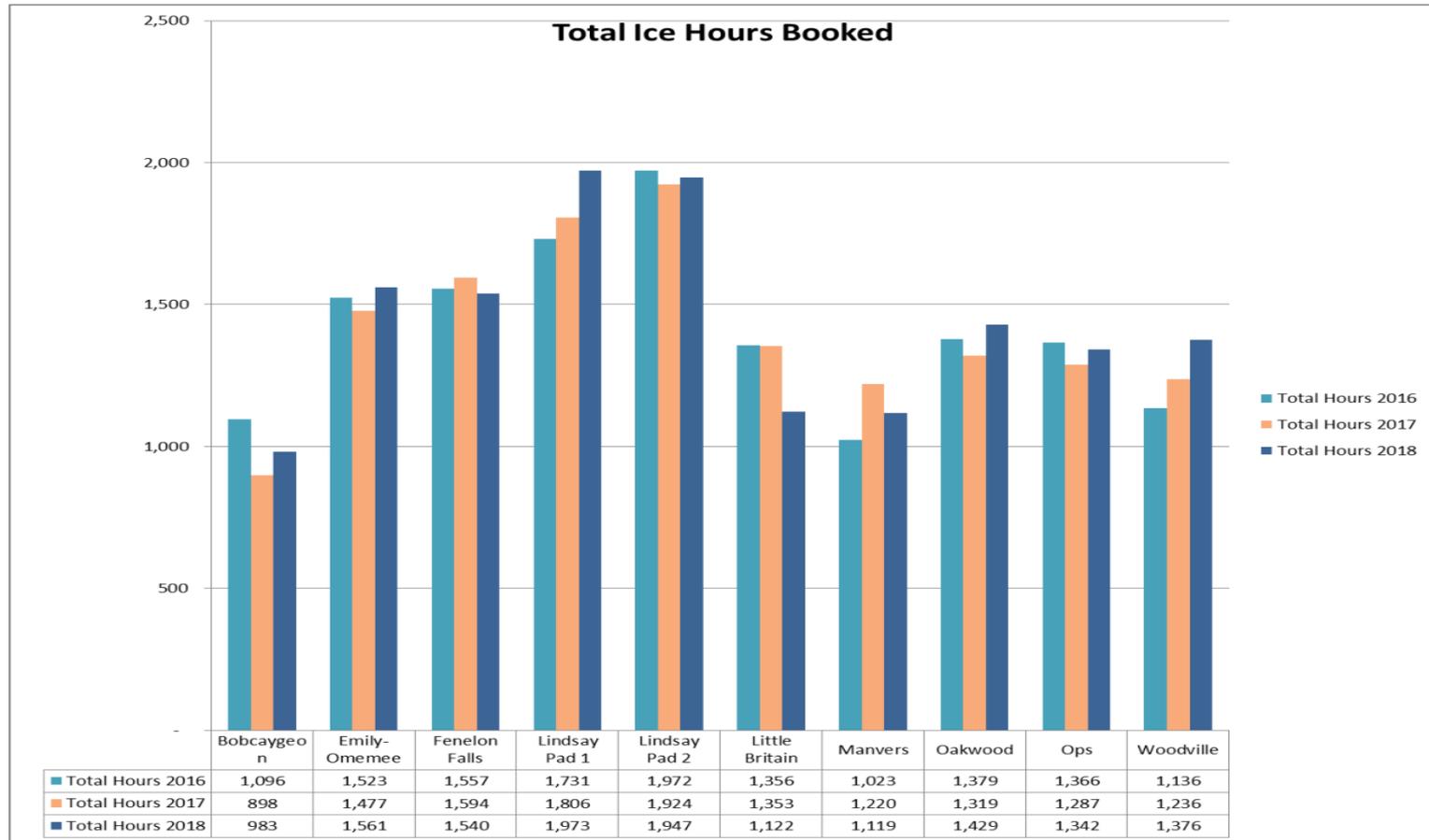
A review of Prime Time ice usage has been/was completed. In 2007/8 the usage represented a need for 7.4 ice pads based on total ice usage and available Prime Time Ice. Currently, a total of 7.6 ice surfaces is required to accommodate current needs.

Some users may be unwilling to use hours that they have requested at arenas at less desirable times or locations, therefore it is reasonable to assume that current demand may not translate (remain the same) with a reduction in arena locations.

Arena Feasibility Study Continued

- It is recognized that arenas play a variety of recreational and social roles in the communities where they are located and even if ice is not used to capacity, facilities may be retained to meet other community needs or support other social community objectives.
- The Feasibility study reviewed the following questions;
 - Is it possible to increase the use of Kawartha Lakes arenas by attracting more residents or non-residents? Is there a potential for non-resident tournaments to be hosted in Kawartha Lakes? Is it possible to operate the existing arenas in a more cost-effective manner?
- And determined;
 - Analysis indicates existing ice surfaces are under-utilized and there is limited unmet demand in the local or regional market. Kawartha Lakes would be at a significant disadvantage relative to other municipalities if competing for major tournaments and any success in this regard would displace local prime time users with little impact therefore on achieving greater overall use of arenas. Current arenas are operated in a very efficient manner and there is no indication that they could be operated at less cost.

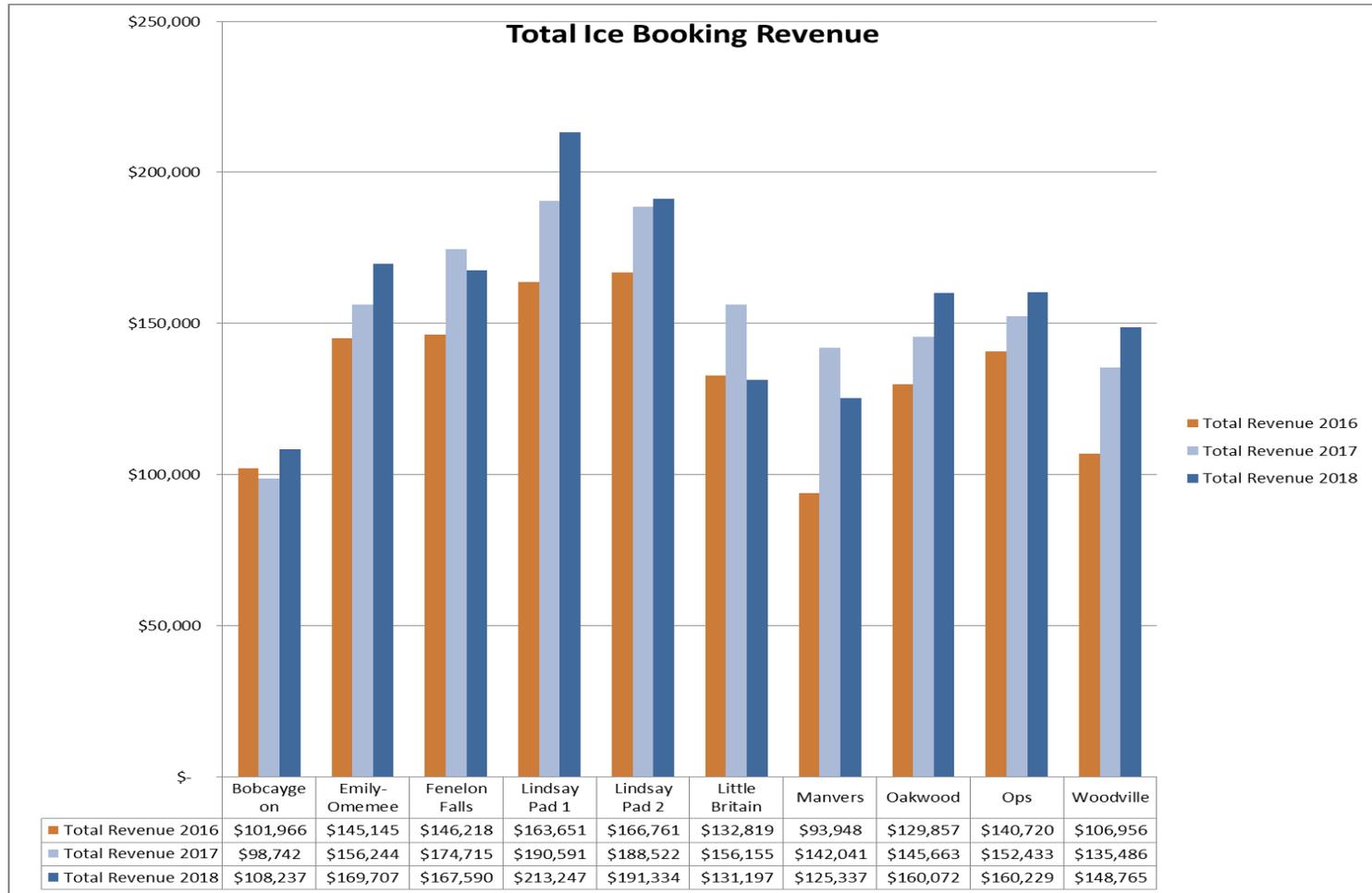
Historic Demand



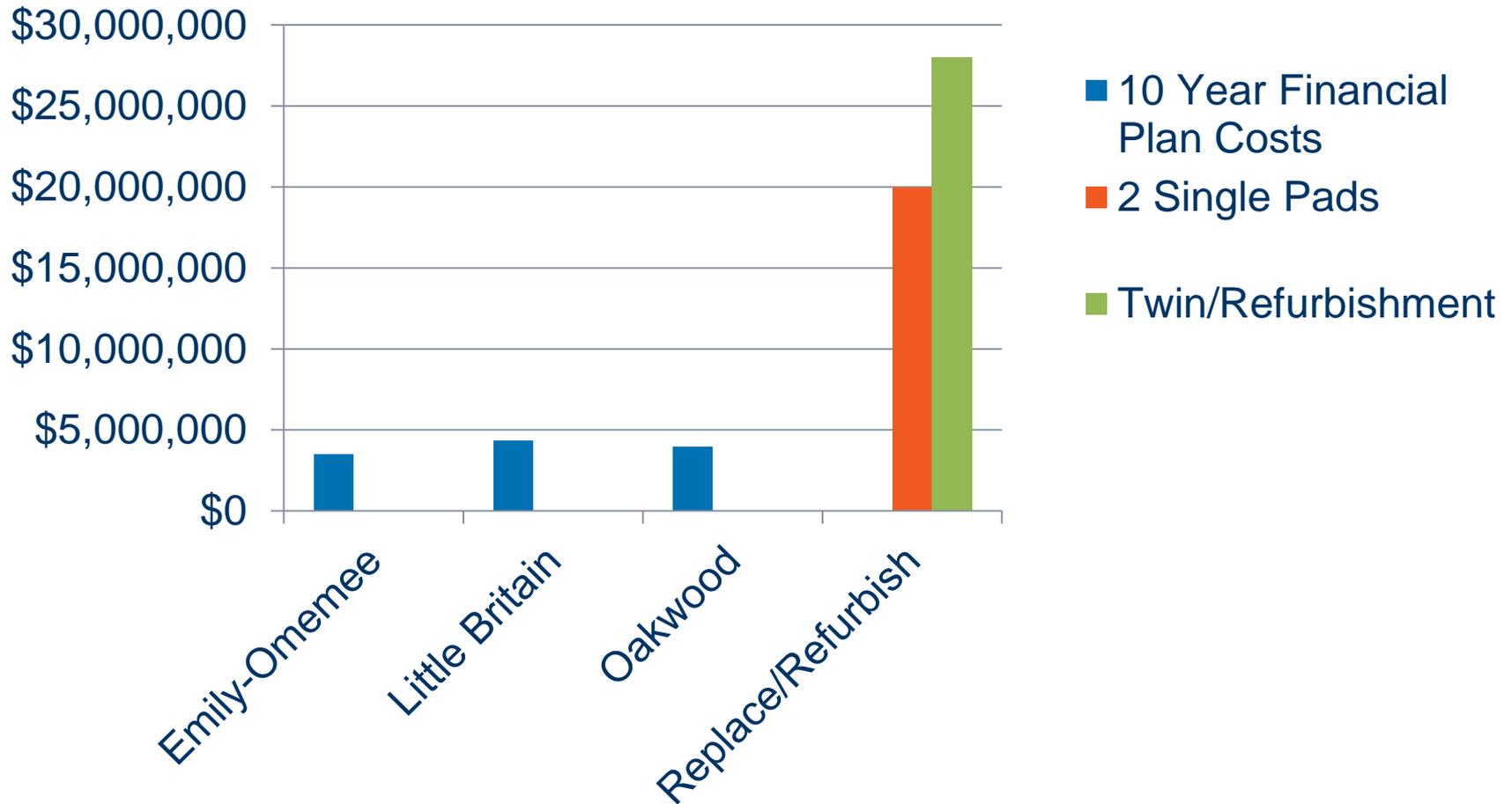
Prime Time Ice Percentage of Use

	Bobcaygeon	Emily Omemee	Fenelon Falls	Little Britain	Manvers	Oakwood	Ops	Woodville
Ice Pad Use								
Total Hours Booked 2015	1228	1560	1576	1395	1305	1359	1482	1365
Percentage of Utilization of Available Prime Time in a Typical Week	68.0%	75.5%	71.0%	74.0%	69.3%	80.0%	83.0%	67.0%
Total Hours Booked 2016	906	1342	1271	1251	1049	1268	1262	893
Percentage of Utilization of Available Prime Time for the Season 2016	64.3%	78.5%	74.3%	73.1%	61.3%	74.2%	73.8%	63.3%
Total Hours Booked 2017	898	1477	1594	1353	1220	1319	1287	1236
Percentage of Utilization of Available Prime Time for the Season 2017	73.0%	89.5%	96.6%	79.1%	76.7%	86.2%	87.6%	77.7%
Total Hours Booked 2018	983	1561	1540	1122	1119	1429	1342	1376
Percentage of Utilization of Available Prime Time for the Season 2018	79.9%	91.3%	90.1%	83.1%	73.1%	86.6%	87.7%	86.5%

Total Ice Booking Revenue



Capital Costs as per 10 Year Asset Management Plan



Capital Infrastructure Replacement Costs

Replacement Facility Costs - FCI

Name	Size	Replacement Cost	2015	2016	2017	2018	2019	2020	2021	2022	2023
Emily/Omemee Community Centre	303,239	\$ 9,112,758	37.00%	37.00%	38.11%	38.83%	45.19%	46.58%	46.58%	50.81%	50.81%
Lindsay Recreation Complex	324,317	\$ 25,888,817	17.78%	17.78%	18.09%	18.38%	18.38%	18.38%	20.46%	25.47%	25.88%
Little Britain Community Centre	393,689	\$ 12,943,730	23.73%	23.73%	29.67%	29.67%	29.67%	29.67%	30.36%	38.50%	39.76%
Manvers Community Centre	149,550	\$ 9,747,798	27.13%	27.13%	27.13%	32.72%	32.72%	32.72%	32.72%	35.38%	42.43%
Oakwood Community Centre	142,765	\$ 9,800,324	20.33%	20.33%	22.83%	22.83%	22.83%	22.83%	24.93%	33.82%	34.25%
Ops Community Centre	298,970	\$ 9,552,755	35.86%	35.86%	35.86%	42.34%	50.43%	51.73%	51.73%	59.50%	59.50%
Woodville Community Centre	155,200	\$ 8,566,872	27.45%	27.45%	33.09%	33.09%	33.09%	33.09%	38.31%	45.27%	45.84%
Totals:	1,767,730	\$ 85,613,054									
Average FCI Across All Studied Facilities			27.04%	27.04%	29.25%	31.12%	33.19%	33.57%	35.01%	41.25%	42.64%

The total value of replacement costs for the City arena facilities within this study is \$85,613,054.

Other financial impacts – soft costs

- As per City budgeting practices Administrative costs at the Departmental level are not included in data.
- Arena operations provide an economic impact for their local communities and a source of employment.

Recommendation

Minimal Capital Repair and Replacement

This option would see minimal capital investment in the following facilities Oakwood, Little Britain, and Emily-Omemee. Investment in these facilities would be reserved for health and safety related initiatives/projects. This model would be applied until the end of the 10-Year Financial Plan (2027). The cost of the new arena complex in Oakwood/Little Britain would be included in the subsequent financial plan. If feasible the cost associated with the construction of a new single pad in the Village of Omemee would also be included within the 2028-2037 financial horizon, if not it would be pushed into the following plan. By pushing the new builds into the planning horizon it allows staff to develop the proper solution (twin vs. single pad facility) based on utilization of the day, current trends and public feedback, as well appropriately plan for the significant investment required.

Recommendation Continued

Bobcaygeon, Fenelon Falls, Manvers, Lindsay, Woodville

- Operations, maintenance and investment into these five facilities have continued in a “status quo” manner, and have/will extend the life cycle of these facilities. The capital program associated with these facilities has been incorporated into the 10-Year Financial Plan (2018-2027) and will continue to be included in subsequent plans. Significant investment, outside of the Asset Management Plan, is not anticipated within the current financial planning horizon.

Ops

- This facility is scheduled for a complete refurbishment beginning in 2020. The design and construction documentation phase is expected to start in Q2 2019. Funding for this project is currently in the capital budget program. Staff will look to take advantage of any grant opportunities that may become available to support this project.

Recommendation Continued

Emily-Omemee

- Staff is currently exploring land options within the Village of Omemee to construct a new single pad arena to replace the existing Emily facility. Continued minimal operations and improvements are scheduled for this facility over the current financial planning horizon, with a 10-year plus facility life cycle remaining. It is therefore appropriate to plan for the construction of a new single pad arena to replace the current Emily facility within the next 10 year planning cycle (2028-2037).

Oakwood and Little Britain

- Continued operations are scheduled for these facilities over the current financial planning horizon. The cost to construct a new arena complex to consolidate and replace the current facilities will be included in the next 10 year financial planning cycle (2028-2037).
- This plan would see minimal capital investment in the Oakwood and Little Britain, facilities throughout the current financial planning period (2018-2027). Investment in these facilities would be reserved for health and safety related initiatives/projects. By pushing the new build into the future planning horizon, the City can better plan and fund this new build considering utilization, location current trends and public feedback.

Conclusion

In conclusion Council can adopt the following resolutions as recommended by staff in PRC2019-005:

- **That** Report PRC2019-005, **Arena Capital Plan Update**, be received;
- **That** Council direct staff to plan and budget accordingly for the continued operations of the Oakwood, Little Britain and Emily-Omemee arena facilities for the current 10-Year Financial Plan, and;
- **That** Council direct staff to plan for a new single pad arena build in the Village of Omemee and budget accordingly for inclusion in the next 10 year financial planning cycle (2028-2037), and;
- **That** Council direct staff to plan for a new arena complex in the South West Area for inclusion in the next 10 year financial planning cycle (2028-2037), and;
- **That** this recommendation be brought forward to Council for consideration at the next Regular Council Meeting.

Or Council could choose to extend the life-cycle of the current facilities and not plan for any future replacements.