

Town of Beaufort

Arena Analysis

Final

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RC
strategies

Table of Contents

1.	<i>Introduction</i>	1
2.	<i>Process Overview</i>	3
3.	<i>Arena context</i>	5
	a. <i>Current Facilities</i>	5
	b. <i>Other Facilities in the Local Market</i>	5
	c. <i>General Ice Arena Provision Ratios in Alberta</i>	5
	d. <i>Ice Needs in the Context of Other Community Priorities</i>	6
4.	<i>Site analysis</i>	7
	a. <i>KNRRC</i>	7
	b. <i>Site Plan: KNRRC</i>	8
	c. <i>Place Chaleureuse</i>	9
	d. <i>Aqua-fit Centre</i>	10
	f. <i>Facility Site Plan: Aqua-fit Centre</i>	11
	g. <i>Other Site Considerations</i>	12
	h. <i>Site Summary</i>	12
5.	<i>Capital cost implications</i>	13
6.	<i>Operating cost implications</i>	14
7.	<i>Summary</i>	15

1. Introduction

The Town of Beaumont is a unique and exciting community situated within Alberta’s Capital Region. The Town has experienced immense growth in the past 5 years, growing to over 13,000 from 8,921 – overall five year growth of 48.2%. Residents of the Town and broader region have become accustomed to the quality of life offered in the community, a quality of life that the town must continue to provide with the realization that the Town is undergoing rapid population growth. A key contributor to quality of life in the community is the array of, and quality of, recreation and parks facilities and amenities enjoyed by residents and visitors. Understanding that these elements of community are integral to resident satisfaction, the Town conducted a Needs Assessment (under separate cover) concluding in 2010 that outlined a number of key priorities for recreation and parks in the community. Key findings from the 2010 assessment included the recommended development of:

- » A Recreation and Parks Master Plan
- » A Trails Master Plan
- » A Partnering Framework
- » A Strategy to Support for Volunteers

As well as a number of recommendations related to the development of new and/or sustained recreation and parks facilities and amenities throughout the community. Facilities identified, in rank order, included:

Rank	Indoor Community Priorities	Outdoor Community Priorities
1	Performing arts / show spaces	Comprehensive trail system
2	Indoor field facilities	Open spaces
3	Gymnasium space	Sports fields
4	Walking / running track	Amphitheatre / event space
5	Ice arena	Child playgrounds
6	Dance / program / combatives rooms	Track & field spaces
7	Child playground	Ball diamonds
8	Community meeting rooms	Water spray parks
9	Community gathering spaces	Picnic areas
10	Social / banquet spaces	Campgrounds

The aforementioned priorities were determined in 2010 in consideration to a number of criteria including a household survey, input received from students and user groups, review of facility provision in comparable communities, expected population growth and an assessment of existing recreation infrastructure in Town.

Since the assessment was completed in 2010, a number of other exciting projects have either emerged or matured to a point where development is occurring.

- » The Beaumont Community Centre project is progressing and the development of new community meeting rooms, community gathering spaces and social / banquet spaces is occurring through a unique partnership involving the Town and other community stakeholders.

- » The development of a joint school in the community and a partnership opportunity with the town in terms of sharing both indoor and outdoor spaces at the new school site will help the Town meet demands for internal administrative areas and outdoor recreation amenities such as trails, sports fields and ball diamonds.
- » Various improvements to the trail system have been completed as well as enhancement and ongoing maintenance of playgrounds throughout the Town.

A number of other regional recreation and parks development projects have also surfaced since 2010. The development of a major recreation facility by the City of Edmonton on the southeast side of the City (the Meadows Recreation Centre), the upgrade and enhancement of the Dale Fisher Arena in Devon, the planned expansion and upgrade of the New Sarepta Agriplex, the development of a new community swimming pool in Wetaskiwin and the approval of the East Vistas urban development in Leduc County west of the Town of Beaumont are all important considerations in contemplating appropriate and prudent recreation and parks facility development in the community. Leduc County has also developed a Recreation Facility Strategy, the City of Leduc is developing a Facility Development

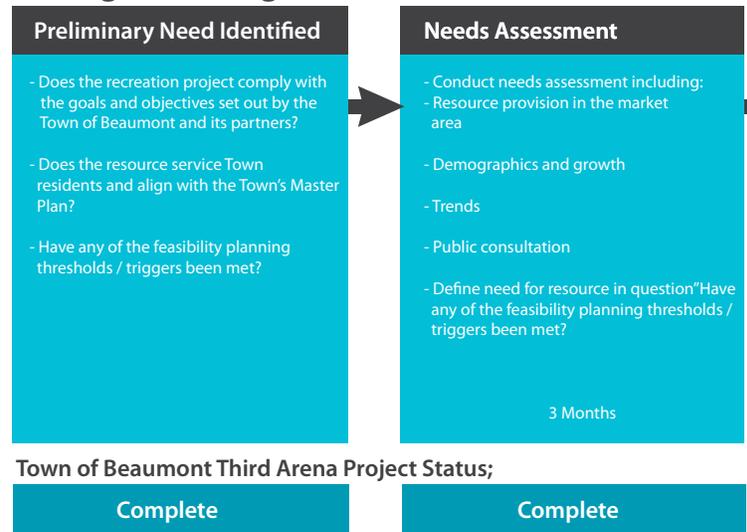
Plan as well as a Parks, Open Space and Trails Master Plan and the City of Wetaskiwin is also developing a Recreation Master Plan, all of which have some level of impact on strategic planning for recreation in the Town of Beaumont.

Although the town has been proactive since the 2010 assessment in developing new facilities through innovative partnerships, the absence of a Master Plan depicting a clear plan for recreation and parks facility development has led to a number of other requests being brought forth to Town Council. One such request is in regards to the development of a third indoor ice arena in the Town.

Upon receiving this request, Council directed administration to further analyze the concept of an additional ice sheet in the community in terms of location, costs and need. In the absence of an overall Master Plan, which would assess needs for an additional ice sheet in the context of other community facility demands and a number of other considerations (partnership framework, overall affordability, funding framework, etc...) the following analysis is meant to provide strategic direction related to future recreation and parks infrastructure planning, and more particularly, how to address community demands for an additional ice sheet.



Strategic Planning Framework



Town of Beaumont Third Arena Project Status;

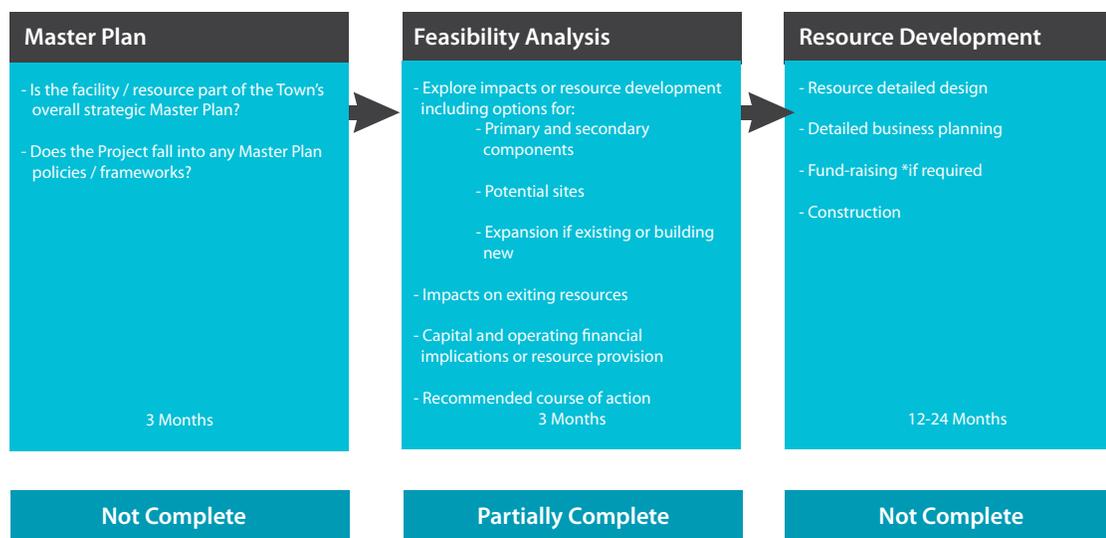
2. Process Overview

The planning of public recreation and parks amenities requires the efforts and input of many different stakeholders. As the Town is involved in the provision of recreation facilities and parks, the following is meant to provide a diligent framework in which new facilities should be planned for and developed. This process is similar to those structured approaches already adopted by other capital region municipalities such as the City of Leduc, Leduc County, Fort Saskatchewan, Spruce Grove, Stony Plain and others and is meant to provide decision makers with the best information possible to make prudent decision regarding recreation and parks development. It is important to note that this protocol/approach is commonly presented and approved through a Recreation and Parks Master Plan process.

More specifically, with regards to the development of recreation facilities, the ideal public decision making and development process has four main steps.

The process outlined above can take between 18 and 30 months depending on the ability for decision-making to occur in a timely fashion and the propensity of the general public to engage in constructive feedback. The process assumes that no major (\$1M+) public investments in recreation and parks facility infrastructure should occur without undertaking market feasibility analysis and business planning. This applies not only to initiatives championed by the Town but also potential partners (not-for-profit groups and associations, adjacent municipalities) wherein public funds are required for the capital and/or ongoing operations of facilities and spaces.

The market feasibility and business planning process typically pre-empts decisions on investment and sourcing of capital well in advance of development; often up to two years prior. As such, timing for major development initiatives could take between two and four years in the making, recognizing the need for public engagement, concept planning, detailed planning, tendering and construction.



The following discussion relates to guidelines and thresholds determining when, and how, the Town should engage in feasibility analysis and how to ultimately justify public investment in new and/or enhanced recreation and parks facilities.

The following guidelines are used to direct feasibility analysis for potential recreation and parks projects:

1. There must be public engagement in the planning process.
2. A market assessment for component service delivery functions must be completed.
3. A thorough and transparent site / location analysis must be completed.
4. There must be a biophysical/environmental impact statement.
5. There must be a concept development plan including infrastructure planning, costs and impacts of ongoing operations.
6. The project must conform to broader regional/municipal strategic planning.
7. Business planning outlining capital partners, operating partners, sources of capital, capital amortization and projection of operating costs must be completed.

With the realization that investment is required to undertake feasibility analysis, the following feasibility planning “triggers” outline when the Town should initiate feasibility analysis and business planning.

Market feasibility analysis and business planning could occur when a combination of a number of the following criteria are met:

- A. Facility spaces currently being offered approach 90% to 100% utilization on a sustained basis.
- B. Proposed public investment is contained on publicly-owned or long-term lease lands (leases beyond 50 years).
- C. Facility or facility spaces currently being used have less than 25% remaining lifecycle as a functional resource (as determined by ongoing lifecycle planning).
- D. Current demands and future demands (as impacted through expression of needs, as a function of public input, trends and majority impact) and / or market growth can be proven.
- E. The facility in question and program services proposed provide equal access for all residents as a public service.
- F. Facility type and function conform to core recreation service functions of the County.
- G. Facility type and function are not currently and adequately provided through other agencies or private sector services in the Region.
- H. Operational or capital partners of any development proposed are established as registered societies and collectively represent sufficient membership or market members to sustain use of the development for the life of the development (typically set at 40 years for public buildings).
- I. The external volunteer and/or non-profit group leading a facility development initiative (if applicable) has, or has access to, significant capital and/or operating resources (external).

In regards to the potential development of a third indoor ice arena in the Town of Beaumont, the Town is at the stage where feasibility analysis is warranted (which is the purpose of this study). An important consideration, however, is the absence of an overall Master Plan that would consider the needs for an indoor ice sheet amongst other community priorities and thus ensure that the best “bang for the public buck” is achieved in regards to investment in recreation and parks infrastructure.

3. Arena context

a. Current Facilities

The Town of Beaumont currently operates two sheets of indoor ice, both located at the Ken Nichol Regional Recreation Centre (KNRRC). Both sheets are well utilized. With estimated usage at approximately 97% of prime time in 2010 it is expected that excess demand for indoor ice in the community exists.

It is important to note that how “prime time” is defined is different in many communities and as such the definition in the Town of Beaumont may allow for excess demand to be met in the short term by allocating prime time ice use in non-traditional time slots. An example would be to include early morning weekday ice slots as prime time (6am–8am) which would equate to an extra 10 hours of prime time ice per week in excess capacity. The Town may wish to explore these options in the interim while a new ice arena is being contemplated and/or developed.

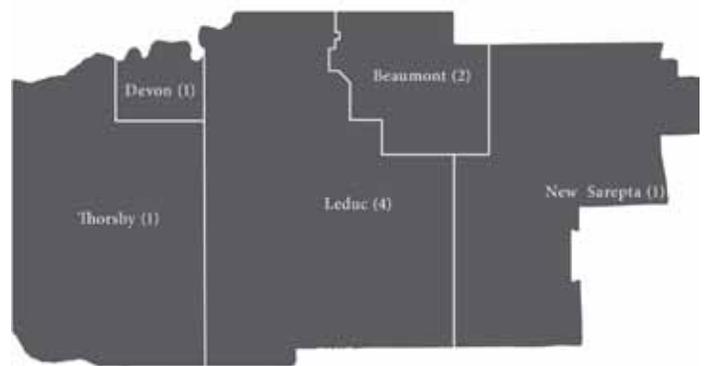
The KNRRC also includes a curling rink, child care area, teen room and other staff and general areas.

Recent facility assessments of the KNRRC suggest that reinvestment will be required over the next few years to ensure existing service levels can be sustained.

b. Other Facilities in the Local Market

Excluding facilities located in the City of Edmonton, there are 9 ice arenas within approximately 50km of the Town of Beaumont. Although detailed usage information is not available for each facility, arena utilization in the region is at or near capacity in most cases.

Arenas in the region



c. General Ice Arena Provision Ratios in Alberta

One method in assessing needs for recreation and parks facilities is analyzing per capita provision ratios. For instance, in Beaumont there are two indoor ice arenas to serve a population of 13,977¹. This suggests that the Town provides ice arenas at 1 per 6,989 residents. The 2010 Community Needs Assessment presented information on how Beaumont compared to other Alberta communities. The communities identified included Devon, Spruce Grove, Fort Saskatchewan, Leduc and Stony Plain and the comparison was based on population data from 2010. In regards to ice arenas, average provisions ratios of these communities was 1 arena per 7,190 residents.

1. 2012 Municipal Census

d. Ice Needs in the Context of Other Community Priorities

The following chart outlines provision ratios in other communities throughout Alberta.

	Population (range where applicable)	Provision Ratio (arenas per population)
Town of Beaumont	13,977	1 arena per 6,989 population
2010 Community Needs Assessment *average from comparable communities	16,258	1 arena per 7,190 population
General Observations		
Towns	1,000–10,000	1/5,000 (approximate)
Small Cities	10,000–25,000	1/7,500 (approximate)
Medium Cities	25,000–100,000	1/10,000 (approximate)
Large Cities	100,000+	1/25,000 (approximate)

As can be determined, population provision ratios are extended as population increases. Communities the size of Beaumont and up to population levels of 25,000 are forced to provide indoor ice sheets at a greater rate per population than medium and large cities.

The 2010 Needs Assessment indicated that indoor ice arenas were the fifth highest community priority after:

1. Performing arts / show spaces,
2. Indoor field facilities,
3. Gymnasium space and
4. Walking / running track facilities.

Although community priorities may not reflect actual strategic action by the Town, as other factors such as affordability, partnerships among other things, have to be considered prior to developing new recreation and parks facilities, the 2010 effort indicates that ice arenas might not provide the best return on investment compared to other needs identified. That being said, it is impossible to determine how the return on investment would relate to other potential projects without developing an overall Recreation and Parks Master Plan.

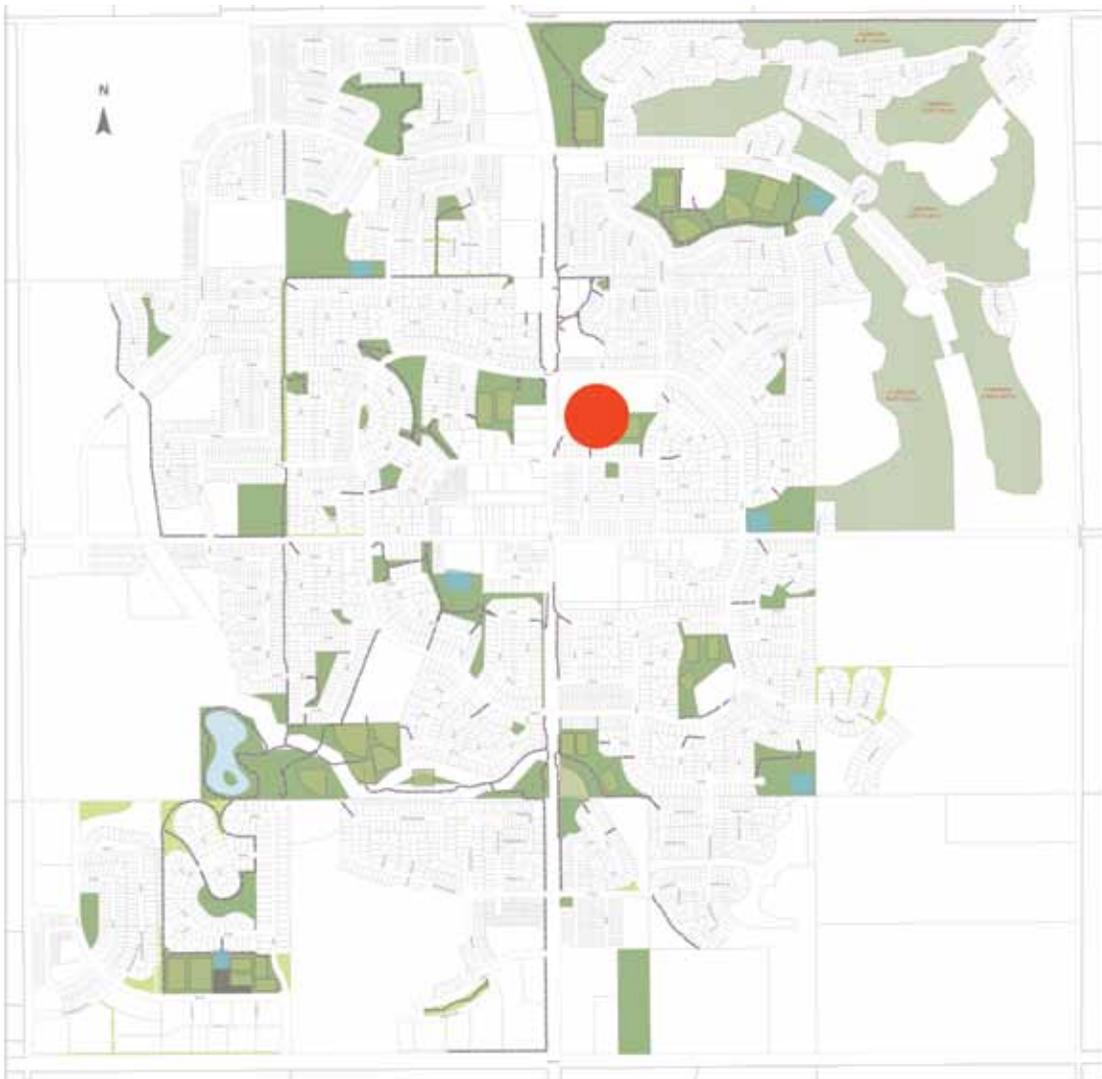


4. Site analysis

a. KNRRC

In early 2012 the Town of Beaumont commissioned PBK Architects in partnership with Genivar to review potential sites for another ice arena in the community. Sites reviewed included the KNRRC site, Place Chaleureuse and the Aqua-fit Centre. The assessment, under separate cover, concluded the following:

- » Additional ice at the site would require eliminating the existing day care centre
- » The ability to provide additional parking at the site would be limited, and potentially inadequate
- » The site has only two access / egress points which may be inadequate / congested / unsafe
- » Site topography poses limitations and increased costs

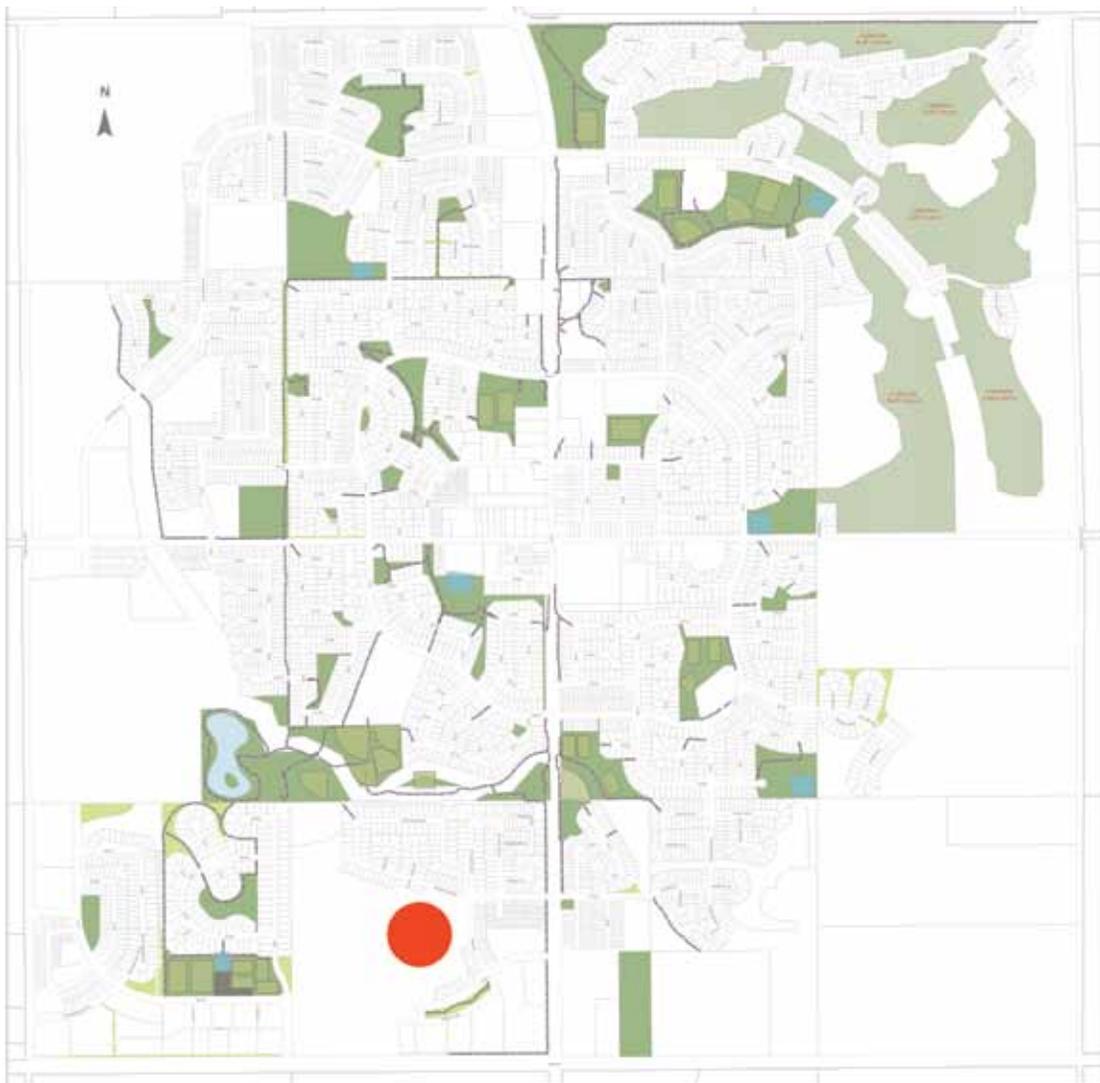


b. Site Plan: KNRRC



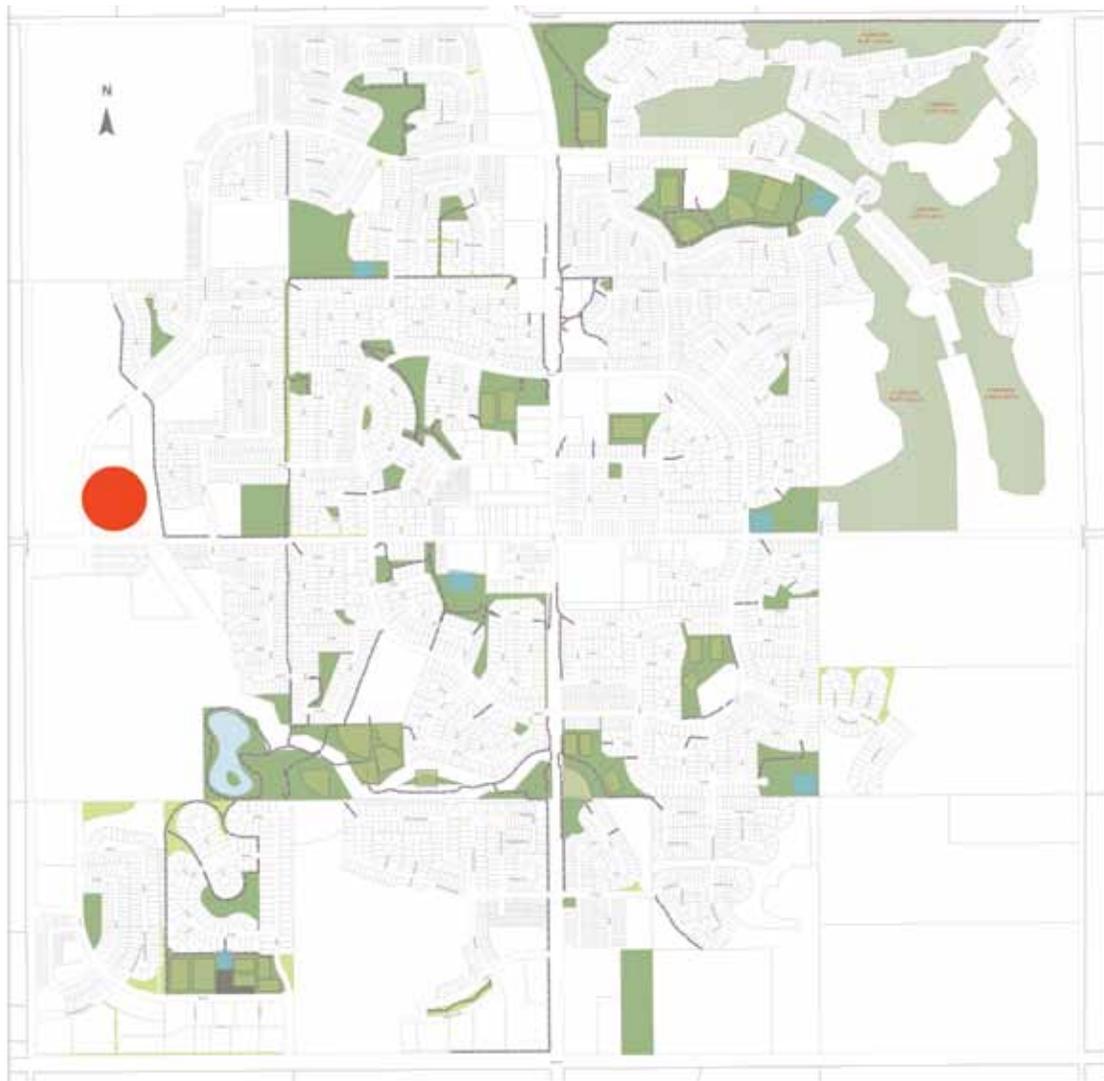
c. Place Chaleureuse

- » The location of the site within the context of the community is not ideal for a major recreation centre as it is surrounded by residential property
- » Other concerns would include traffic density, safety and noise.



d. Aqua-fit Centre

- » The facility was built for future expansion
- » There is good separation from residences
- » The site would accommodate future arena expansion



f. Facility Site Plan: Aqua-fit Centre



g. Other Site Considerations

- » Although the Aqua-fit Centre is appropriate for future development, the site will realistically only be able to accommodate the expansion of on “big box” (i.e. arena, field house) and future, larger multiplex development will be limited.
- » The addition of incremental ice sheets to existing ice arena facilities leads to significant operational cost economies of scale including utility and servicing costs associated with shared ice plants (the existing KNRRRC has two ice sheets servicing three pads – 2 arena, 1 curling), avoiding the duplication of resources (i.e. two arena operators, two ice re-surfacers, etc.) and added convenience in program / tournament scheduling and hosting.
- » The potential for regional facility development from the town’s perspective is focused on expected development to the west (Leduc County East Vistas) which will include the need for ice facilities and could entail partnerships possibilities. The Aqua-fit centre is located on the west side of the Town but is limited in terms of the ultimate build out of the site (i.e. it can only accommodate one more “big box”).
- » The development of major recreation facilities can pre-empt / “spur on” commercial and residential development in growth areas if planned appropriately.

h. Site Summary

Although the need for additional ice in the community and the associated analysis of potential sites is still inconclusive, the following summarizes the site information available at this point in time. Each criteria has been assessed as “excellent”, “good”, “fair” or “poor”.



Site Summary

	Overall Site Suitability	Operational Benefit	Site Access / Egress	Site Partnership Opportunity	Ability to Generate Adjacent Growth
KNRRC	Poor	Good	Poor	Poor	Poor
Place Chaleureuse	Fair	Poor	Good	Fair	Fair
Aqua-Fit	Good	Good	Good	Poor	Good

5. Capital cost implications

The expected capital costs of an ice arena as a stand-alone facility and as an addition to an existing facility in 2012 dollars is presented as follows:

Facility type	Approximate size (sq.ft.)	\$ / sq.ft. (inc. fees, contingency, etc.)	Total approximate capital cost
Stand-alone ice arena	25,000	\$400	\$10.0M
Addition to facility with pre-existing “ice features”	22,000	\$375	\$8.25M
Addition to facility without pre-existing “ice features”	24,000	\$400	\$9.6M

It is important to note that the above noted figures have been calculated based on conceptual facility size and cost per square foot unit rates observed from similar projects in the 2012 construction marketplace.



6. Operating cost implications

Based upon estimates from Town administration the operating cost associated with each existing ice arena at the KNRRC are approximately (185,000)¹ assuming 95%–100% capacity and the existing cost structures in place. That being said, the expected annual operating costs of an ice arena as a stand-alone facility and as an addition to an existing facility in 2012 dollars is presented as follows:

Facility type	Operating Revenues (immediate – 75% PT Capacity)	Operating Expenses (immediate – 75% PT Capacity)	Net Operational Costs (immediate – 75% PT Capacity)	Net Operational Costs (at maturity – 95%+ PT capacity)
Stand-alone ice arena	\$161,250	\$460,000 ²	(\$298,750)	(\$245,000)
Addition to facility with pre-existing “ice features”	\$161,250	\$400,000	(\$238,750)	(\$185,000)
Addition to facility without pre-existing “ice features” ³	\$161,250	\$460,000 ⁴	(\$298,750)	(\$245,000)

The introduction of a new ice arena would have similar operating costs but it is not expected that level of usage would hit 95%+ prime time capacity immediately.

It is important to note that how “prime time” is defined is different in many communities and as such the definition in the Town of Beaumont may allow for excess demand to be met in the short term by allocating prime time ice use in non-traditional time slots. An example would be to include early morning weekday ice slots as prime time (6am–8am) which would equate to an extra 10 hours of prime time ice per week in excess capacity. The Town may wish to explore these options in the interim while a new ice arena is being contemplated and/or developed.

1. Revenues: \$215, Expenses \$400,000

2. Existing expense budget plus 15% for stand alone

3. There is potential for operational cost savings (utilities) should energy saving infrastructure be included in arena development

4. Existing expense budget plus 15% for stand alone

7. Summary

The need for a third sheet of ice in Beaumont will be warranted in the future if the community continues to grow in a manner similar to the recent past and given the continued community interest in ice sports (hockey, figure skating, ringette, etc.).

That being said, a community the size of Beaumont currently and with its expected growth is faced with a number of community demands for recreation amenities as well as other important municipal services (water and sewer, roads, policing, etc.). These “growing pains” are common throughout the Capital Region and ultimately growth, which is arguably great for communities, is forcing municipal Council’s to make tough decisions regarding spending on municipal facilities (if they even have capacity to do so).

More specifically regarding recreation facilities, growth will drive the need for increased capacity at existing facilities, such as ice arenas and swimming pools, and will also drive demands for new facilities such as performing arts facilities and field houses. That being said, although the need for an additional ice arena will have to be dealt with at some point in time, it should be assessed in the context of meeting overall community recreation needs and potentially benchmarked against development of other “competing” recreation projects.

The 2010 Community Needs Assessment outlined a number of community priorities for both indoor and outdoor development, of which an additional ice arena was a top priority (however not the highest). The 2010 study also indicated the need to develop a Recreation and Parks Master Plan which would ultimately outline the best course of action for the Town in terms of infrastructure and service delivery so that all considerations are made.

This analysis suggests that a new ice arena would cost between \$8 and \$10 million to build and an additional \$185,000 (at minimum) annually to operate. Although there are synergies associated adding ice arenas to existing ice facilities, the addition of ice to the Ken Nichol Regional Recreation Centre is not recommended for a number of reasons explained herein and in other associated reports.

The information contained herein would give the Town enough information to explore detailed feasibility analysis regarding future ice arena development, but from a prudent and broader strategic planning perspective, the completion of a Recreation and Parks Master Plan is recommended prior to detailed feasibility analysis regarding future ice facility development, or any other community recreation facility for that matter. A Master Plan will ensure that scarce public funds for recreation are allocated appropriately, ensure balanced provision of recreation in the community and outline the best strategic approach to facility development considering potential partnerships, funding sources and an overall capital plan. In regards to an additional ice sheet in the community, a Master Plan will confirm need and determine when the development of an additional ice sheet is required considering a number of important criteria and in the context of the breadth of community needs and desire present in the unique, exciting and growing community of Beaumont.

