

# Mainland Common 50 metre Pool Study

Prepared for: Halifax Regional Municipality

Province of Nova Scotia

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## Executive Summary: 50 metre pool option – Mainland Common

### Background:

The Mainland Common Centre (MLC) will be a signature multidistrict with regional appeal Category 1 venue for the Region as well as the Canada Winter Games in 2011. The facility will be not only the site of field-house based activities for the Games but serve the Halifax Regional Municipality (HRM) long after the closing ceremonies. The intended long term use of the MLC will be to create opportunities for sport, recreation and wellness in the community. MLC will be a trend following multi-dimensional facility incorporating fitness areas, gyms, meeting rooms, and pools (leisure and flat water). The primary intent is for MLC to become an activity vibrant hub that appeals to a wide cross section of people and meets the recreational needs for the area in which it is situated for the foreseeable future. Participants may come from the broader spectrum of HRM depending upon the programs, services and amenities offered. MLC should be designed to allow for future expansion.

A question has been raised as to whether or not HRM should build and operate a 25 or 50 metre pool. A 50 metre pool could expand the variety of services and increase the number of developmental and high performance sport athletes using MLC. To answer the question of flat water pool size it has been determined to study the benefits of constructing and operating a 50 metre pool versus a 25 metre pool as a core and integral element of the complex.

It is acknowledged the MLC as a whole will function as a community based wellness, fitness and active lifestyle promotion facility strongly supporting the current Indoor Recreation Facilities Master Plan (IRFMP) and Recreation Blueprint endorsed by HRM. The Common is envisioned to offer programs and services that promote active lifestyle attainment.

### Process undertaken:

A series of 10 interviews and meetings were conducted with local sport contacts, and selected pool operators from across Canada. In addition internet research was completed to locate the 50 metre pools in the country. Various feasibility reports, business plans and assessment studies have also been reviewed such as the Aquatic Federation of Canada's Ontario Aquatic Facilities Needs Analysis and Strategy completed in the January 2007. In-depth financial information has been obtained and analyzed from 6 pools.

### 50 meter pools in Canada:

Fifty two 50 metre pools have been located in Canada. There are 4 defined types of pool structures: 50 metre stand alone pools; aquatic complexes; university based structures and multi-purpose or multi-dimensional facilities. The most successful structures are multi-dimensional facilities. The three primary uses of 50 metre pools in Canada are: swim

lesson instruction, sport group rental of space for training and competition, and fun recreational swimming.

Most Canadian high performance aquatic athletes cluster in a small network of facilities across the country. These facilities are consistently at either university based pools, where the athlete goes to school or they serve as national training sites. Talisman Centre in Calgary, Saanich Commonwealth Place in Victoria, UBC in Vancouver U of C in Calgary and Claude Robillard in Montreal are the centres of aquatic excellence. Superior coaching is available to the athletes in each of these facilities. Athletes choose these facilities partially because of the value of training with other high performance athletes in their quest for personal best times and excellence. Competitors challenge each other to excel.

Few national championships are hosted in facilities of less than a 50 metre tank + an additional 25 metre or 50 metre warm-up or cool down tank. Etobicoke Olympium is one of the only exceptions to this determination. That pool is selected due to its strong location in Toronto.

#### Halifax 50 metre pools:

HRM is well served with 2 50 metre pools. Dalplex is operated by Dalhousie University and is primarily used by varsity athletics, Dal students, Dalplex members and a variety of rentals. Centennial Pool is operated by a not for profit association with financial support of HRM. HRM is the owner of Centennial Pool. Dal hosts all Halifax based 50 metre competitive swim meets or events.

Dal pool has received a variety of upgrades this summer. It is anticipated this pool will continue in operation for the foreseeable future.

An infrastructure assessment commissioned for Centennial Pool determined it has a reasonable remaining lifespan of between 5 and 20 years with minimal investment to extend its life to approximately 20 years. That being said Centennial is an old style pool that has had a vibrant life originally opened for the Canada Summer Games in 1968. This pool does not meet current standards for shallow water depth. Therefore diving is not permitted at the shallow end, resulting in diminished usefulness of the pool for training and event purposes. Based upon the staff report assessment articulating a potential long remaining lifespan for Centennial Pool it would be recommended HRM consider constructing a replacement facility only at such time HRM chooses not to re-invest in sustaining the pool's useful lifespan.

#### Financial performance of 50 metre pools:

All 50 metre pools in Canada receive substantial subsidization. Only 1 pool multi-dimensional facility has an operating subsidization rate lower than 10% of total gross revenue. The identified normal grant of operating subsidization rate ranges from \$350,000 to \$500,000 per year. Financial support is provided by the owner, sometimes

with support of a third party (operating endowments from Games as an example or other levels of government).

Based upon preliminary analysis MLC would require a subsidization rate ranging from a high of \$600,000 + in its first year of functioning to a lower rate of approximately \$420,000 in year three of functioning.

#### The case for provision of a 50 metre pool:

The research concludes the primary reason for provision of a 50 metre pool for any community in Canada is to train aquatic developmental to high performance athletes. Rental of lane space is high in all 50 pools studied. The % of use for athletic training purposes is higher in most 50 metre pools when compared against statistics known about 25 metre pool usage. Most communities reviewed have a strong commitment to sport development and see this as part of their recreation mandate. Neither the Recreation Blueprint nor the IRFMP reflect this sentiment as much as other selected communities.

Most 50 metre pools in Canada have been constructed as a direct result of hosting of a set of Games or serve the training needs of varsity athletes. Significant capital investment has been made normally by all three levels of government for Games oriented facilities. Universities also received funding from multiple sources for construction of their pools. Many varsity athletes are national team members.

#### Strengths and weaknesses of a 50 metre pool for Mainland Common:

The reason deemed most urgent or greatest strength for proposing the construction of a 50 metre pool for MLC would be if HRM determines not to re-invest in Centennial Pool to extend its' reasonable lifespan. If HRM chooses not to re-invest then in the opinion of the consultant replacement of existing community recreational infrastructure would be viewed as a higher priority.

If HRM extends the lifespan beyond 10 years for Centennial Pool the rationale for approving a 50 metre pool for MLC or elsewhere at this time is diminished. Based upon Canadian population statistics and the number and location of community accessible 50 metre pools, Halifax is already well served. Many large urban regions in the country have 1 50 metre pool per 500,000 of population. Thereby HRM should not consider operating 2 community based 50 metre pools at the same time.

Capital construction and on-going operational costs are significant issues for MLC. Without a significant increase the current capital budget for construction would be stretched far too thin to envision a 50 metre pool. Reduction in size or scope of any other planned for revenue service or amenity could jeopardize financial sustainability. This is especially true of the fitness areas or leisure component to the aquatic spaces. Therefore additional capital investments would be required to ensure appropriate design. Commitments from all three levels of government may be required to sufficiently fund the anticipated capital budget. Financial support would also be required for on-going operations of MLC. Historically HRM does not subsidize operations of any Category 1 multidistrict wide facility to the degree that may be needed for a 50 metre pool at MLC.

#### Recommendation:

After review of the report on infrastructure assessment of Centennial Pool it is clear that building a new 50 metre pool in Halifax should be delayed until such time as HRM has made a decision on whether or not to extend the usable life of Centennial beyond 5 years time. HRM has 2 options – extend Centennial for a short life through an investment of approximately \$300,000 over the next 5 years or renew the building to effectively achieve up to an additional 20 years use. A twenty year lifespan is considered reasonable for a modest investment of approximately \$3 million. It is recommended HRM either independently or with financial assistance extend the lifespan of Centennial Pool to up to 20 years if possible.

The Province of Nova Scotia will host the 2035 Canada Summer Games. One of the showpiece facilities for the games will be a competitive swimming venue comprising a 50 metre pool amongst other elements. It is reasonable to assume and recommend the most preferable site for hosting the swimming components of the Games would be within HRM. Until such time as the Games Directorate has determined the minimum size of a facility required to serve the aquatic needs for the Games it would be fruitless to construct a facility without proper information and clarity on the specifications required. Presently Swim Canada strongly prefers national event pools to have at least a 50 metre with a 25 metre pool warm up/cool down tank. The Games may adopt this viewpoint. The current plan for MCL does not allow for this requirement. With the possible extended lifespan of Centennial taken out beyond 15 years serious consideration should thereby be given to constructing the appropriate facilities in a phased approach. It would be reasonable to construct a replacement 50 metre pool tank in advance of the Games in a second phase development for MLC in association with a 25 metre 8 lane pool and multipurpose facility at MLC. Centennial would then be closed. Alternatively a 25 metre pool attached to Dalplex could be constructed if HRM chose not to build a replacement 50 metre pool.

This recommendation is predicated upon forging a financing agreement to fund the additional capital and operating costs for the MLC or Dalplex facility. At no time should other essential and preferred facility component elements be discarded or reduced in size or scope to offset the increased costs for construction or operation. This would prove to be false economy.

With a commitment by HRM and any other funding party to extend Centennial Pool's forecasted lifespan to a suitable length it would be recommended for MLC to construct an 8 lane 25 metre alternative pool, in conjunction with other aquatic leisure pool components and multipurpose facilities elements.

## Mainland Common 50 Metre Pool Report:

### 1.0 50 metre pools in Canada:

- After conducting a cross Canada survey of 50 metre pools it is understood there may be approximately 52 pools operating at this time. At least 3 additional pools are in design.
- There are 4 common types of 50 metre pool designs:
  - Older stand alone or limited amenity 50 metre pools – these pools commonly offer only small fitness or multipurpose rooms. Centennial Pool in Halifax is an example of this type of pool design.
  - Aquatic facilities combining various forms of aquatic elements but including leisure pools. The leisure pools may be wave pools, zero depth entry pools and irregular shaped forms offering play experiences and warmer water. These pools have been gaining popularity since the early 70's and remain the mainstay of pool design in the country. Dartmouth SportsPlex re-invented itself as a leisure pool with the introduction of Pirate's Cove to embrace the revenue generating aspects of leisure.
  - Multipurpose sport, recreation and/or wellness facilities offering a wider variety of opportunities for participation. Some of these facilities are now referred to as sport or recreation destinations". One of the best examples of this newer generation "big box" store complex is Talisman centre in Calgary AB. Details of Talisman are available elsewhere in this report. The majority of multipurpose facilities are known for hosting Games and /or National Championships.
  - University/college or technical school based 50 metre pools are the fourth type. These pools are attached as integral elements of the athletic facilities within their respective schools. The pools primarily serve the student population and varsity teams.
- There are 21 university or school type 50 metre pools in Canada. This represents approximately 41% of all 50 metre pools. Ontario has the largest concentration of this type of pool with 9; Quebec follows closely behind with 8. Alberta has 3 school based 50 metre pools, while British Columbia, Newfoundland and Nova Scotia have 1 50 metre pool. In studying CIS swim championship results it is clear there is a direct correlation associated with schools possessing 50 metre pools, high quality coaching commitments and winning regional and national championships.
- Primarily aquatic pool complexes including those with leisure pools offering small fitness and/or multipurpose rooms comprise 22 pools. BC and Ontario each have 7 pools of this type, while Quebec and Manitoba each have 4. Saskatchewan has 2 aquatic combination pools. New Brunswick and Nova Scotia each have 1 50 metre pool with small fitness or multipurpose rooms.
- Multidimensional large facilities total 9. BC and Alberta each have 2 50 meter pool complexes while Saskatchewan and Quebec each have 1 of this type. Ontario

- has 3 large multidimensional facilities. Two of the three new 50 metre pools in design are of this type. They will be located in Alberta.
- Of the approximate 31 pools not operated as part of a center for higher learning only 3 are not operated directly by the city or municipality in which they are situated. Surrey Sports and Leisure is operated under contract with the City of Surrey by a corporate entity; Talisman Centre in Calgary is operated by a non-profit Society and Centennial Pool in Halifax is operated by an Association. Interestingly enough it appears from information obtained that Talisman Centre has the lowest annual subsidy % amongst all of the 50 metre pools in Canada.
  - The majority of major metropolitan communities of comparable or larger size to Halifax in Canada have a 50 metre pool available for their citizens. Most provincial capitals have a community 50 metre pool available.

## 2.0 Financial Performance:

- 50 meter pools across Canada consistently lose money. The multi-dimensional facilities that have the capacity to generate revenue from a variety of sources perform better than those with smaller alternate amenity spaces designed to attract on-going public utilization. Those facilities that included large fitness centres always had greater capability of reducing the subsidization required to operate the aquatic complex.
- Centennial Pool receives an operating subsidy grant of \$140,000 per year. HRM also has agreed to allow revenue generation from the parking lot on site to flow directly to the current operator. This revenue stream is approximately \$100,000 per year. These 2 revenue generators assist the pool to operate on a breakeven basis. Also of significance are: The staffing model, supplies and other costs for the pool are tightly controlled, some mechanical components are not functioning at the moment thereby reducing operating costs.
- In comparison studies of Saanich, Talisman and Lawson Aquatic in Regina it is evident that: unionized staff salaries issue unique challenges to reducing subsidization; Talisman works in a non-unionized environment and has the lowest operating subsidy when all factors are considered.
- Subsidization of multi-dimensional facilities is lower than aquatic primarily facilities. This is a direct result of other revenue generating opportunities such as fitness and membership sales.
- The level of subsidization varies from approximately 8 % of gross revenue (Talisman) to a high of in excess of 80% (communities that choose to offer swimming for free or with deep discounts). Dollar subsidization for a 50 metre pool whether aquatic primary or multi-purpose complex varies between \$240,000 to in excess of \$2,000,000 per year dependent upon jurisdiction. In the case of Talisman the City of Calgary contributes approximately \$715,000 for service provision for fulfillment of its mandate. In 2006 Talisman self generated revenue in excess of \$8.26 million of its total \$8.975 million revenue. The centre posted an annual operating surplus of \$523,500 before amortization and reflecting revenue gained from naming. The allocation from the city assists with

maintaining low entry rates, allows the centre to explore new operating methods and create large operating reserves for future lifecycle replacements etc.

- Saanich Commonwealth Place receives financial support from a variety of sources including self generated revenue, tax supported grants, Commonwealth Games legacy reserves and grants; in 2006 self generated revenue totaled \$3.339 million while other forms of revenues and recoveries (including tax support) totaled \$2.509 million. Expenditures for Saanich totaled \$5.875 million. Lawson receives approximately \$550,000 subsidization from the City annually.
- A realistic subsidization level for operating a 50 metre pool in conjunction with a multipurpose facility could be approximately \$350,000 to \$500,000 per year.
- A complete financial forecast is included as an attachment to this report. The forecast is speculative and not fully substantiated as this would require much further research and development of a full business plan to verify forecasts.

### 3.0 Trends in use of 50 metre competition pools:

Six readily identifiable trends have been noted for use of flat water pools in Canada. The top three trend uses are listed first:

- Skill development: This usage includes but is not limited to learning how to swim, to scuba diving instruction, indoor canoeing instruction and other instructional style services. A large % of use for any indoor pool comes from swim lessons.
- Sport development through high performance sport training and participation. This comprises the vast majority of rental space for 50 metre pools throughout Canada. Over 25% of Lawson Aquatic Centre annual self generated revenue is through rentals to sport groups.
- Fun: spontaneous use activities such as diving for blocks or playing on toys. Slides lure more participants to use 50 meter pools. Themed events and parties are utilized to capture more attendance.
- Fitness: This includes swimming lengths, deep water running or aquacize classes.
- Rehabilitation: physiotherapy in a pool environment
- Leadership development: Teaching lifeguard certification

### 4.0 Best practice comparisons for 50 metre pools:

There are a number of exceptional 50 metre pool operators in Canada. The vast majority of these facilities are located in the west. The top 2 facilities listed frequently by those in the aquatic profession and can be verified with financial data are:

Talisman Centre in Calgary AB and Saanich Commonwealth Place in Saanich BC.

- The 2 aforementioned facilities plus others that are deemed to provide good quality management consistently demonstrate an acute awareness of their mission and vision, further they execute their business model well.
- The pools are seen as Flagship facilities offering superior quality amenity spaces and facilities designed for high performance sport

- The facilities are multipurpose in nature in order to maximize the recreation and sport destination concept and parlay participation into cross fertilization to other activities
- The facilities are well designed offering easy access
- The operators develop external relationships with others to enhance their business

## 5.0 Where Canadian nationally carded aquatic athletes currently train:

- In a review of the Canadian Sports Centres network across Canada it was revealed most nationally aquatic “A” carded athletes train out of facilities primarily located at or in very close proximity to a university. Although extensive research was not conducted to determine why this occurs it can be assumed the reasons include but may not be limited to: access to high performance coaching (normally combined with varsity teams); most of the athletes are enrolled in some form of higher learning institution; the age of the athletes is most aligned with a higher learning institution; access to sports sciences personnel; partnership arrangements between the CSC and a local university for training access; financial support for the athlete may be a combination of scholarships, bursaries and government commitments making it easier to train at a university.
- A large number of Swim Canada athletes are located in 2 major universities and cities: Vancouver and Calgary. Two significant attributes attract the athletes: swimmers congregate with other high performance swimmers they also gravitate to high performance coaches who can maximize personal results through stroke refinements.
- There are three notable training locations other than universities: Saanich Commonwealth Place hosts a variety of divers and tri-athletes due to designation as national training site for triathlon. Talisman Centre hosts the Men’s Water Polo team for Canada, some divers and developmental to high performance synchro; Claude Robillard hosts diving, Women’s Water Polo and synchro.
- The aforementioned three facilities have an operating mandate to support high performance sport: their facility space booking policies favor high performance sport teams and athletes over developmental sport or community recreation bookings.

## 6.0 The distinctive differences between operating a 25 metre pool and a 50 metre pool for MLC:

- Greater responsibility to appropriately schedule and maximize use of the pools.
- Increased sport presence within the facility; varying levels of athletes.
- A Regional orientation versus a district orientation – this will effect the entire facility
- Additional staffing resources required
- Additional operating subsidization required.

- More hosting opportunities and challenges
- More diversity of activity and participants – easier to handle multiple demands for space

#### 6.1 Training Capabilities:

- A new 50 metre pool would allow for improved training of all aquatic sport athletes – especially synchronized swimming, water polo, competitive speed swimming. If a dive tower and 1 & 3 metre boards are installed with the pool offering sufficient depth diving is also enhanced.
- In competitive swimming there are 2 seasons: short course (25 metre) and long course (50 metre); the short course season is longer stretching from early fall through to March, long course goes from March through June (except for higher caliber swimmers who train into the summer)
- To attract or retain high performance top level carded athletes superior level high performance coaching and access to sports sciences personnel would be required. Canada's best high performance head coaches are already employed elsewhere.
- It is anticipated that Halifax based athletes would therefore either be age group or youth caliber swimmers. The training regiment isn't as intense as for high performance athletes or the demands as great on a facility – (sound, training times, associated services etc).
- An 8 lane 50 metre pool has the capacity to easily accommodate at least 8 to 12 swimmers per lane while the pool is configured in long course. Based upon these projections a 50 meter pool could have 96 age group or youth swimmers train per hour. With forecasted use of 3 hours time per evening a 50 metre pool could accommodate close to 300 athletes for daily training in long course. Younger swimmers do not train daily nor require long course. The older age group or youth swimmers would normally train short course daily and long course in the mornings or evenings three times per week.
- There are a maximum of approximately 2300 of registered swimmers identified in Nova Scotia based competitive swim clubs. This information was gathered in researching Halifax 2014 legacy use of the proposed Shannon Park 50 metre pool and through information obtained directly from Swim Nova Scotia. It is clear all swimmers would receive reasonable training access to a 50 metre pool located at MLC. These swimmers are currently effectively served by either Dal or Centennial. Structured booking procedures would be required to create rationale for allocation of peak prime time training.

#### 6.2 Hosting capabilities:

- Swim Canada has provided confirmation of sites that have hosted all major short course championships over the past five years. It is readily apparent from studying the selected pools that all provide more than 1 major swim tank. This is significant as this indicates there is a requirement to provide a 50 metre shell for the event but an additional warm up/cool down tank for the athletes when the event is a Swim Canada National Championship.
- The Easterns and Westerns and CIS championships are lesser caliber events and thereby are more flexible in site hosting selection.

- Talisman Centre, Saanich Commonwealth Games Pool and Claude Robillard in Montreal are three primary facilities chosen to host the last three major short course national championships.
- Other facilities that have hosted events include: Pan Am Pool in Winnipeg
- Diving and Synchronized swimming use facilities with good dive wells or sufficient deep water for event hosting. A 50 metre pool is not necessarily a requirement. Synchronized swimming requires a minimum water depth of 2.5 metres.
- Currently Centennial Pool only hosts single ended 25 metre events due to the narrow bulk head and the lack of dive entrance depth at the shallow end of the pool. New standards for pool design and construction would require the shallow end of the pool to be deeper thereby allowing for racing for both ends of the pool
- No confirmation has been received on facility component requirements for the 2035 Canada Summer Games.

## 7.0 Current 50 metre environment in Halifax:

- DalPlex at Dalhousie University has recently received substantial investments to ensure proper and effective maintenance of the pool. Replacement bulkheads and a circulation pump were replaced during the summer 2007 shut down. The investment value for this lifecycle maintenance is valued in excess of \$500,000. Based upon this substantial investment it appears the university has a long term commitment to operating the pool.
- Dal pool has hosted the Easterns for Swim Canada and CIS championships. Due to its lack of any warm up/cool down pool it is unlikely this pool would be requested to serve as host to any other form of National Championship. Deck space is limited as is spectator seating. The pool is primarily used for university related activities including but limited to varsity team training, lessons, fitness swimming and rentals to community swim clubs when space is available.
- An HRM staff study has evaluated the potential remaining lifespan of Centennial Pool. Although the pool is old and does not meet current design specifications for pool depth nor deck space it is deemed by the staff and consultant to be still operable provided investments are made to replace identified mechanical and other components. It is very clear that the ventilation system is lacking.
- Due to the shallowness of the shallow end competitive race diving is not allowed. Therefore the pool only serves as a single ended 25 metre event space or deep end entry for 50 metre long course. There is insufficient area for marshalling swimmers and a distinct lack of suitable space for race results computers. Further, it is noted the lockers rooms are small and thereby congested. Parking is restricted in the region. Pay parking at the pool would be viewed as a negative by event participants.
- Centennial would not be considered a preferred site for hosting of either short course (25 metres) or long course (50 metres) events due to the aforesaid reasons.

- Centennial pool has a small number of swim lesson participants partially due to location. The fitness area is leased out to a provider of medically based fitness programming (an innovative concept).
- Loss of Centennial Pool without a replacement 50 metre pool would be perceived as a major facility loss by the aquatic sport community. Centennial Pool will likely be a candidate for closure of a new 50 metre pool is built. (1)

(1) Indoor Recreation Facilities Master Plan – page 44

## 8.0 Strengths and Weaknesses of a 50 metre pool at MLC:

### 8.1 Strengths:

- Timely replacement of rapidly aging infrastructure at Centennial Pool; Centennial pool is an antiquated facility with very shallow water at one end of the pool and a bulk head that is too narrow for effective use when the pool is split into 2 pools.
- Area of population growth with a diverse cultural mosaic
- Land already assembled.
- Easy access location close to major traffic routes.
- Tie-in to other needed multipurpose facility components that will greatly enhance operating performance and position business for improved viability and lesser subsidization. The facility becomes more of a “recreation destination” or flagship style of facility for the Municipality, especially with the inclusion of an 8 lane 50 meter pool. User demand and operating costs would only justify an 8 lane pool.
- Improved access for more; easier to accommodate recreational, sporting, health and leisure needs. Capability of offering lesson programming, fitness swimming and recreational swimming at the same time – the 3 largest proportions of swim users in HRM pools. This matches the recommendations listed in the IRFMP – page 76 concerning use of pools.
- Foster growth of aquatic sport registration as a direct result of the excitement of a new 8 lane 50 meter pool.
- Capacity to offer deep water programming that otherwise would not be available
- Transfer of operating subsidies from Northcliff and Centennial pools. The potential amount available for transfer could be approximately \$390,000. This is comprised of \$140,000 from Centennial and \$250,000 from North Cliff.
- The Province of Nova Scotia may be interested in participating in capital funding to some degree.
- Possibilities of leveraging capital dollars with other levels of government and various sponsors or philanthropists due to tie in with Canada Winter Games.

### 8.2 Weaknesses:

- Capital budget dollars for construction is stretched very thin placing in jeopardy other essential multipurpose facility components
- Aquatic sport groups have operated Centennial and would be required to now be a tenant. A sense of ownership may be pervasive amongst these groups. Changing the operating dynamics may offer challenges to acceptance of a new set of

- booking procedures. Although this speculation is unsubstantiated for this situation it is based upon prior personal experience of the consultant.
- Demand from all aquatic sport groups in HRM to train at MLC. This could result in shifting age group and youth usage away from Dal and other facilities for 25 metre training.
  - Increased requirement for annual operating subsidy – minimum escalation to \$225,000 to \$450,000 per year for staffing and utilities. As a direct comparison, Centennial Pool receives a direct subsidy of \$140,000 + parking lots revenues equaling approximately \$250,000/year. Increased usage in a modern facility would require greater staffing resources thereby increasing the subsidization total. Further Centennial does not operate all mechanical/ventilation equipment keeping costs artificially low.
  - Questionable whether or not an entrepreneurial business model can be created to balance demands from sport and the community. A management model supporting the combination of sport and community would need to be established.
  - Hosting events at the facility may frustrate other participants – reduced parking, congested locker rooms, loud and boisterous athletes, restrictions on access
  - Water temperature is normally maintained cooler than a leisure pool. This may reduce use by non-sporting participants.
  - The choice of a 50 metre pool option with significant sport use may restrict selection of viable operating and governance models. From research it appears the Y has no current interest in Canada for operating 50 metre pool facilities.

## 9.0 Recommendations:

- A final recommendation of constructing a 25 or 50 metre pools should await a decision by HRM on re-investment in infrastructure for Centennial Pool.
- If HRM concludes a reasonable remaining lifespan for Centennial Pool is 20 years with investment it would be recommended that HRM and any capital investment partner proceed with construction of a 50 metre pool at some later date in a to be determined location. The most preferable current site would be MLC
- If HRM determines the lifespan investment of Centennial Pool is 5 years it would be recommended to proceed with plans for construction at MLC. Replacement of the existing 50 metre pool becomes a higher priority. The current IRFMP does not project any other construction of a major aquatic facility beyond MLC in this time period.
- A strong case can be made for development of a 50 metre pool at MLC, provided Halifax Regional Municipality is prepared to directly or with assistance subsidize the operations. The rationale for constructing and operating a 50 metre pool is only substantiated if Centennial Pool is no longer able to provide service to the community, is thereby closed and the subsidy/grant for that facility is transferred to MLC.
- There is no defined need for operation of 2 community based 50 metre pools in Halifax Regional Municipality. It is expressly recommended that only 1 50 metre

pool be supported by the Municipality other than during a period of transition to closure of Centennial and opening of MLC or elsewhere.

- The full transfer of the operating subsidy from Northcliff pool would be needed regardless of whether the pool is a 50 metre or 25 metre at MLC.
- Halifax Regional Municipality would be required to either fund directly or seek a funding partner for subsidizing the operation and lifecycle maintenance for a new pool. The subsidization level could exceed \$600,000 in the first year of functioning. Thereafter the subsidy could be a declining total operating value of between \$500,000 and \$350,000 per year. If there is a lack of financial support for the operations and capital contributions through either direct means or support of a third party it is recommended to NOT proceed with development of a 50 metre pool for MLC, no matter the outcome of the infrastructure assessment of Centennial.

Respectfully submitted by Asbell Management Innovations July 2007

Appendices:

Appendix 1: Indoor 50 metre Pool Facilities

P R O V	City	Pool	U N I V.	G A M E S	FACILITIES	O P E R.
<b>B.C.</b>						
1	Coquitlam	Aquatic Complex			1 LC, LP, F,MP	C
2	Kamloops	Canada Games		✓	1 LC, LP, F,MP	C
3	Langley	Walnut Grove			1 LC, LP, F,MP	C
4	Prince George	Aquatic Centre			1 LC, LP, F,MP	C
5	Richmond	Watermania			LP, LP, F	C
6	Saanich	Commonwealth Place		✓	1LC, 1LC/DW, F,G,L	C
7	Surrey	S & L			1 LC,TP, F, A	B
8	Vancouver	Aquatic Centre			1 LC, DW, F, LP	C
9	Vancouver	UBC	✓	✓	1 LC,	U
10	Victoria	Crystal Pool			1 LC, LP, F	C
<b>AB</b>						
11	Calgary	Talisman Centre for Sport and Wellness		✓	2LC; 1 DW, TP, 5 Gym; F; T; M	S
12		U of C	✓		1 LC	U
13	Edmonton	NAIT	✓		1LC	U
14		Coronation Pool			1 LC, F, MP	C
15		Kinsman Sports Complex		✓	1LC;F; M; T	C
16	Lethbridge	University of Lethbridge	✓		1LC; M; F	U
<b>SK</b>						
17	Regina	Lawson Aquatic			1LC;1DW;F; T; M	C
18	Saskatoon	Harry Bailey			1LC;1SC;F	C
19	Swift Current	City of Swift Current Aquatic Complex			1LC;1TP	C
<b>MB</b>						
20	Winnipeg	North End Centennial Pool			1LC	C
21		Sargeant Parks and Recreation			1LC;1T;1SSO;F	C
22		Pan Am Pool		✓	1LC;1x65m;	C
23		Seven Oaks			1LC;1DW;F	C

ON						
24	Toronto	Centennial Rec. Centre			1LC;1SC	C
25		Etobicoke Olympium		✓	1LC;1SC	C
26		Douglas Snow Aquatic Centre			1LC ( 6 lane)	C
27		University of Toronto	✓		1LC;1DW	U
28	Ottawa	Montpetit Hall University of Ottawa	✓		1LC	U
29		Carlton University	✓		1 LC (6 lane)	U
30		Nepean Sportsplex			1 LC, LP, F, squash	C
31	London	Canada Games		✓	1 LC	C
32		University of Western Ontario	✓		1 LC & ?	U
33	Guelph	Victoria Road Recreation/Victor Davis	✓		1LC	U
34	Brantford	Wayne Gretzky Sports Centre			1LC;1DW;3A;F;FH	C
35	Saint Catherines	Eleanor Misenor Aquatic Centre(Brock)	✓		1LC;1T;2G;RC;F	U
36	Sudbury	Olympic Gold Pool	✓		1LC	U
37	Thunder Bay	C.J. Sanders Fieldhouse	✓		1LC	U
38		Canada Games Complex(1981)		✓	1LC;1DW;1SC;F;1T;	C
39	Windsor	Wilfred Laurier University	✓		1LC	U
40	Hamilton	Ivor Wynne Centre(McMaster)	✓		1LC;1Gym;1T;SW	U
QC						
41	Jonquiere	CEGEP	✓		1LC	U
42	Longueuil	Centre Sportif (Edouard-Montpetit)	✓		1LC	U
43	Montreal	Centre Sportif du Claude Robillard (1976)		✓	1LC;1DW;T; F; Multi	C
44		Piscine du Parc Olympics (1976)		✓	2LC	C
45	Quebec City	Piscine Lucien Flamand			1LC	C
46		PEPS Universite Laval	✓		1LC	U
47	Trois Riviers	Trois Rivieres University of Quebec at T.R.	✓		1LC;1TP	U
48	Sherbrooke	Sherbrooke University	✓		1LC;F	U
NB				✓		
49	Saint John	Canada Games Aquatic Centre		✓	1LC;1LP;F	C
NF			✓			

50	St. John's	Aquarena	✓	✓	1LC;1DW;F;Multi	U
NS						
51	Halifax	Dalplex at Dalhousie	✓		1LC;F; M	U
52		Centennial Pool (1967)		✓	1LC;F	S
PEI	Nil					
NWT	Nil					
YK	Nil					
NV	Nil					
52		Total # of Pools	22	15	Community 15	

LC = Long Course      DW=Dive Well      SC = Short Course

T= Track      LP = Leisure Pool      TP=Training Pool      F= Fitness M= Multipurpose rooms      SSO=Speed Skating Oval      A=Arena      MD =Multi Dimensional, large facilities

Total number of pools - 52

University/College – 22 or 42.3%

Games - 15 or 28.8%

71.1% of the 50 metre pools in Canada have either hosted a major event which might have provided funding for construction or these pools are attached to a center of higher learning and form part of an athletic complex for a university, college or technical school. 15% of 28.8% of 50 metre pools are community based aquatic complexes that have not hosted major Games or are located at a school.

Pools with fitness - 50% (minimally 25) if information is correct

The information has been obtained from discussion and internet research study; accuracy cannot be 100% verifiable.

## Appendix 2: Mainland Common 50 metre Pool Scenario

### Financial Forecasts Background and Assumptions:

The following Financial Forecast has been created to assist in developing preliminary concepts for use in crafting long term operating budgets.

Revenue and staffing forecasts are developed based upon knowledge learned within a short period of time specific to Halifax Regional Municipality. The remaining material presented is “Order of Magnitude” consideration only and does not take into account detailed, in-depth assessment, analysis or evaluation of function areas. The consultant team has studied Industry Best Practices and reviewed general operating cost formulae associated with facilities primarily based in Alberta, B.C. and Nova Scotia.

Assumptions made in developing the financial and facility component forecasts include but are not limited to:

- Operation and governance of the Centre facility to be located at Mainland Common will be an arm's length, non-profit society, reporting body relationship with Halifax Regional Municipality. The structure of the entity will be similar to existing District wide facilities. An elected/appointed Board of Directors will oversee the operations of the facility.
- The Indoor Recreation Facilities Master Plan recommends policies determine that developmental recreation, social hub activities and sport are the highest and best uses activities within the facility. Priority booking guidelines based upon predetermined criteria require development. To demonstrate how booking can be coordinated with sport and recreation Talisman Centre's Booking Guideline information is supplied as an appendix to this report.
- There is an understanding that the Centre must also be a socially responsible entrepreneurial organization striving for revenues generation primarily through provision of membership experiences, recreation/wellness and sport programming and service provision. The revenues streams are supplemented by lease and rental revenues gained through rental of programming spaces such as gyms to registered groups as well as lease revenue generated from for profit sports medicine clinics or leased food and beverage operations.
- The spatial forecasts have been created based upon Facility Area summary report review, crafted by the facility architects and through discussions with Terry Gallager.
- This information is very preliminary in design and cannot be construed as a final presentation of financial forecasts. No effort has been made to study waste heat regeneration or use as an example.
- No consideration has been made, at this time, on impacts associated with competing facilities within the market catchments zone anticipated. Mainland Common may not be able to attain market penetration forecasted unless market feeder system alignment is developed and contractual relationships solidified with sport organizations.
- Mainland Common will be an iconic facility and serve as a major attraction for the entire Regional Municipality. It must be understood that it is above and beyond the normal functioning of Regional recreation and sport facilities and is thereby equivalent to Sackville Sports Stadium or Dartmouth Sportsplex as examples. Strong associations with smaller facilities within the region will be encouraged to achieve "destination" status for the facility to assist in drawing a broader based clientele.

- A Lifecycle replacement program should be forecasted for the Mainland Common at 1% of communicated construction value.
- It is believed there is a “Revenue Threshold” of approximately \$6 million per year in operating revenues for non-commercial, public access facilities in Canada not affiliated with universities. This is supported by research in our study group that has identified only 1 facility attaining consistent revenues above \$6 million per annum. Further, this particular facility is located in the heart of a community with a population of 1 million.
- A Social Entrepreneurial approach has been deemed the most realistic business-operating model for Mainland Common. Social entrepreneurialism consistently holds true to the Vision, Values and Mission of the Organization and the sponsoring Municipality. This concept presupposes that various function areas capable of generating high yield net income will subsidize and support others that are more costly to operate and lose money. It further purports a more aggressive marketing and service platform for services, while maintaining tight control on expenditures. Historically in Canada, facilities of the type proposed rely on fitness services, and resultant memberships to generate substantial revenues.
- Indoors pools historically lose money but can generate revenues when large volumes of participants use the pools therefore fun special events will be encouraged to attract participation. Exploration of a new generation concept for leisure pool environments is encouraged. This concept would allow for quick conversion of programming spaces and provide for renovations of the look to the facility with minimal cost impacts while yielding an updated atmosphere that stimulates additional revenue just as a slow down might occur.
- Branding the facility with experiential services should be elements of on-going mandate fulfillment. Aquatic skill development services can generate reasonable revenue to augment membership revenues.
- Benchmark overall operating costing for a “lean and mean” slimmed down organization commencing operations is forecasted at \$15 per square foot of space. It is known that some organizations may choose to escalate the aforementioned value for commencement of operations costing to in excess of \$18 per square foot dependent upon the support system demands – i.e. unionized rates and provision of services beyond normal start-up consideration.
- No data has been studied on current or forecasted registrations to substantiate the forecasts for sport group rentals.
- Lease rates described have not been verified as realistic for Halifax Regional Municipality.

- The financial and operating performance of the facility is highly dependent upon the quality of the management team implementing strategies to generate the results forecasted by the consultant team. Recruitment of an experienced, competent entrepreneurial senior leadership team is contemplated and is supplemented by a younger, less experienced employee base.
- A comprehensive operations plan, systems manual preparation, policies and procedures as well as training programs for staff are required to be fully developed prior to preparing any form of marketing plan or establishing community or partner relations. Staff from Halifax Regional Municipality could assist with offering systems, protocols or procedures that have been proven successful in other non-profit facilities currently operating within Halifax Regional Municipality.
- The facility will require an on-going subsidization to assist with general operating and lifecycle equipment replacement. This is primarily for capital lifecycle replacement programming.
- Financial forecasts may vary substantially from those presented based upon economic circumstances at the time, the quality of staff and extent of business strategy implementation, timing and investment. Budgets may vary +/- 15% of gross revenues and expenditures.
- The financial forecasts and proformas DO NOT include any inflationary projections and are based upon current pricing/salaries as at June 2007.
- 

### **Best Practice Study Group Facilities Used for Comparative Purposes:**

- The following facilities have been studied in assessing prospective financial performance of Mainland Common: Dartmouth SportsPlex and Sackville Sport Stadium of Halifax, Talisman Centre in Calgary, Alberta, Saanich Commonwealth Place in Victoria, B.C., TransAlta Tri Leisure in Spruce Grove, Alberta, St. Albert Multipurpose Leisure Centre in St. Albert, Alberta, Millennium Place in Strathcona County, Alberta. Our rationale for studying these particular facilities is that they represent some of the largest revenue generating centres within Canada. Talisman and Saanich are two facilities with a sport first booking policy and strongly support sport. All facilities would be classified as Industry Best Practices Models emphasizing revenue production from sport and recreation and utilize good quality cost management controls and procedures.
- The majority of the facilities within the study group all operate multi-dimensional complexes.

- The facilities within the study range in revenue production from under \$5 million per annum (1 facility) to between \$5 million to \$6 million (3 facilities) and 1 facility generates closer to \$8 million; this facility is in the largest study group community.
- Each of the aforementioned facilities receives financial support from municipal government to assist with Lifecycle replacement. 3 of the facilities “breakeven” on operations. 2 facilities receive substantial subsidies for general operations.
- Labour costs for operating these facilities vary from a high of in excess of 80% of revenues (aquatic facility, unionized rates) to a low of 44% of revenues (a facility with no social mandate nor requirement to support a “cause”). The higher and lower values are considered impractical for application in this situation.

## Mainland Common Financial Projections - 50 metres

Created June 4, 2007

Scenario 8 lane 50 metre pool	Year 1	Year 2	Year 3
<b>Revenues</b>			
General Admissions	\$276,150	\$290,346	\$301,960
Multi Admissions	\$367,031	\$385,206	\$405,247
Memberships	\$1,286,250	\$1,391,700	\$1,434,498
Facility Rentals	\$234,687	\$307,443	\$317,247
Programs	\$180,000	\$225,000	\$247,500
Child Minding/Play	\$61,000	\$63,440	\$65,978
Hospitality	\$35,000	\$36,400	\$37,856
Other	\$62,000	\$62,000	\$62,000
Subtotal	\$2,502,118	\$2,761,535	\$2,872,285
<b>Expenses</b>			
Labour & Benefits	\$1,927,189	\$1,985,005	\$2,044,555
Utilities	\$600,000	\$618,000	\$636,540
Repairs & Maintenance	\$275,000	\$283,250	\$291,748
Supplies	\$300,000	\$309,000	\$318,270
Subtotal	\$3,102,189	\$3,195,255	\$3,291,112
<b>Net Gain (Loss)</b>	<b>(\$600,071)</b>	<b>(\$433,720)</b>	<b>(\$418,827)</b>

### Notes:

GST is not included in any prices

Full year operations assumed.

Utilities have not been verified for accuracy. The actual rates and consumption may vary greatly from forecast.

<b>Daily Admissions</b>	<b>Number</b>	<b>Price</b>	<b>Year 1</b>	<b>% Increase</b>	<b>Year 2</b>
Adult	21,000	\$6.00	\$126,000	4%	\$131,040
Senior	2,100	\$4.50	\$9,450	4%	\$9,828
Youth	10,500	\$5.00	\$52,500	10%	\$57,750
Child	4,200	\$3.50	\$14,700	4%	\$15,288
Tots	0	\$0.00	\$0	4%	\$0
Family	4,200	\$17.50	\$73,500	4%	\$76,440
Group	0	\$0.00	\$0	4%	\$0
	42,000		\$276,150		\$290,346

Note: 50% adult, 25% youth, 5% for senior, 10% child and 10% family. Year 2 will see higher price and utilization.

<b>Multi Admissions (10)</b>	<b>Number</b>	<b>Price</b>	<b>Year 1</b>	<b>% Increase</b>	<b>Year 2</b>
Adult	1,575	\$45.00	\$70,875	8%	\$76,191
Senior	225	\$33.75	\$7,594	4%	\$7,898
Youth	450	\$37.50	\$16,875	10%	\$18,563
Child	225	\$26.25	\$5,906	4%	\$6,143
Tots	0	\$0.00	\$0	4%	\$0
Family	2,025	\$131.25	\$265,781	4%	\$276,413
Group	0	\$0.00	\$0	4%	\$0
	4,500		\$367,031		\$385,206

Note: 35% adult, 10% youth, 5% for senior, child and 45% family. Year 2 will see higher price and utilization.

<b>1-Year Membership</b>	<b>Number</b>	<b>Price</b>	<b>Year 1</b>	<b>% Increase</b>	<b>Year 2</b>
Adult	1,800	\$350.00	\$630,000	7%	\$674,100
Senior	150	\$225.00	\$33,750	4%	\$35,100
Youth	150	\$250.00	\$37,500	4%	\$39,000
Child	0	\$250.00	\$0	4%	\$0
Tots	0	\$0.00	\$0	4%	\$0
Family	900	\$650.00	\$585,000	10%	\$643,500
Group	0	\$0.00	\$0	4%	\$0
	3,000		\$1,286,250		\$1,391,700

Note: 60% adult, 5% youth, 5% for senior, and 30% family (rounded). Year 2 will see higher price and utilization.

<b>Child Minding/Play</b>	<b>Number</b>	<b>Price</b>	<b>Year 1</b>	<b>% Increase</b>	<b>Year 2</b>
Admissions	8,000	\$5.00	\$40,000	4%	\$41,600
Special Events	150	\$140.00	\$21,000	4%	\$21,840
	8,150		\$61,000		\$63,440

<b>Hospitality</b>	<b>Number</b>	<b>Net Rev.</b>	<b>Year 1</b>	<b>% Increase</b>	<b>Year 2</b>
3rd Party Vendor	1	\$35,000.00	\$35,000	4%	\$36,400
			\$35,000		\$36,400

Note: 1600 square feet available. Combination of lease rate at \$32 square foot plus 10-12% of gross sales, whichever is greater.

<b>Meeting/Studio</b>	<b>Number</b>	<b>Revenue</b>	<b>Year 1</b>	<b>% Increase</b>	<b>Year 2</b>
Meeting Rooms	1	\$25,000.00	\$25,000	4%	\$26,000
			\$25,000		\$26,000

Note: Studio will mostly be used for programming.

<b>Other</b>	<b>Number</b>	<b>Revenue</b>	<b>Year 1</b>	<b>% Increase</b>	<b>Year 2</b>
Physiotherapy	1	\$50,000.00	\$50,000	0%	\$50,000
Vending	1	\$12,000.00	\$12,000	0%	\$12,000
			\$62,000		\$62,000

Lease Rates: Physio 2500 SF at \$20 per SF;

<b>Programs</b>	<b>Number</b>	<b>Net Rev.</b>	<b>Year 1</b>	<b>% Increase</b>	<b>Year 2</b>
Facility Wide	1	\$180,000.00	\$180,000	25%	\$225,000
			\$180,000		\$225,000

Note: Run programs internally with a net of 40%. Program cost includes staffing and supplies with zero charge for facility space.

#### **Labour Assumptions**

Yearly rate increase (%)	3%
Benefit add on to labour expense	12%

<b>LABOUR</b>	<b>STAFF</b>			
	<b>#</b>	<b>SALARY</b>	<b>Year 1</b>	<b>Year 2</b>
<b><i>Child Minding</i></b>				
Hourly Staff	1	\$43,000	\$58,435	\$60,188
Benefits			\$7,012	\$7,223
			\$65,447	\$67,411
<b><i>Fitness Centre/Sport Development</i></b>				
Fitness Supervisor	1	\$50,000	\$50,000	\$51,500
Fitness Centre Hourly Staff			\$115,802	\$119,276
Benefits			\$19,896	\$20,493
	112		\$185,698	\$191,269
<b><i>Facility Operations</i></b>				
Ops Supervisor	1	\$55,000	\$55,000	\$56,650
Ops Full Time	1.5	\$45,000	\$67,500	\$69,525
Ops Part Time	1	\$20,000	\$20,000	\$20,600
Benefits			\$17,100	\$17,613
			\$159,600	\$164,388
<b><i>Aquatics</i></b>				
Aquatics Supervisor	1	\$50,000	\$50,000	\$51,500
Coordinators	2	\$40,000	\$80,000	\$82,400
Hourly Staff			\$324,336	\$334,066
Benefits			\$54,520	\$56,156

\$508,856    \$524,122

**Administration**

Chief Operating Officer	1	\$100,000	\$100,000	\$103,000
Executive Secretary	1	\$40,000	\$40,000	\$41,200
Manger of Facility Operations	1	\$85,000	\$85,000	\$87,550
Manager Experience Services	1	\$85,000	\$85,000	\$87,550
Manager of Finance	1	\$85,000	\$85,000	\$87,550
Finance Support	1	\$45,000	\$45,000	\$46,350
Human Resources	1	\$45,000	\$45,000	\$46,350
IT	1	\$40,000	\$40,000	\$41,200
Marketing & Sales, Bookings	1.5	\$35,000	\$52,500	\$54,075
Benefits			\$69,300	\$71,379
			\$646,800	\$666,204

Note: Facility Bookings will be handled by Marketing & Sales

**Customer Service**

Coordinator	1	\$45,000	\$45,000	\$46,350
Hourly Staff			\$110,104	\$113,407
Benefits			\$18,612	\$19,171
			\$173,716	\$178,928

**Custodial**

Hourly Staff			\$167,028	\$172,039
Coordinator - shared with operations				
Benefits			\$20,043	\$20,645
			\$187,071	\$192,684

**Appendix 3: Talisman Centre Booking Procedures**

Material will be provided under separate cover.