

City of Grande Prairie  
**Aquatics & Wellness Centre  
And Multiplex**

**BUSINESS PLAN  
2008, 2009 and 2010**

and

**FEASIBILITY STUDY**

**September 22, 2007**



## **1.0 BUSINESS PLAN 2008, 2009 and 2010**

### **1.1 Vision**

As an acknowledged hotbed of growth and prosperity in Canada, Grande Prairie is a community of excellence that tackles obstacles head on.

### **1.2 Mission**

Grande Prairie 'WE MAKE THINGS HAPPEN'

We are building a community of excellence by:

- Adding to our list of award winning best practices
- Consistently reaching out for national and international events that showcase our community
- Constantly searching for new ways to better achieve results
- Pioneering new solutions to growth
- Striving to be environmentally friendly
- Demonstrating fairness and equity
- Recognizing the need for regional community capacity

Operating Philosophy

We are committed to:

- Fiscally responsible allocation of resources
- Meeting the needs of a growing community
- Regional integration and partnerships that benefit everyone
- These guiding beliefs: "by being a customer responsive organization that strives to be the best it can through continuously improving. We value CO-OPERATION, INTEGRITY, FLEXIBILITY, provision of quality service by CARING employees in FUN atmosphere."

### **1.3 Key Services – Aquatics & Wellness Centre**

- A community gathering place
- Leisure and wellness opportunities for all ages and abilities
- A tourist destination and attraction for the region
- Affordable recreation and FUN for families

### **1.4 Focus Areas and Goals: (from City Council's Strategic Plan)**

#### A Regionally Integrated Centre

Goal 1.5: support health care and educational initiatives

Department Objectives:

- 1) Liaise with Peace Country Health and other para-medical practitioners to determine community based health and rehabilitation programs that could be housed within the Aquatics & Wellness Centre.
- 2) Work with school boards and post-secondary institutions to promote the Aquatics & Wellness Centre for both recreational and curriculum-based use.

Goal 1.8: support and encourage organization and programs promoting Grande Prairie as a visitor destination.

Objectives:

- 1) Liaise with local tourism associations and Alberta Tourism to ensure the Aquatics & Wellness Centre is featured in visitor information promoting the Grande Prairie area.
- 2) Communicate with groups and organizations that bring large events to Grande Prairie to encourage the promotion and use of the Aquatics & Wellness Centre in their advertising.
- 3) Work with local hotels to promote the use of the Aquatics & Wellness Centre for their visitors.

Goal 1.9: support the continuous learning of our staff and Council.

Objectives:

- 1) Continue to train and develop aquatic and other recreation staff to ensure bench strength in filling the staffing requirements at the Aquatics & Wellness Centre.
- 2) Continue to offer community programs aimed at certifying lifeguards and aquatic instructors to satisfy the staffing requirements of both aquatic facilities.

Goal 1.10: continue the development of the Community Knowledge Campus in partnership with local school boards and community groups.

Objectives:

- 1) Continue to include and engage partners in CKC site with progress and updates on the Aquatics & Wellness Centre design and construction.
- 2) Examine opportunities for community group partnerships with the Centre.
- 3) Prepare terms of reference for a public facility advisory group (which includes representatives of the facility user groups).

Goal 1.15: strategically participate in regional economic development.

Objectives:

- 1) Work with Economic Development office and regional partners to include the Aquatics & Wellness Centre in all regional promotional material.

### Meeting the Needs of a Growing Community

Goal 1: develop a recruitment strategy for staffing of facility.

Objectives:

- 1) Determine staffing requirements for all areas of Aquatics & Wellness Centre.
- 2) Identify timelines and strategies for recruitment of staff in each area.

Goal 2: develop a marketing plan for the Aquatics & Wellness Centre

Objectives:

- 1) Hire a project management/marketing consultant to design a marketing plan for the Aquatics & Wellness Centre that will be launched prior to opening and continue for the first year of operation.

## Safe Community

Goal 1: work with architect and consultants to ensure the safest possible technology is built into the new facility.

Objectives:

- 1) Research and evaluate all proposed technologies by identifying risks and benefits of each and making the best decision for both safety and operational requirements.

Goal 2: work with Peace County Health to ensure facility is designed/built to Public Health Act regulations.

Objectives:

- 1) Ensure all mechanical and filtration requirements are submitted to Peace Country Health for approval prior to tendering process.
- 2) Ensure the standards set out in the new Pool Regulations are met or exceeded.

Goal 3: develop safe work procedures and training on facility equipment.

Objectives:

- 1) Identify all work hazards in conjunction with staff and consultants.
- 2) Develop safe work procedures and training protocols for all facility equipment and work processes.

Goal 4: work with staff to develop public safety procedures.

Objectives:

- 1) Identify all potential public safety risks in conjunction with staff, other CKC site partners, and emergency personnel.
- 2) Develop procedures for all risks so that public safety on the entire CKC site is maintained.

## Healthy, Active and Caring Community

Goal 4.4: Partner with other orders of government, community organizations and the private sector to meet the recreation and culture needs of our community.

Objectives:

- 1) Work with community groups to ensure technical sport specifications of the pools are incorporated into the design.
- 2) Determine which leaseable spaces will be available and actively solicit tenants for these spaces.
- 3) Prepare a Request for Proposals for concession and vending services so that these services are ideally available when the facility opens.
- 4) Prepare a Request for Proposals for naming rights and other sponsorship opportunities within the Aquatics & Wellness Centre.

Goal 4.6: Continue to partner with the disabled community on the design and delivery of services to remove barriers.

Objectives:

- 1) Identify at least two disabled members of our community and/or members of groups that support the disabled community to act in an advisory capacity in the design/development of the Aquatics & Wellness Centre.

Goal 4.7: Support projects and programs that enhance quality of life for our seniors.

Objectives:

- 1) Consult with seniors and agencies that serve seniors to determine their needs and ensure that these are considered in both the design/development of the facility as well as in the programming of it.

Goal 4.9: Implement the recommendations of the Recreation Master Plan including the Aquatics & Wellness Centre and Multiplex.

Objectives:

- 1) Continue to work through the Building Committee and Technical Committee to ensure Aquatics & Wellness Centre completion.

### Beautiful and Sustainable Community

Goal 5.1: continue to minimize the use of harmful chemicals and their impact on our environment.

Objectives:

- 1) Work with consultants to evaluate technologies being proposed for the Aquatics & Wellness Centre to ensure the safest and most effective options are implemented.

Goal 5.2: continue our commitment to responsible environmental stewardship, energy use and climate protection.

Objectives:

- 1) Implement energy-wise technology throughout the Aquatics & Wellness Centre.
- 2) Provide spaces and access points for ease of recycling efforts at the Aquatics & Wellness Centre.
- 3) Investigate the possibility of using recycled water when pools are drained for CKC site green spaces.

### **1.5 Performance Measures:**

- Customer Feedback after first 3 months of operation, > 90% positive
- Membership sales during first 12 months, at least 4,500 (including a pre-opening membership drive)

### **1.6 Service Levels and Service Design Options:**

- Facility management and maintenance
- Planning and promotion of a variety of recreation programs and activities within Aquatics & Wellness Centre
- Customer listening and service design
- Administration of cash handling for admissions, registrations
- Rentals and contracted services (ATM, vending machines, leased spaces)

- Provision of concession services
- Liaising with contracted user groups to optimize space utilization and revenue generation
- Ensure protection of infrastructure
- Maintain a safe, healthy and inviting environment
- Responsively address the needs current and future of customers
- Provide high quality leadership and instruction – be a mentor to other city departments, regional facilities/staff
- Work effectively in partnership with recreation groups and agencies to provide recreation opportunities for citizens of all ages, abilities and socio-economic status

### 1.7 Resource Requirements:

- Aquatics & Wellness Centre, multipurpose recreation facility with equipment and furnishings to operate multiple swimming pools, multi-purpose rooms, weight room, change areas, common areas, administration areas and lease/concession areas
- Ongoing training – operations, computers, leadership, team growth
- Full staff complement, including full-time, part-time and casual

### 1.8 Planning Assumptions:

- Facility maintenance department plans and coordinates all maintenance and repair budgets.
- Aquatics & Wellness Centre will have its own Operations Staff for pool mechanical and water quality.
- Unpredictable utility costs will continue to be a factor.
- No major shutdown or closure will be required for mechanical or structural breakdown.
- Equipment will be maintained/improved in order to operate efficiently.
- Increased facility use and regional population base combined with the “newness” factor will impact revenue and stress facility and resources.
- On-site administrative support functions will continue.



## 2.0 AQUATICS TRANSITION STRATEGY

The Aquatics & Wellness Centre is planned to be open at the beginning of 2011. In order to ensure a smooth transition between one aquatics facility to two aquatics facilities in Grande Prairie, the following transition is proposed:

### January 2011

- Aquatics & Wellness Centre opens

### January – March 2011

- Aquatics & Wellness Centre operates all day long, all drop-in times
- This will allow the community and region to enjoy it without working around lessons
- The Leisure Centre will run lessons and limited public and lane swim times only; staff will be shared between The Leisure Centre and Aquatics Centre
- Some customer service and maintenance staff will work at both facilities

### April – December 2011

- The Leisure Centre Shutdown will last six to eight months (or more) to complete a review of its future operations and to complete the work required based on the review
- Correction of mechanical deficiencies and replacement of worn infrastructure or other renovations
- All Aquatic Staff will move to the Aquatics & Wellness Centre (no need for layoffs)
- Customer service and maintenance staff – some will remain at The Leisure Centre for soccer and fitness, others will move to the Aquatics & Wellness Centre
- This will also allow for complete training of staff so that when recruiting for aquatic and other positions, they will be trained in both facilities and can comfortably apply without the fear of the “unknown”
- This will result in some savings at The Leisure Centre for 2011; savings will be in the pool area only as the rest of the facility will operate as normal

### May – August 2011

- Bear Creek Pool operates for final year; will require a one-year renewal of contract for the Piranhas Swim Club
- This may be an issue for them as competition with the Aquatics Centre might not pay off for them

### January 2012 (approximately)

- The Leisure Centre re-opens

### May 2012

- Bear Creek Outdoor Pool under design/construction to become a spray park, closed for the summer
- Possibly like the Lions Park or possibly a “paid” attraction with staffing and changerooms available (e.g. Ontario Place spray park)

### July 2013

- Bear Creek Spray Park opens



### 3.0 FEASIBILITY ANALYSIS

The following operational analysis examines the revenue and expense assumptions, as well as a facility operating budget for the new Aquatics & Wellness Centre and Multiplex Facility. This facility will become a flagship centre for sport and wellness at the Community Knowledge Campus.

#### 3.1 Principles

- The facility has been designed, developed and will be operated as a City of Grande Prairie facility with full public access to the local residents and visitors as well as an operating partnership with the City's Community Knowledge Campus partners.
- The facility will provide a mix of structured and casual sport and wellness opportunities.
- The facility is designed to emphasize student sport and wellness as well as ensuring multi-generational access to the facilities.
- The design provides barrier free access for all levels of disability with access to all concourse areas.
- The facility has been designed to meet the sport and wellness needs for the City and the public, housing athletic teams, athletic program staff and community sporting organizations.

The following operational analysis is based upon the attached facility program and floor plans.

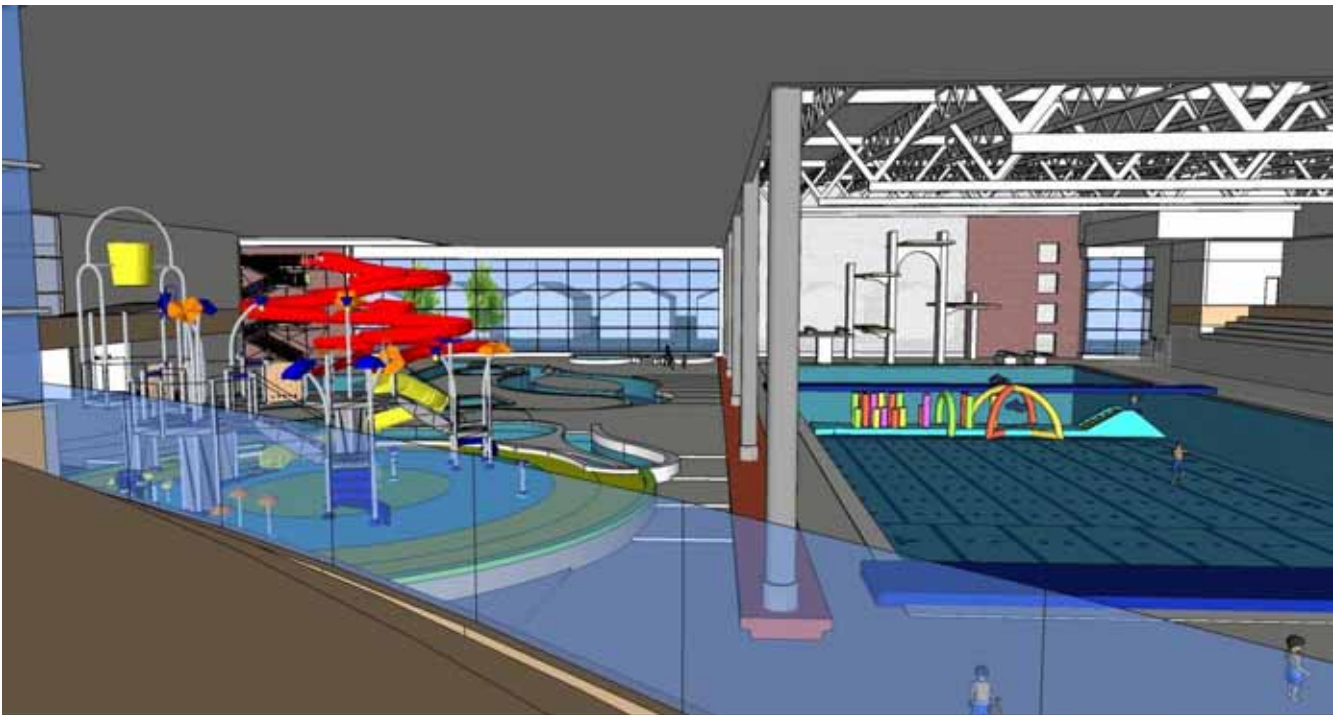
#### 3.2 Rationale

- Leisure/membership model
  - provides an opportunity for drop-in use of all age groups at all times that the facility is open
  - more people get involved and active, children to seniors
  - best return for invested dollars
  - provides operating support for competitive elements of facility
- Training and Competition
  - 54m pool and dive tower support the implementation and growth of learn to swim/life saving courses, competitive swimming, water polo, synchronized swimming, springboard and tower diving
  - Although the numbers of users are small in relation to the size and cost to operate the facility, it is important to provide an expanding range of program opportunities for users of all age groups.

#### 3.3 Facility Elements and Users

Attraction	Age Group				User Type
	Child	Youth	Adult	Senior	
Body slide	√	√	√		
Tube slide	√	√	√		
Lazy river	√	√	√	√	Tube, fitness walk, kayak
Splash pool & playground	√	√	√	√	Lessons
Family hot tubs	√	√	√	√	
Hot tubs			√	√	
Program pool	√	√	√	√	Aquasize, lessons, lane swim, competition
Surf Rider		√	√		
25m pool	√	√	√	√	Competition, lessons, lane swim
54m pool	√	√	√	√	Competition, lessons, lane swim
Dive tank		√	√	√	Competition, drop-in, lessons

- **Program Pool**  
The program pool is kept at a warmer temperature, is a shorter depth and provides barrier-free accessibility. It will be used for swim competitions, lessons, seniors programs, rehabilitation, and lane swimming.  
Removing the program pool will reduce the number of hours available to sport groups in other tanks. Hosting competitions will be affected as a warm-up pool is a requirement in some cases.
- **Surf Rider**  
This is the second one of its kind in Canada (first in Alberta).  
It will be an attraction itself for city and regional users.  
It is very key to the aquatic facility from a social recreation perspective. Visitors of all ages to the facility will be drawn to the area, on the pool deck and in the concourse, to watch the activity.



Floor plans

## 4.0 OPERATIONAL COST ANALYSIS

### 4.1 Recreation Facility Trends

Research has shown that the leisure time of Canadians has been constantly increasing in importance in the past decade. Over half of the Nations' population view leisure time as equal to, or more important than, work time. This explains that leisure time is becoming increasingly important in the personal development and quality of life for most Canadians. This increasing importance of leisure time has been countered by longer workdays, shift work regimes, and changing work environments. Working Canadians average 7.8 hours per day of work and only 5.8 hours of free time. Of this free time, one hour is dedicated to active leisure. The scarcity of free active leisure time for Canadians equates to a demand for more value-added activities. Value-added can come from the ability to recreate at any time throughout the day (i.e. accommodates shift workers) or the availability to have simultaneous recreation opportunities for the entire family (i.e. incorporating family time with active leisure). These two value-added concepts are achieved by offering a variety of simultaneous, spontaneous recreation opportunities. The main reasons why people participate in recreation activities are determined to be for pleasure, physical health/exercise, relaxation, to spend time with friends, to enjoy nature, and for a challenge.

Leisure participation and activity choices change depending upon age of the participant. As we age, the appreciation for physical well-being increases. Young adults with children (currently aged 20 - 34) currently represent a large age demographic in Grande Prairie and have unique recreation needs. The demand for exercise oriented, low-impact activities such as fitness classes/weight training, etc. will be prevalent as well as co-ed activities directed at couples and activities that can be enjoyed spontaneously (i.e. without major preparation, coordination, or waiting time). This trend suggests that facilities must be programmed and designed to respond to the needs of this young adult majority and at the same time provide for traditional youth team sports and more demanding physical activity outlets. This heralds a new approach to delivery and the provision of spaces which provide for programmed activities most often associated with minor sport programs in combination with spaces that can host a variety of activities for adult groups seeking less structured programs that promote health and socialization. New leisure facility development more often responds to the need for **multi-use** spaces, rather than dedicated spaces for the purposes of increasing use and accommodating a number of different user groups. This concept of nondedicated space works extremely well for facilities with large open spaces that can be converted into multi-sport surfaces and trade/event open areas.

Another trend, applicable in the programming area of recreation facilities, is the concept of providing **spontaneous recreation** opportunities as opposed to programmed/structured opportunities. Unstructured recreation opportunities fit into today's busy lifestyles and require little commitment or planning in order to participate. The convenience offered by the time and structure flexibility is becoming more sought after by all recreation participants and is a major feature of today's successful recreation facilities. These types of spontaneous recreation opportunities will be provided through any of the development options although those with the most comprehensive mix of opportunities will provide the highest value for the community.

### 4.2 Operational Budget Foundations

The following section outlines operating budget assumptions used to calculate the operating cost model for the Aquatics and Wellness Centre.

#### Revenue Assumptions

The following revenue assumptions are based on observed operating levels at similar facilities, local market conditions and other facility usage expectations.

#### Revenue Potential

- Leisure/membership model – to be successful on a long-term basis, users want a quality diversified recreation experience. Drop-in use of fitness, leisure pool, field house and track will draw more residents than any other program or club.
  - Community Services Goal – enhance the quality of life for residents through the provision of recreation facilities that get people involved and active.

- Pass Holder Revenues

Pass holders make up a major portion of facility revenues and as such involve assumptions that can change the nature of the entire budget. Due to the relatively recent development of these types of multiplex facilities, there are not a lot of direct comparisons that can be made in order to determine levels of pass holder sales. That said, the operations in Spruce Grove (Trans Alta Tri-Leisure Center) and in Sherwood Park (Millennium Place) can be compared as they operate in comparable markets and market conditions to those in Grande Prairie. The pass holder levels for these two facilities are as follows (Note: Pass Holder levels fluctuate throughout the year and the following numbers indicate approximate annual averages):

Pass Holder Levels	Trans Alta Tri-Leisure	Millennium Place
Market Population	~35,000	~60,000
Pass holders	~6,000	~14,000
Percent of Population	17%	23%

It is important to note that the Trans Alta Tri-Leisure Pass only entitles the holder to access the single facility whereas the Millennium Place pass allows access to a number of other Strathcona County recreation facilities.

Although the markets are similar in these areas, it also important to note that the facility components have to be similar in order to compare. The above-mentioned facilities compare to the three development options in terms of components as follows:

Since components are similar but not identical (as the Multiplex component is currently projected to be a later phase) the estimated market rates for the Aquatics & Wellness Centre are lower than the two other facilities. In terms of facility traffic, each component generates a certain number of estimated daily users / spectators. The following chart summarizes traffic estimates for each facility component. The following estimates are based on traceable facility users and the figures indicate "primary" reason for facility visit. Note: The Trans-Alta Tri-Leisure Centre experiences approximately 3,300 people per day (on average) and includes leisure aquatics, two ice arenas, a smaller fitness area, and one less field house and does not include a post secondary element. Note: Approximately 68% of the traffic in the facility can be attributed to fitness and the field houses. Note: For the purposes of this analysis fitness / wellness areas (including the indoor track), child play, and a portion of time in the gymnasium are assumed to be dedicated to spontaneous use for pass holders. Given these pass holder / market assumptions, the following pass holder levels have been estimated for the facility:

Market Size 50,000	Pass Holder Rates				Pass Holders			
	Year 1	Year 2	Year 3	Year 4	Year 1	Year 2	Year 3	Year 4
	7.0%	10%	13%	15%	3500	5150	6890	8,190

(assuming a 3% population growth per year)

A blended (weighted average) monthly rate of **\$50 per month** has been determined based upon the following percentages.

Monthly/yearly Pass Rates	Breakdown
Adult \$50/\$600	50%
Youth \$30/\$360	30%
Senior \$30/\$360	10%
Family \$125/\$1500	10%

Note: The aforementioned percentages are based on average Multiplex market rates and associated estimated demographic profiles of facility users.

- Current revenue projection - 3500 members @ \$600 - \$2,100,000 could expand to approximately 7,000 members - \$4,200,000.

- Revenue per visit - \$600/yr
  - 2 times/week for 24 wks = 48
  - 1 time/week for 28 wks = 28
  - 76/year = \$7.89/visit
  - 100/year = \$6/visit

Pre-Opening membership drive (assumption 2% of population = 1,000) @ a weighted average of \$500 would add an additional \$500,000 in revenue.

- Drop-In Revenues

- Drop-in users have the same needs as members, but choose to pay as they go.
- Current Revenue Projection
  - Revenue - \$700,000 based on The Leisure Centre experience modified with a higher drop-in fee.
  - by entering partnerships with the hotel industry, we can possibly increase the number of drop-in users.
  - Revenue per visit: \$7/visit, average 1.5 hour stay - \$5.30/hr

Drop-In revenues are based upon those facility patrons that do not hold monthly passes. In the operating budget, each Drop-In charge is reflected at a blended rate of **\$7 per visit** or per day (as determined in the following chart) for use of the entire facility.

Drop In Rates

	Rate/Person	Percentages
Adult	\$ 8.00	50%
Youth	\$ 6.50	30%
Senior	\$ 6.00	10%
Family	\$ 20.00	10%
Total	\$ 6.95	

Note: The above Rate/Person and Proportion figures are based on average Multiplex market rates and associated estimated demographic profiles of facility users. Drop-In traffic Level estimates are estimated as follows:

Estimated Drop-In Traffic for the Centre

	Daily	Days/Year	Annual Visits
Spontaneous Drop-Ins	75	360	27000

- Surf Rider Revenue potential if it were to be an additional charge

- Extra fee to use - \$3/hr
- 20 users/hr
- \$60/hr
- 4 hrs/day M-F = 20/wk
- 12 hrs/day S-S = 24/wk
- 44 hrs/wk x \$60/hr x 50 weeks
- \$132,000/yr
- Capital payback – 8 years

- Regional Use and Tourism

- The leisure pool will be a destination attraction for the 250,000 people living outside Grande Prairie. Revenue growth is summarized above.
- Sport Tourism – The ability to host regional, provincial and national events has a significant positive economic impact for the City. For example: 10 events with 250 participants will generate 500 visitors who will spend a minimum of \$250 per visit, generating \$125,000/weekend and \$1,250,000/yr.

- Competition

- Hourly participants
  - 54m pool/ diving tank 20-30
  - 25m pool 40-50
  - 60-80
- Hours
  - M-F – 4:30 – 9:30 5 hours x 5 = 25
  - S-S – 7:00 – 4:00 4 hours x 2 = 8
  - 33 hours/wk
- Maximum users per week – 1980 – 2640
- Charge out rate per hour - \$75/hour
- Revenue per user:
- 33 hours per @ \$75 = \$2475
  - Revenue per user - \$2475/1980 users = \$1.25/user
  - \$2475/2640 users = \$ .94/user

- Non-Aquatics Traffic Estimates

	Daily Traffic	%
Fitness / Wellness	800	44.0%
Track	200	11.0%
Child Play	150	8.2%
Meeting Rooms	100	5.5%
Field House	270	14.8%
Post Secondary Traffic	300	16.5%
Total	1820	100.0%

- Child Minding Services Revenues

Child minding services, for the purposes of this operating budget, are defined as informal spontaneous child supervision. The nature of the service does not require operators to follow child day care legislation and can include a drop in fee as well as party hosting services. Drop-ins are estimated at 15 children per day, at \$5/child, 360 days per year and parties are estimated at 3 per week, 52 weeks per year, at \$100/party. In existing child minding operations in multiplex facilities, parties alone have generated the facility over \$75,000 (net). Note that the rates used are based on average market rates for multiplex child minding operations.

- Field House Revenues:

Rental revenues for the facility are more straightforward than other aspects of the facility budget. **Field house (soccer) rates are set at \$78 for youth and \$90 for adult per prime time hour.** The estimated youth:adult use ratio is 50:50 for approximately 1500 hours per year.

- Sponsorship Revenues:

Sponsorship opportunities are definite possibilities for publicly accessible facilities and enable operators to decrease operational and capital expenses while giving the private sector an opportunity to increase exposure and brand awareness. When private sector organizations choose to advertise, they do so based on the return they will receive for their investment. This return is measured in overall exposure which can be categorized as traffic throughout a facility or location, or the number of impressions the advertisement can make on a specific target market. Traditional stand alone recreation facilities have lower traffic levels and therefore less exposure and cannot draw sponsorship investment as return is higher with other advertising medium. The return that sponsors get for their advertising dollars in a multiplex centre setting can be equal to or better than the return received from other popular forms of advertising. Perhaps the most attractive aspect of multiplex centre advertising (sponsorship) is the fact that the audience is composed of families, user groups, and all other types of recreation participants. The existence of this

possible target market and the fact that these facilities can draw over 2,000 visitors per day relates that the leisure mall is an effective advertising medium for leisure-oriented private business.

Although it requires a new way of thinking about publicly accessible post secondary recreation services, there is an opportunity to decrease the costs of operating public facilities, either freeing up public funds for other ventures or enabling provision to reach a new standard of quality. That said, sponsorship possibilities and local advertising spending differ among varying communities. The existence of primary employers such as major industrial or petrochemical resource operations are ideal facility naming sponsors while meeting rooms and smaller building component sponsorship can be targeted at small business and service groups. Offering a variety of sponsorship levels ensures that all interested parties can have stake in the facility and increases the income of the facility.

The following rates have been determined achievable in the Grande Prairie market based on local economic conditions and similar facilities across Alberta.

Sponsorship Item	Net / Item	Saleable Items	Total Per Item
Field House Boards	\$ 500	25	\$ 12,500
Multipurpose Rooms	\$ 1,000	3	\$ 3,000
Child Play Area	\$ 2,500	2	\$ 5,000
Party Room	\$ 2,500	1	\$ 2,500
Fitness Center	\$ 5,000	1	\$ 5,000
Meeting Rooms	\$ 1,000	3	\$ 3,000
Total			\$ 31,000

Sponsorship notes: Overall facility naming and naming of major facility components (field houses, track, etc...), if applicable, is assumed to be applied to capital costs and therefore has not been including this operating budget. Naming for other facility components however (shorter agreement terms, lower cost levels) such as the fitness center, child play and climbing wall areas, and meeting rooms have been included as operating budget items.

Other potential sponsorship items not identified include floor sponsorship (hardwood) and seat sales. The ability to generate revenues for these items and others will depend solely on the level of marketing that is done for the facility.

A project management / marketing coordinator position for the Community Knowledge Campus including the Aquatics & Wellness Centre is outlined in the budget. This will enable the facility to capture sponsorship revenues outside the scope of what has been identified as promising.

- Meeting / Program Room Revenues:

Set at five rentals per week, 45 weeks per year, \$30 per rental for all development options. This rate of \$30/mth is based upon average rates at comparable multiplex operations (i.e. Tri-Leisure and Millennium Place) and is assumed to be achievable in the local market. The dance program room rentals have been estimated at \$30/hr, 10 hours per week, 52 weeks per year.

- Vending Machine Revenues:

Set at 20% of sales based on a daily traffic estimates of 2,360 people per day.

Vending Assumptions	
Daily Traffic	2360
Purchase Rate	20%
Avg. Purchase	\$1.50
Commission	20%
Daily Revenues	\$141.60
Annual Revenues (360 days/year)	\$50,976.00

- Leasable Space
  - 14,180 sq ft
  - \$15 to \$20 per sq ft revenues = \$212,700 - \$283,600

Expense Assumptions

Expense estimates for the facility are justified based on: current operating costs for municipal facilities and comparable facilities across the Province and in recognition that cost inflation in the Grande Prairie market is beyond southern and central Alberta markets. For the purpose of these calculations, a premium for the Grande Prairie context has been used.

- Staffing Expense

Staffing costs are based on comparable facility staffing costs. The following staff salary levels have been utilized in estimated staffing costs for the facility (as reviewed by City Administration).

Positions	FT	FTE	Cost
Aquatics (lifeguards, programmer)	15	17	\$1,645,329
Fitness (instructors, programmer)	3	2	\$ 236,443
Custodial/Operations	6	0.5	\$ 350,365
Administration (manager, support)	5	0	\$ 322,052
Customer Service Attendants	7	2	\$ 398,510
Child Minding Professionals	2	2	\$ 130,003
Fieldhouse (programmer, custodians)	2	1.25	\$ 163,609
Subtotal Staffing	40	24.75	\$3,246,311
Leave (at 9%)			\$ 292,168
Benefits (Estimated at 20%)			\$ 707,696
Total facility staffing			\$4,246,175

The cost associated with child minding may be reduced if the services can be integrated with the Early Childhood Development program at the Grande Prairie Regional College. This opportunity requires further exploration.

- Utilities Expense

Utilities expenses have been determined on an overall facility basis and are set at levels comparable to similar facilities. Overall utilities for the facility are estimated from \$2.00 to \$3.00 per square foot (based on comparisons with similar facilities).

- Custodial Expense

Janitorial responsibility has been assumed to be "in house" and as such the major portion of janitorial costs are staffing expenses (see above). \$75,000 has also been allocated for janitorial supplies based on comparable facilities.

### 4.3 Operating Budget Summary

Aquatics & Wellness Centre and Multiplex Estimated Operational Budget Summary  
As At September 2007

	2011	2012	2013
<b>4.3.1 Revenues \$</b>			
Program Revenues:	\$ 312,500	321,900	331,500
Memberships Revenue:	\$2,100,000	3,090,000	4,134,000
Pre-sales memberships:	\$ 500,000		
Drop-In Revenues:	\$ 700,000	721,000	742,600
Sponsors/Advertising:	\$ 41,000	41,000	41,000
Facility Rentals:	\$ 370,930	382,000	393,400
Vending Machine Income:	\$ 50,000	50,000	52,000
Leasable Space:	\$ 212,700	212,700	212,700
<b>Total Revenues</b>	<b>\$4,287,130</b>	<b>4,818,600</b>	<b>5,907,200</b>
<b>4.3.2 Expenses</b>			
Staff:	\$4,246,175	4,373,600	4,548,600
Utilities:	\$ 578,535	595,900	613,800
Goods & Services:	\$ 477,400	491,700	506,450
Chemicals:	\$ 200,000	206,000	212,200
Internal Depts:	\$ 97,000	99,900	102,900
<b>Total Expenses</b>	<b>\$5,599,110</b>	<b>5,767,100</b>	<b>5,940,150</b>
<b>Net Operations</b>	<b>\$ 1,311,980</b>	<b>948,500</b>	<b>36,950</b>
<b>Recovery</b>	<b>76%</b>	<b>84%</b>	<b>99%</b>

### 4.4 Conclusion

Our initial estimate is that the facility will operate at an initial deficit of \$1,311,980 for the first year (which is at a recovery rate of 76%). If we grow our membership to a level just below that of the other multiplex facilities we can achieve close to break even (100% recovery) on the yearly operating budget by year three (2013).



**APPENDIX 1**

**COMPARISON OF SELECTED**

**MULTIPLEX FACILITIES**

Components	<b>GP Aquatics &amp; Wellness</b> Total Sq. Ft. approx 463,000 Not incl. schools	<b>Millennium Place Sherwood Park</b> Total Sq. Ft. 225,000 Staff – approx 150	<b>Servus Place St. Albert</b> Total Sq. Ft. 325,000 Staff - 232	<b>Tri-Leisure Spruce Grove</b> Total sq. ft. 226,000 Staff – 120 – 130
Aquatic Area	<ul style="list-style-type: none"> <li>• 10 lane 54m pool</li> <li>• 4 lane 25m pool</li> <li>• lazy river with vortex</li> <li>• water play area</li> <li>• 2 waterslides</li> <li>• surf rider</li> <li>• steam room</li> <li>• 2 hot tubs</li> <li>• 10 m platform diving</li> <li>• springboard diving</li> </ul>	<ul style="list-style-type: none"> <li>• Lazy river with vortex</li> <li>• Wave pool</li> <li>• 10 lane 25 m pool</li> <li>• whirlpool</li> <li>• sauna</li> <li>• steam room</li> <li>• water play structure</li> </ul>	<ul style="list-style-type: none"> <li>• 2 water slides</li> <li>• river ride</li> <li>• toddler pool</li> <li>• 22 spray features &amp; dumping bucket</li> <li>• 2 hot tubs</li> <li>• steam room</li> <li>• 25 m pool</li> </ul>	<ul style="list-style-type: none"> <li>• 3 pod, 70 person hot tub</li> <li>• 2 story waterslide</li> <li>• leisure pool</li> <li>• 10 lane 25 m pool</li> <li>• 20 person steam room</li> </ul>
Ice surfaces/ #seats	Two NHL Ice Surfaces <ul style="list-style-type: none"> <li>• North (1600 seats)</li> <li>• South (350 seats)</li> <li>• sledge hockey</li> </ul>	Two NHL Ice Surfaces <ul style="list-style-type: none"> <li>• Sprite (est.350 seats)</li> <li>• Aquila (est. 350 seats)</li> <li>• Leisure ice</li> </ul>	Three NHL Ice Surfaces <ul style="list-style-type: none"> <li>• Troy Murray (150 seats)</li> <li>• Mark Messier (450 seats)</li> <li>• Performance arena (2000 seats)</li> <li>• Leisure Ice room is 8,000sq. ft</li> </ul>	Two NHL Surfaces <ul style="list-style-type: none"> <li>• 285 seats per side (bucket seating)</li> <li>• Leisure ice</li> </ul>

Components	GP Aquatics & Wellness	Millennium Place Sherwood Park	Servus Place St.Albert	Tri-Leisure Spr Grove
Fieldhouse	<ul style="list-style-type: none"> <li>• 6 courts</li> <li>• soccer field</li> <li>• 900 seats</li> </ul>	<ul style="list-style-type: none"> <li>• 2 sports fields</li> <li>• spectator seating</li> </ul>	<ul style="list-style-type: none"> <li>• 2 (250 seats per field)</li> <li>• 125 community gym seating</li> </ul>	<ul style="list-style-type: none"> <li>• multi-use soccer with removable flooring</li> <li>• rubber gym floor</li> </ul>
Gymnastics Centre	<ul style="list-style-type: none"> <li>• World scale gymnastics</li> <li>• Approx 50,000 sq. ft</li> </ul>	<ul style="list-style-type: none"> <li>• No</li> </ul>	<ul style="list-style-type: none"> <li>• No</li> </ul>	<ul style="list-style-type: none"> <li>• No</li> </ul>
Fitness area	<ul style="list-style-type: none"> <li>• 15,800 sq ft</li> <li>• multi-purpose rooms</li> </ul>	<ul style="list-style-type: none"> <li>• 14,000 sq ft. will expand soon by deleting combatives room (2,000 ft<sup>2</sup>)</li> </ul>	<ul style="list-style-type: none"> <li>• 12,000sq. ft. looking to expand</li> <li>• Mind/body room 1,200sq. ft.</li> </ul>	<ul style="list-style-type: none"> <li>• 5,000sq.ft</li> <li>• adding 2,000sq.ft</li> <li>• they still feel they need more space</li> </ul>
Running Track	<ul style="list-style-type: none"> <li>• 4 lanes</li> <li>• 320 m</li> </ul>	<ul style="list-style-type: none"> <li>• 3 lanes</li> <li>• 235 m</li> <li>• incline on one side</li> </ul>	<ul style="list-style-type: none"> <li>• 4 lanes</li> <li>• 300 m</li> </ul>	<ul style="list-style-type: none"> <li>• 3 lanes</li> <li>• 230 m</li> </ul>
Parking Stalls	<ul style="list-style-type: none"> <li>• approx 1,300</li> </ul>	<ul style="list-style-type: none"> <li>• 924</li> </ul>	<ul style="list-style-type: none"> <li>• 1,200 never full</li> </ul>	<ul style="list-style-type: none"> <li>• 575</li> <li>• adding 225</li> </ul>
Child Play	<ul style="list-style-type: none"> <li>• Child mind area -1,130 (25 capacity)</li> <li>• Child play area -1,497 (40 capacity)</li> </ul>	<ul style="list-style-type: none"> <li>• child program room</li> <li>• indoor playground</li> <li>• with climbing wall</li> </ul>	<ul style="list-style-type: none"> <li>• child program room</li> </ul>	<ul style="list-style-type: none"> <li>• child program room</li> <li>• 400 sq ft. – too small</li> </ul>
Lease area	<ul style="list-style-type: none"> <li>• 13,739 sq. ft.</li> </ul>	<ul style="list-style-type: none"> <li>• approx 7,000 doesn't incl. adj. hotel</li> </ul>	<ul style="list-style-type: none"> <li>• 9,000 sq. ft.</li> </ul>	<ul style="list-style-type: none"> <li>• 12,000 – could use at least 5,000 more</li> </ul>
Other	<ul style="list-style-type: none"> <li>• Attached to 2 high schools</li> <li>• Physiotherapy</li> <li>• Community policing</li> </ul>	<ul style="list-style-type: none"> <li>• Abuts hotel</li> <li>• Physiotherapy</li> <li>• Craft rooms</li> <li>• Community offices</li> </ul>	<ul style="list-style-type: none"> <li>• Active living ctre</li> <li>• Physiotherapy</li> <li>• Community group space</li> </ul>	<ul style="list-style-type: none"> <li>• Physiotherapy</li> </ul>

Components	<b>GP Aquatics &amp; Wellness</b> Total Sq. Ft. approx 463,000 Not incl. schools	<b>Mission Recreation Park Kelowna</b> Total Sq. Ft. ? NOT under one roof but within walking distance (sharing the parking lot) Staff – ?	<b>Shaw Centre Saskatoon</b> Total Sq. Ft. ? Staff - ?	<b>Family Leisure Centre Medicine Hat</b> Total sq. ft approx 90,000 Staff – ?
Aquatic Area	<ul style="list-style-type: none"> <li>• 10 lane 54m pool</li> <li>• 4 lane 25m pool</li> <li>• lazy river with vortex</li> <li>• water play area</li> <li>• 2 waterslides</li> <li>• surf rider</li> <li>• steam room</li> <li>• 2 hot tubs</li> <li>• 10 m platform diving</li> <li>• springboard diving</li> <li>• wave machine</li> </ul>	<ul style="list-style-type: none"> <li>• Lazy river with vortex</li> <li>• Wave pool</li> <li>• 50 m pool</li> <li>• whirlpool</li> <li>• sauna</li> <li>• steam room</li> <li>• water play structure</li> </ul>	<ul style="list-style-type: none"> <li>• water slide</li> <li>• river ride</li> <li>• toddler pool</li> <li>• hot tub</li> <li>• steam room</li> <li>• 50 m pool</li> <li>• 6 lane warm up pool</li> <li>• leisure pool</li> <li>• platform diving</li> <li>• springboard diving</li> </ul>	<ul style="list-style-type: none"> <li>• waterslide</li> <li>• leisure pool</li> <li>• 50 m pool</li> <li>• steam room</li> <li>• lazy river</li> <li>• swirl pool</li> <li>• wave machine</li> <li>• tot's pool</li> <li>• 5 m platform diving</li> <li>• springboard diving</li> </ul>
Ice surfaces/ #seats	Two NHL Ice Surfaces <ul style="list-style-type: none"> <li>• North (1600 seats)</li> <li>• South (350 seats)</li> <li>• sledge hockey</li> </ul>	Two NHL Ice Surfaces	No ice surface	One Olympic Ice Surface <ul style="list-style-type: none"> <li>• 355 seats</li> </ul>

Components	GP Aquatics & Wellness	Mission Recreation Park Aquatic Centre Kelowna	Shaw Centre Saskatoon	Family Leisure Centre Medicine Hat
Fieldhouse	<ul style="list-style-type: none"> <li>• 6 courts</li> <li>• soccer field</li> <li>• 900 seats</li> </ul>	<ul style="list-style-type: none"> <li>• 2 indoor artificial fields</li> </ul>	<ul style="list-style-type: none"> <li>• Plan to use adjacent high school gyms as the fieldhouse component</li> </ul>	<ul style="list-style-type: none"> <li>• No fieldhouse</li> </ul>
Gymnastics Centre	<ul style="list-style-type: none"> <li>• World scale gymnastics</li> <li>• Approx 50,000 sq. ft</li> </ul>	<ul style="list-style-type: none"> <li>• No</li> </ul>	<ul style="list-style-type: none"> <li>• No</li> </ul>	<ul style="list-style-type: none"> <li>• No</li> </ul>
Fitness area	<ul style="list-style-type: none"> <li>• 15,800 sq ft</li> </ul>	<ul style="list-style-type: none"> <li>• &lt;10,000 sq ft</li> </ul>	<ul style="list-style-type: none"> <li>• &gt;10,000 sq ft</li> </ul>	<ul style="list-style-type: none"> <li>• No</li> </ul>
Running Track	<ul style="list-style-type: none"> <li>• 4 lanes</li> <li>• 320 m</li> </ul>	<ul style="list-style-type: none"> <li>• lanes</li> <li>• 300 m</li> </ul>	<ul style="list-style-type: none"> <li>• 3 lanes</li> <li>• non oval &lt;300 m</li> </ul>	<ul style="list-style-type: none"> <li>• No track</li> </ul>
Parking Stalls	<ul style="list-style-type: none"> <li>• approx 1,300</li> </ul>	<ul style="list-style-type: none"> <li>• approx 650</li> </ul>	<ul style="list-style-type: none"> <li>• ? using school parking</li> </ul>	<ul style="list-style-type: none"> <li>• ?</li> </ul>
Child Play	<ul style="list-style-type: none"> <li>• Child mind area -1,130 (25 capacity)</li> <li>• Child play area -1,497 (40 capacity)</li> </ul>	<ul style="list-style-type: none"> <li>• ?</li> </ul>	<ul style="list-style-type: none"> <li>• child programing room</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>
Lease area	<ul style="list-style-type: none"> <li>• 13,739 sq. ft.</li> </ul>	<ul style="list-style-type: none"> <li>• in other building</li> </ul>	<ul style="list-style-type: none"> <li>• little space</li> </ul>	<ul style="list-style-type: none"> <li>• little space</li> </ul>
Other	<ul style="list-style-type: none"> <li>• Attached to 2 high schools</li> <li>• Physiotherapy</li> <li>• Community policing</li> </ul>	<ul style="list-style-type: none"> <li>• Physiotherapy</li> <li>• Sports Bar &amp; Grill</li> <li>• Tournament offices</li> </ul>	<ul style="list-style-type: none"> <li>• Attached to 2 high schools</li> </ul>	<ul style="list-style-type: none"> <li>• Party room</li> <li>• Meeting room</li> </ul>