



Long Term Arena Strategy

August 14, 2012

Council Recommendations

1. Approve the Long Term Arena Strategy in principle with the exception of the timeline for the Peninsula and Dartmouth consolidations and the location of the Peninsula 4-Pad and direct staff to undertake further assessment of those aspects
2. Direct staff to complete the project scope including consideration of partnership opportunities, capital costs, operational efficiencies, ice inventory, preliminary designs and public consultation for the Peninsula and Dartmouth consolidations and return for approval of an implementation plan
3. Direct staff to implement the Centralized Scheduling Process
4. Direct staff to implement the Community Access Plan
5. Direct staff to approach other levels of government and potential private sector partners for funding assistance
6. Officially thank the committee members for their work and disband the Long Term Arena Strategy Committee as their mandate has been completed.

LTAS History

- ❖ 2008 – Initiated a two – phase strategy to address HRM’s ice arena deficiencies
- ❖ Phase 1 – address short term needs
 - ❖ Resulted in construction of BMO Centre
- ❖ Phase 2 – position HRM’s ice arena inventory for the long term
 - ❖ Resulted in Long Term Arena Strategy

LTAS Project Schedule

January 2010	Council approved terms of reference for Steering Committee & project
September 2010	Steering Committee appointed & commenced work
December 2010	Council opted to bid on 2015 FIFA Women’s World Cup event
May 2011 to March 2012	LTAS work suspended during Stadium analysis (data collection and analysis continued)
August 2012	Presentation of Final Report to Council

LTAS Mandate

Develop and recommend a vision for the long-term provision of ice inventory, with consideration of:

- ❖ Replacement and reuse of facilities
- ❖ Siting options
- ❖ High level multi-year capital budget
- ❖ Relationships with non-municipal facilities
- ❖ Identification of proposed priorities
- ❖ Outdoor refrigeration opportunities
- ❖ Operational and governance enhancements related to scheduling, access plan, and pricing structures

Current Service Delivery System

Overall 25 sheets of ice:

- ❖ 20 municipally owned sheets located in 14 different facilities
 - ❖ 4 HRM operated facilities
 - ❖ 10 separate management groups
- ❖ 5 privately owned & operated arenas (recent closure of Dalhousie)
- ❖ Each of the 10 management groups is responsible for all aspects of facility management including revenue generation, expenditures, pricing, policies, scheduling and access.

Current Arena Inventory

Age in Years	Number of Ice Sheets
40+ years	10
30-39 years	5
20-29 years	4
10-19 years	1
9 years & under	6

- ❖ With **58% of the municipal inventory over the age of 30 years**, and **57% of the overall inventory over 30 years**, significant recapitalization required.
- ❖ Especially, mechanical systems that are considered to be critical to the ongoing capacity of the facility to make and keep ice.

LTAS Project Overview

Areas of Analysis:

- ❖ Lifecycle building assessments
- ❖ Facility operational reviews
- ❖ User group analysis
- ❖ Facility usage analysis

Data Collection:

- ❖ Arena General Managers and Schedulers
- ❖ Provincial Sport Organizations
- ❖ HRM Finance staff

Key Project Findings

1. No need for additional inventory – usage declining over past 6 years
2. Centralized scheduling will result in strategic access to facilities and increased utilization
3. Community Access Plan will result in fair and equitable distribution of ice time throughout sports, genders and age groups
4. Consolidation of aging facilities into multi-pad arenas is supported as a good fiscal decision related to both capital construction and operations.

Consolidation Benefits

- ❖ Consolidation provides economies of scale, synergies of service delivery, access for citizens, & long-range management of municipal assets.
- ❖ Consolidation of 6 aging facilities into 2 new multi-pad facilities will reduce operating, maintenance and recapitalization costs in excess of \$2M per year.
- ❖ Annual lifecycle reserves will be established at both new facilities, funded through operating revenues.

Project Recommendations

1. Implementation of Centralized Scheduling process and Community Access Plan
2. Recapitalization of multi-district facilities as service delivery hubs
3. Consolidation and retirement of “ice only” facilities in 2 phases (Forum, Civic, Devonshire, Gray, Bowles, Lebrun)
4. 2 geographically important arenas to stay in communities (Eastern Shore, Spryfield)
5. 1 urban arena to be reviewed after centralized scheduling is implemented and consolidations are complete (Centennial Arena)

Peninsula Consolidation

Peninsula multi-pad arena – HIGH priority

- ❖ 2 municipal arenas are at risk for failure or expensive recap (Devonshire and Forum)
- ❖ Service delivery on peninsula is at risk of interruption
- ❖ Dalhousie announcement – arena closure
- ❖ Dalhousie & Saint Mary’s University both appear motivated to partner
- ❖ Consolidation of Forum, Civic and Devonshire

Peninsula Consolidation

- ❖ Municipal service delivery needs = 3 pads
- ❖ Municipal needs + partnership = 4 pads
- ❖ Existing Forum site – optimum location
- ❖ Service interruption during construction not recommended.

Alternatives:

- ❖ Secure alternative site on Peninsula consolidated arena, or
- ❖ Complete Dartmouth Consolidation first.

Dartmouth Consolidation

Dartmouth multi-pad arena – MEDIUM priority.

- ❖ Existing facilities require significant recapitalization
- ❖ Recapitalization provides no increase in operational or service delivery efficiencies
- ❖ Opportunity for partnership should be explored
- ❖ Consolidation of Bowles, Gray and Lebrun arenas

Dartmouth Consolidation

- ❖ Municipal service delivery needs = 3 pads
- ❖ Municipal needs + partnership = 4 pads
- ❖ Requirement for sufficient land
- ❖ Shannon Park proposed as optimum location

Consolidation – Important Note

- ❖ Inventory target will remain consistent to existing – 25 sheets of ice.
- ❖ Upon Council approval and construction of consolidated facilities, designated facilities will be retired as outlined in the LTAS report.

Consolidation Costs

Peninsula Consolidation – \$45M (existing site)

Dartmouth Consolidation – \$40M + land

Alternatives:

- ❖ Recapitalize Forum, Civic, Devonshire: \$8.5M
- ❖ Recapitalize Bowles, Gray, Lebrun: \$6.5M

- ❖ Alternatives do not provide operational savings, asset management efficiencies, or service delivery synergies.

Recapitalization Costs

Multi District Facilities

St Margaret's Centre	\$4.6M
Cole Harbour Place	\$4.5M
Dartmouth Sportsplex	\$4.0M
Sackville Sports Stadium	\$3.0M

Geographically Important Arenas

Eastern Shore	\$3.0M
Spyfield	\$3.7M (Full replacement \$12+M)

- ❖ Arena specific recapitalization only
- ❖ To be included in existing Capital Budget

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Next Steps

- ❖ Inform arena staff and Boards
- ❖ Investigate partnership opportunities
- ❖ Investigate real estate opportunities
- ❖ Finalize process for the roll out of centralized scheduling (Fall 2013)
- ❖ Roll out the Community Access Plan to all HRM-owned facilities (Fall 2013)
- ❖ Finalize recapitalization funding requests for 2013/14 proposed capital budget
- ❖ Prepare recapitalization implementation plan for Council consideration