

# Facilities for the Future

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City of Medicine Hat

Final Report to City Council



August 2023

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## 1.0 Executive Summary

In 2022 the City of Medicine Hat completed a new Parks and Recreation Master Plan, resulting from a robust public and stakeholder engagement program. During engagement it was clear that Medicine Hat residents had many questions and strong concerns about the fate of recreation facilities, and the direction that the City would take to meet our recreation needs. The *Facilities for the Future* initiative began on the heels of completing the Parks and Recreation Master Plan. This initiative initiates the process to determine the sequence of decisions needed to maintain, renew and replace our collection of indoor and outdoor recreation facilities.

Significant public and stakeholder engagement has been done to target local views on facilities, and administration has recently completed further engagement with City Council to ensure the *Facilities for the Future* initiative was best guided at the onset. It is abundantly clear that decisions are not to be made solely through the lens of economic efficiency; there is a strong desire to make decisions that balance economics with values such as health impacts, social value, maintaining strong sense of place and community, amongst others. The engagement program established ten over-arching values that we must consider in decision-making, including:

1. Placement of facilities is very important;
2. People have a strong connection with public facilities;
3. We need a well-rounded approach to planning for facilities in the future;
4. Inclusivity and accessibility are key in facility planning and design;
5. We need to be proactive and counteract the anticipated ageing population of the City;
6. Facilities need to be diverse in the types of amenities and services offered;
7. We need to consider the needs of our residents first;
8. Decisions need ensure facilities will have day to day positive impact on social value;
9. Health impacts of decision-making are critical to consider; and
10. We need to be fiscally responsible.

There are other sources of current and reliable information to help in decision-making, such as benchmarking data compiled by Yardstick in 2021, as well as the 2022 Alberta Parks and Recreation Association survey. These sources provide statistical data on a variety of facets in parks and recreation usage, planning and operations.

The *Facilities for the Future* initiative seeks to resolve five main challenges in facility planning:

1. **Ageing Facilities** – Many facilities are nearing or beyond their expected lifecycle and need significant investment to keep up, or need to be replaced;
2. **Spatial Distribution** – The location of facilities is very important for creating sense of place and community, making use convenient for residents and being a catalyst to numerous benefits to surrounding development;
3. **Ageing Population** – Medicine Hat is trending to increase its mean age significantly, which has significant financial impacts on our community;
4. **Decreasing Return on Investment** – We need to calibrate the way in which facilities are planned, built and maintained in order to maximize our return on investment; and
5. **Aligning Decisions with Values** – We need to ensure decisions are influenced by the values we have determined through public and stakeholder engagement.

This report includes a comprehensive compilation of data relating to facility utilization, market conditions, local supply and demand and the financial performance of facilities in the City. Based on the information compiled, it then provides a snapshot of how the current recreational landscape stacks up to the values set forth at the onset of this report. Overall, some of the challenges include:

- Competing facilities – Facilities cannot operate at their highest capacity and realize full revenue potential given the significant overlap of catchment areas of similar facilities;
- Singular-use facilities come with very low efficiency as it relates to operational costs and offering residents a range of recreational pursuits;
- Ageing facilities have many challenges in keeping with accessibility standards and being inclusive to all people regardless of age and abilities; and
- While large, consolidated recreation centers offer numerous potential recreational opportunities and come with more efficient operational costs than several smaller and singular-use facilities, they are less accessible through active transportation means and don't create the sense of place and community nostalgia that local, neighbourhood-based facilities can.

This report outlines proposed scenarios for the sequence of moves recommended for indoor recreational facilities, outdoor aquatics, ice facilities, indoor aquatics, park spaces and curling rinks. Options provided come with a range of capital and operational costs, and the report provides estimated costs for a variety of scenarios.

What next? As an outcome of this report, Administration is seeking direction from City Council to commence project initiation for any of the options and sequencing of upgrading, retiring or replacing facilities based on the information contained in the following report.

Additional resource documents are listed in Appendix D.

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## 2.0 Project Background

There are numerous benefits of recreation, and people have differing motivating factors that influence their participation. Figure 1 indicates a summary of the recreational activities benefits and reasons for participation in Medicine Hat. In 2021, a project was initiated to update the Parks and Recreation Master Plan. Through this project, it was evident that Hatters are generally satisfied with the range of amenities available to them. Figure 2 identifies the different types of activities that Medicine Hat residents participate in.

Further public engagement specific to recreation facilities was conducted and it was evident there was a high degree of public interest in the state of aging recreation facilities in the community. These results were shared with City Council. The Parks and Recreation Master Plan was subsequently adopted and Administration was directed to update the longer-term planning for recreational facilities with consideration given to age, condition assessment, future needs, shifting demographics, social value, health impact, economic impact and alignment with City Council strategic priorities. As such, a separate project with a specific focus on facilities was initiated, entitled “Facilities for the Future”. The research and findings of the Facilities for the Future project are outlined in this report.

This package provides a detailed account of existing facilities owned by the City of Medicine Hat, describes various factors that can influence decision-making, and provides a recommended sequence of investment in these, and facilities yet to be developed.



## Key Highlights: RECREATIONAL ACTIVITIES BENEFITS & PARTICIPATION REASONS

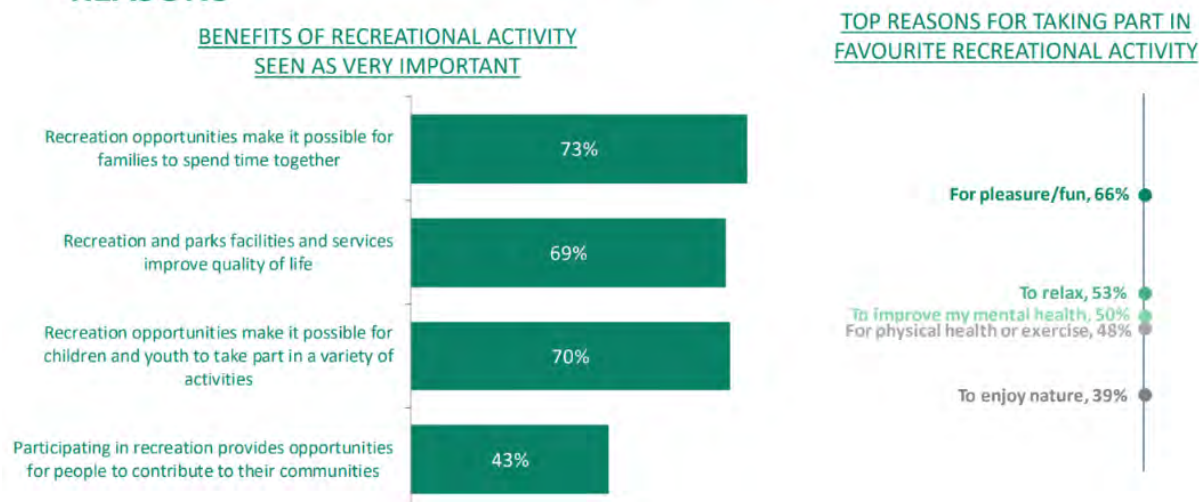


Figure 1: Recreational Activities Benefits & Participation Reasons in Medicine Hat<sup>1</sup>

## Key Highlights: PARTICIPATION IN RECREATIONAL ACTIVITIES

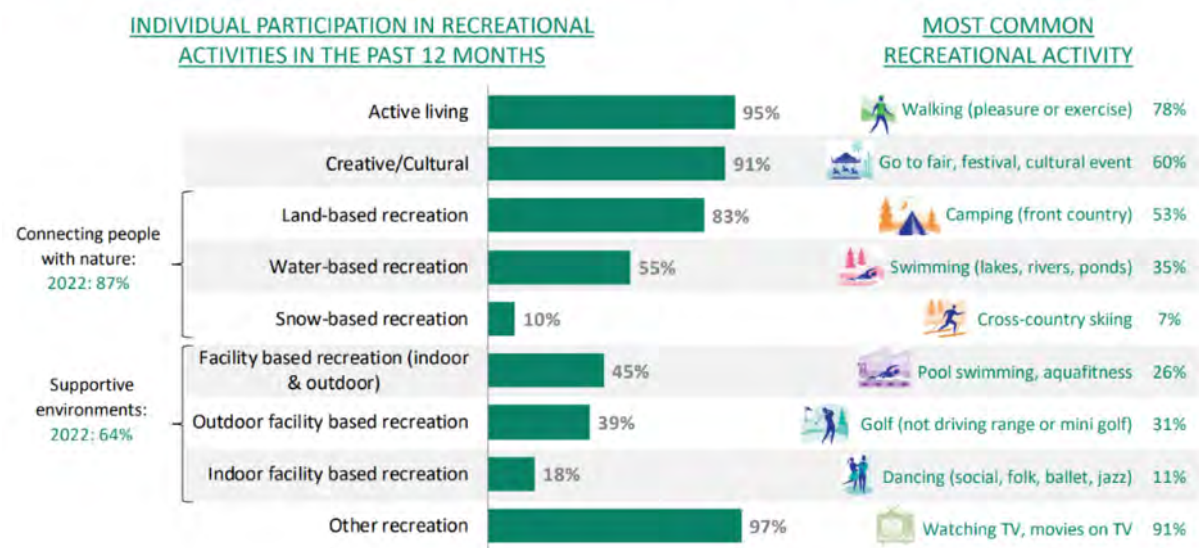


Figure 2: Participation in Recreational Activities in Medicine Hat<sup>2</sup>

<sup>1</sup> 2022 Alberta Recreation Survey Medicine Hat Report, Alberta Parks and Recreation Association

<sup>2</sup> 2022 Alberta Recreation Survey Medicine Hat Report, Alberta Parks and Recreation Association

## 3.0 Influencing Factors & Resulting Values

### 3.1 Social Value

Social value is the importance that a person places on the changes they experience in their lives and can be the amount of impact (either positive or negative) it has on a person. An example of social value is the value we place on living nearby a recreational facility. Social value helps us understand what about the world around us is important to us and that influences our lives in a positive way. Recreation provides a variety of social benefits to people. The quantification of the relative importance that people place on the changes they experience in their lives. Some, but not all this value is captured in market prices. It is important to consider and measure this social value from the perspective of those affected by an organization's work. Examples of social value might be the value we experience from increasing our confidence, or from living next to a community park. These things are important to us but are not commonly expressed or measured in the same way that financial value is<sup>3</sup>.

Figure 3 identifies benefits of recreation and parks here in Medicine Hat, as sourced from a recent survey completed by the Alberta Recreation and Parks Association. Unlike economic value that is most often expressed quantitatively through numbers, social value is a qualitative measure of one's personal views.

As an important value determined through the engagement program, Medicine Hat will be committed to include social impact assessments with future facility retrofit and new facility construction projects where appropriate.

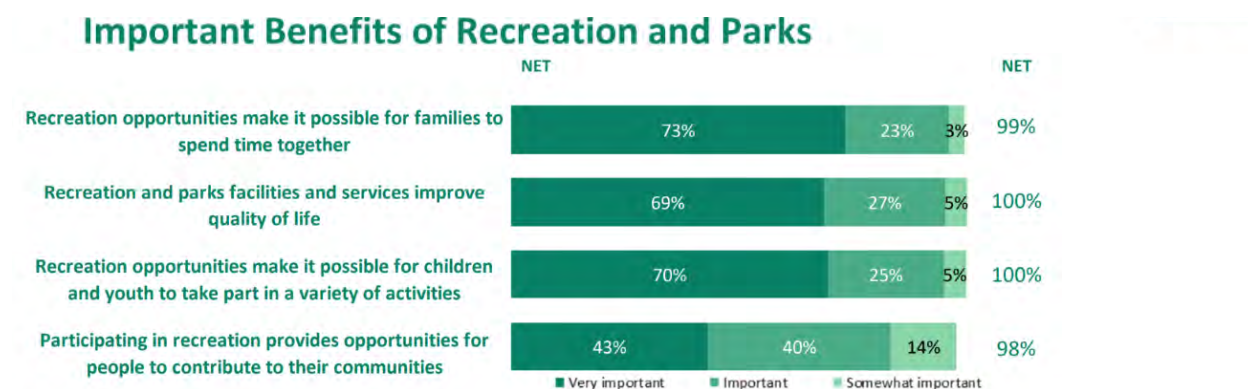


Figure 3: Important Benefits of Recreation and Parks<sup>4</sup>

<sup>3</sup> Social Value Canada, 2023

<sup>4</sup> 2022 Alberta Recreation Survey Medicine Hat Report, Alberta Parks and Recreation Association

### 3.2 Health Impact

Health impacts include both positive and negative changes in community health that are attributable to a policy, program, or project. Assessing health impacts involves a number of methods that scrutinize the potential effects that decisions have on human health, in the broadest sense. In this context, “health” includes both mental and physical health. Health impact explores how health inequities can be eliminated and ensures that decisions made are supportive of strategies to improve human health.

For projects such as developing new public facilities, health impacts are determined through completing health impact assessments (HIA). HIA is a process that helps evaluate the potential health effects of a plan, project, or policy before it is built or implemented. HIA brings potential positive and negative public health impacts and considerations to the decision-making process for plans, projects, and policies that fall outside traditional public health arenas, such as transportation and land use. An HIA provides practical recommendations to increase positive health effects and minimize negative health effects.

The major steps in conducting an HIA include:

- Screening (identifying plan, project, or policy decisions for which an HIA would be useful);
- Scoping (planning the HIA and identifying what health risks and benefits to consider);
- Assessment (identifying affected populations and quantifying health impacts of the decision);
- Recommendations (suggesting practical actions to promote positive health effects and minimize negative health effects);
- Reporting (presenting results to decision makers, affected communities, and other stakeholders); and
- Monitoring and evaluation (determining the HIA’s impact on the decision and health status).<sup>5</sup>

### 3.3 Economic Impact

Municipalities have an obligation to its ratepayers to make financially-sound and responsible decisions. Many comparable municipalities like Medicine Hat maintain significant amount of data that allows us to gauge economic factors such as revenue generated versus direct and indirect costs to build, maintain, operate and retrofit facilities. Many communities make decisions that are purely influenced by the most economically efficient solution, which often overshadows other factors such as ecological impacts,

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<sup>5</sup> Centers for Disease Control and Prevention: Health Impact Assessment. Sourced from [www.cdc.gov](http://www.cdc.gov)

health impact and social value. This report includes a very detailed account of the financial considerations related to our existing facilities.

### 3.4 Previous Public & Stakeholder Engagement

Figure 4 describes what was heard during past public and stakeholder engagement, along with how these values impact facility planning. Figure 5 then describes benefits of proactive facility planning and this Facilities for the Future initiative, and what we heard during engagement to support each benefit. A link to the full “what we heard” report from past public and stakeholder engagement is available from City administration.



Figure 4 - Public and stakeholder engagement summary<sup>6</sup>

<sup>6</sup> Facilities for the Future “what we heard” report, 2022, EDS Group Inc.

Benefits of proactive facility planning	What did we hear during engagement?
Costs of land and servicing increases each year, advantageous to pre-determine suitable sites and plan for services in conjunction with other projects and new growth in the City.	Growth of the south end of the City is occurring at a fast rate, but without dedication of new sites - lack of facilities where all the population growth is taking place.
Resident retention - maintaining a high level of service for recreation that helps retain life-long residents, attract new citizens and encourage new business and investment in the City.	Need to address the local recreational needs of residents before putting too much focus on sport tourism, meeting the needs for local teams and clubs before the needs of outside interests.
Important to establish a financially predictable strategy for maintaining existing, renovating aging and building new facilities as they are needed over the long-term.	Decisions on facilities should have been made before doors are closed of aging facilities. If new amenities are needed it will take several years for them to be built, a decision needed years ago.
Allow residents and stakeholders to play an important part of the process and not just react to imminent decisions.	The engagement program for this initiative was welcomed by residents and stakeholders, continued dialogue is essential.

Figure 5 - Benefits of proactive facility planning and what we heard during engagement to support each benefit<sup>7</sup>

### 3.5 Supporting Initiatives & Data Sources

Several recent initiatives have been completed that provide important background information, statistical data and supporting values that relate to the Facilities for the Future initiative full reports for each of these supporting initiatives are made available through links as follows. Some key supporting initiatives include:

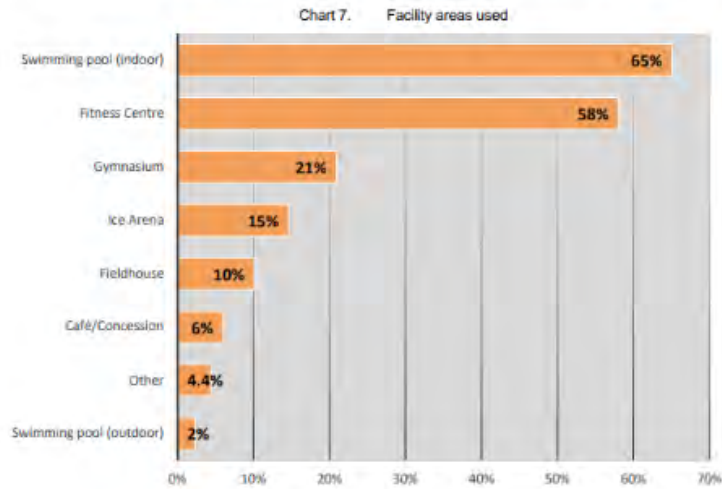
- Yardstick Facilities Survey 2021 – City of Medicine Hat.** Yardstick is a third-party organization that has worked with municipalities across North America and Australia to collect data and offer information related to benchmarking for parks, facilities and roads. It offers a set of benchmarking tools that delivers information to support service delivery. Medicine Hat has been a subscriber of the Yardstick program and as a result receives key data on “how we are doing” and developing support for future decisions on parks and recreation. The full report is available through City administration. A sample of data found in the report includes:
  - Of people using Big Marble Go Centre, the majority are using the pool (65%) and fitness centre (58%). This tells us what patrons are using the most in our facilities and what are most important in future facilities; and
  - Most respondents (88%) visit the BMGC at least once a week. Less than 1% visit once a year or less. This shows high frequency utilization.

The following includes some excerpt graphics from the Yardstick report:

<sup>7</sup> Facilities for the Future “what we heard” report, 2022, EDS Group Inc.



Chart 7 below presents the responses to the question "What part (or parts) of the facility are you using (or have used) today?" People were able to identify more than one area of the facility that they used during their visit so percentages add to more than 100. Options were swimming pool (outdoor), swimming pool (indoor), fitness centre, gymnasium, fieldhouse, ice arena, café and other.



Most respondents were using the indoor pool or fitness centre. Gymnasium and ice arena use was the next most common but was significantly lower.

Figure 6: Facility Areas used in Medicine Hat<sup>8</sup>

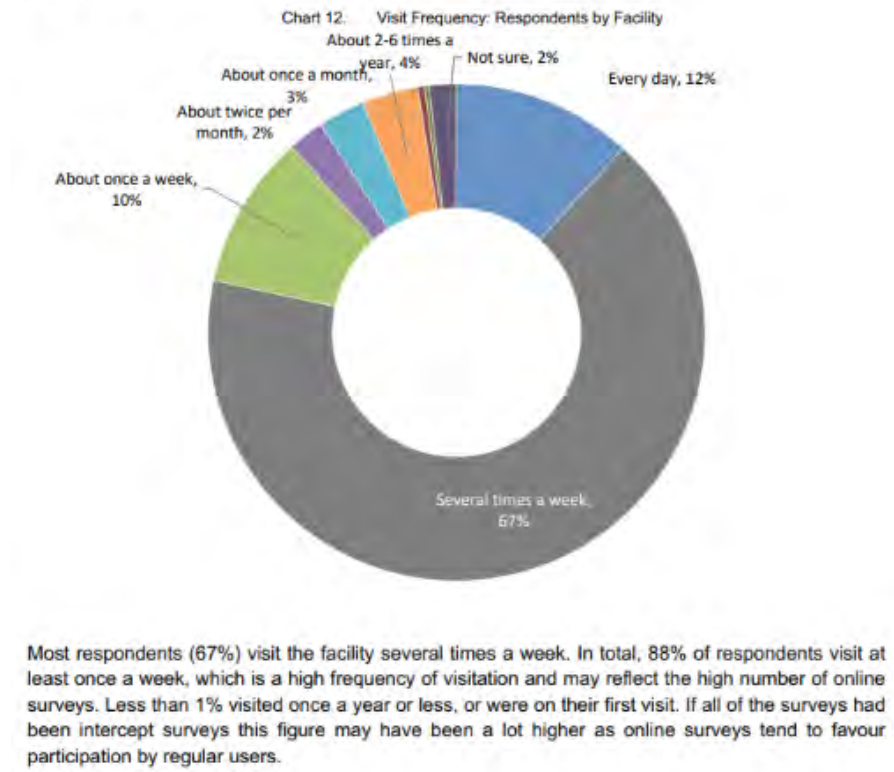


Figure 7: Facility Visit Frequency in Medicine Hat<sup>9</sup>

<sup>8</sup> Yardstick Facilities Survey 2021

<sup>9</sup> Yardstick Facilities Survey 2021

- **2022 Alberta Recreation Survey – Medicine Hat Report (ARPA).** Medicine Hat has been a municipal member of the Alberta Parks and Recreation Association for several years. Each year the Association commissions a variety of surveys and studies to compile key information for its members, relating to a range of parks and recreation considerations. The 2022 Alberta Recreation Survey provides a wealth of data on the state of recreation in Alberta. Given our significant role in providing survey responses from local residents here in Medicine Hat, the ARPA was able to extract data that is specific to our community. An example of data found in the report includes:
  - Outdoor enjoyment needs to be considered as part of the report as 87% of people connect with nature outdoors for recreation; and
  - Pools, swimming, and aqua fitness are the top facility based-recreation activities for households.
- **Strong Towns.** In early 2023 Medicine Hat initiated work with Strong Towns, a not-for-profit organization that works with communities to make their cities safe, livable and financially resilient. The work Medicine Hat has done so far is promising. There is more realization of development opportunities and challenges and several small things that can create great impact. Identifying where people are struggling the most and doing the next small thing to address that. Through previous engagements and presentations there have been discussions about ensuring we apply the strong town principles and approaches when working on the Facilities for the Future project. There has been much work done thus far on value per acre analysis as well as smaller value-added actions in the downtown area. Recreation facilities are often subsidized by the taxpayer and as such, a value per acre metric is not as useful as utilization metrics in combination with financial metrics. Recent conversations with Strong Towns occurred regarding recreation facilities that may create perspective when providing recommendations and sequencing. A summary of the conversations is included below:
  - A majority of the recreation facilities in Medicine Hat are past expected life and no longer offer the 'modern amenity desired' - they were built for 30 years based on materials and resources used;
  - Consider an incident map for current areas to see if what you have is helping or not;
  - Think about the small things that could enhance these spaces in the short term; low bar of entry to participate;

- Medicine Hat cannot really afford it all. We have a community that has overbuilt recreation facilities. Our current placement of recreation facilities is creating too much competition to make existing facilities viable;
- Don't rely on any real growth;
- We are making an investment in people (aging population, families, youth, wellbeing, crime prevention, and building community);
- Invest in the areas people are going to use; and
- Recreation cannot be measured in the same way as other investments. Facilities that provide opportunities for people to stay active are required.

So, what is the next small thing as it relates to the Strong Towns principle? It may be some small things we can do in some areas for sure, but as for other buildings that are 50+ years old, the next thing may not be something small. The trajectory of our community growth, wellbeing, assessment values depend a lot on people's value of recreation as an essential service and what is available. Yes, we can improve furniture, add more spontaneous spaces for people to participate, but we also have facilities that require large investment of dollars to keep running. Alternatively, investing in people through modernizing facilities that are not overbuilt for the community and offer an improved experience so more people can utilize and participate as part of the community may be the next smallest thing we need to do.



Figure 8: Household Participation in Recreation Activities in Medicine Hat<sup>10</sup>

<sup>10</sup> 2022 Alberta Recreation Survey Medicine Hat Report, Alberta Parks and Recreation Association



### 3.6 Values Fit for Medicine Hat

The following ten value statements have been derived through a combination of past public and stakeholder engagement and recent engagement with Council:

- **Value #1 – Placement.** The placement of facilities is critical – they need to be accessible via active modes of transportation and close to the most populated residential areas. An exception is with ice facilities, as most people recognize that driving by passenger vehicle with equipment is common.
- **Value #2 – Placemaking.** People have a strong connection with public facilities - while many residents surveyed do not use recreational facilities, there is a nostalgic connection with having facilities in a neighbourhood with the perception that it increases property values, makes a community feel more complete and creates strong sense of place.
- **Value #3 – Balanced Perspective.** We need a well-rounded approach to planning for facilities in the future – there needs to be a balance of social, economic and environmental values while ensuring we are leading edge and fully understanding the social and health impacts we have on people.
- **Value #4 – Inclusive & Accessible.** Inclusivity and accessibility in facility planning and design are two extremely important attributes to ensure easy access for all people regardless of age, abilities or physical or mental impairments.
- **Value #5 – Attracting Youth.** We need to be proactive and positively impact the projected demographic of the City by attracting more youth and young adults over the next generation.
- **Value #6 – Multi-Functional Space.** Facilities need to be diverse in the types of amenities and services offered, while being careful to not “over-program” facilities. Some social services don’t belong in recreational facilities.

- **Value #7 – Residents First.** We need to consider the needs of residents first, and once their needs are met we can find strategies to plan for promoting tourism and promoting new economic development.
- **Value #8 – Social Impact.** Decisions need ensure facilities will have day to day positive impact on social value, with considerations to meet personal needs such as easy access to recreation and having amenities placed in convenient locations.
- **Value #9 – Health Impact.** The direct impacts of recreation such as reduced disease, weight loss and reduced stress as well as in indirect health impacts such as creating team ethic for children and mental health improvements.
- **Value #10 – Economic Impact.** We need to be fiscally responsible as long-term road map of facility improvements are made. Economics are a reality of municipal governance and wisely allocating tax dollars toward local improvements.

Throughout this document, various sections will refer to these ten values to identify which ones are pertinent to particular themes.

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## 4.0 What Challenges Are We Trying to Solve?

Recreation is an essential service. The City of Medicine Hat makes significant financial and labour resource investments to provide residents and visitors with a comprehensive network of indoor and outdoor recreational facilities and amenities. The type of facilities and services offered are guided by the Parks and Recreation Master Plan, ongoing engagement with residents and stakeholders, surveys completed by the City and partners such as the Alberta Parks and Recreation Association and regular research on trends in recreation. We need to be forward-thinking and look beyond the needs of today. Long-range thinking is necessary to ensure recreational needs are met while doing so in an economically efficient manner. The Facilities for the Future initiative seeks to solve the following challenges:

1. **Aging Facilities:** making the best decisions possible to determine if aging facilities should be retrofitted, repurposed or replaced

- The City has identified \$42 million (inflation may increase this to over \$50 million) projected sustaining capital requirements (for City-owned facilities) that are required to 2060;
- \$10-\$15 million known sustaining capital requirements for partner organizations (i.e., Curling, YMCA, etc.); and
- 49 years old – is the average age of the 12 facilities in this report.

**2. Spatial Distribution:** the provision of recreation amenities across the community

- Over 50% of community resides in South Residential Sector;
- Insufficient and dated outdoor aquatics; and
- Dated indoor aquatics (Downtown YMCA and Crestwood).

**3. Aging Population:** today's projections demonstrate that the City will have a much higher mean age between now and 2050

- Aging population – growth exclusively comes from 65+ age category;
- Projected impact to assessment revenue – reduction of working age population as a percentage of the whole;
- Loss of 950 student-age population; impact to schools and post-secondary;
- Loss of nearly 10% of our working-age population, who support commercial and industrial sector as a labour force;
- Change in demand in housing market – less demand for single-family homes;
- Need to either fund City services through increasing residential property tax or cut existing services; and
- +/- 15 Years - Begin to close/consolidate some amenities aimed at youth activities.

Our City's demographics are modelled to become much older, increasing from 18% to 33% senior citizens over the next 25-30 years

Medicine Hat's plan for upgrading or replacing recreation facilities will assist with the attraction and retention of working-age residents to support industry

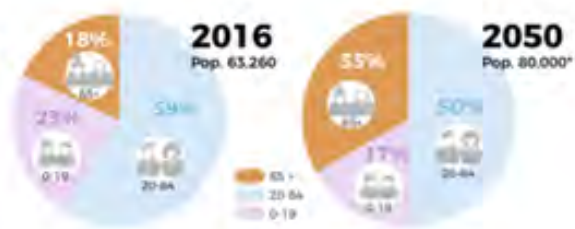


Figure 9 - Projected demographics for the City of Medicine Hat, to 2050<sup>11</sup>

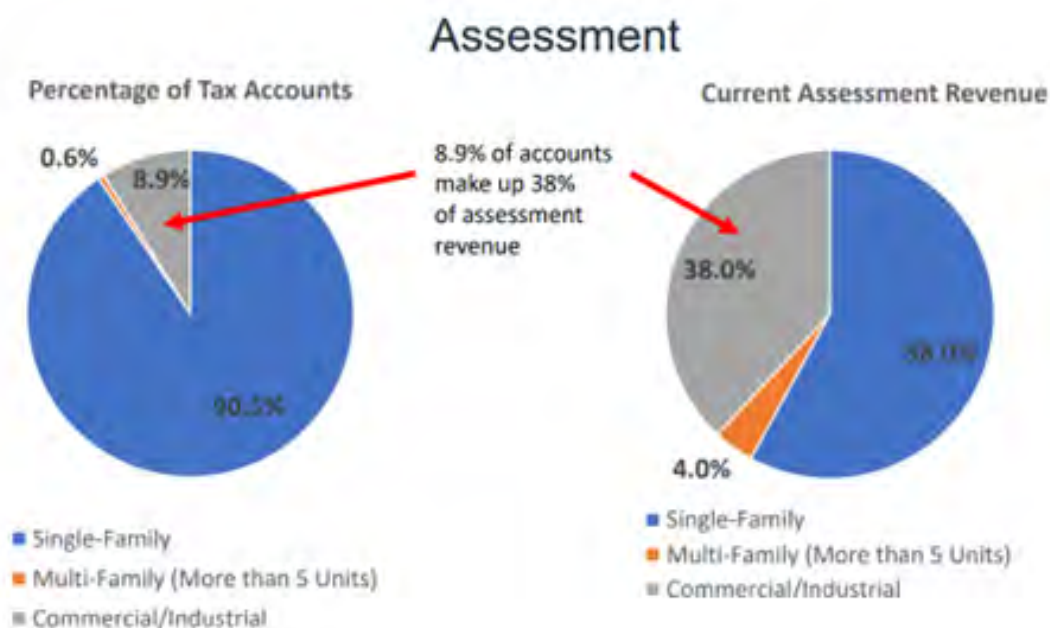


Figure 10- Current assessment revenue realized by only 8.9% of tax accounts.

- a. **Decreasing Return on Investment:** there is a need to explore facility operating costs and re-evaluate operating models to mitigate for a growing disparity between costs and recoveries
- Recreation facilities seeing a decreasing return on investment due to market over-supply of underutilized and dated facilities; and
  - May be a need (or opportunity) for greater collaboration with other community partners for effective delivery of programs and amenities.

<sup>11</sup> City of Medicine Hat Municipal Development Plan, 2020

**b. Aligning Decisions with Values:** ensuring the expectations and values of residents, Administration and Council resonate with decisions made

- Past engagement with residents and stakeholders has identified the importance of social and health impacts as equal considerations to economic efficiency; and
  - Recent engagement with Council supports public sentiment and has told us that decisions must balance social and health impacts with economics. Decisions should not be purely influenced by the most economical solutions.
- 

## 5.0 Current Recreation Landscape

This section provides a range of information on the current state of recreational facilities here in Medicine Hat. This information is followed by a summation of how the current facility landscape in Medicine Hat stacks up against the value statements listed in Section 3.6.

### 5.1 Customer Market Availability

Municipalities across Canada have a membership purchase rate of approximately 23% - 30%. In 2015 Medicine Hat YMCA conducted a Market Study that showcased that Medicine Hat has a 30% market purchase. At the time the Market study did not include the County. Using 30%, the available market in Medicine Hat for people to purchase some sort of membership (pickleball, MTB, YMCA, Goodlife, Big Marble, Crestwood, etc.) is approximately 15,000 memberships. Currently we know that Big Marble has approximately 2,500 members, Crestwood 300-500, Downtown YMCA 2,500, South Ridge 1,450 for a total of ~9,000 members. This leaves approx. 6,000 members outstanding that are either thinking about or have memberships elsewhere (Badlands Fitness, Goodlife, Anytime, F45, Crew, Orange Theory, etc.).

Recreation Facilities typically have a benchmark of a certain amount of square footage per person that can accomplish both positive operating dollars while being able to save for capital and ongoing major expenses. The current landscape for the four major facilities (excluding private gyms) shows that each recreation facility is not operating efficiently based on square feet per member basis.

Historic data would show that prior to Big Marble Go Centre Expansion in 2016 and the arrival of Goodlife Fitness (and any other major private for-profit fitness chain) that the YMCA had sufficient membership numbers to thrive at Downtown and South Ridge. Since the expansion of Big Marble and

introduction of multiple for-profit fitness centres, the market has a large supply of recreation facilities and not the demand to necessarily support / sustain each of these facilities in the long term. Essentially between the Municipal and the not-for-profit sector they are cannibalizing the availability of members amongst themselves and thus suffering financial burdens that are not ideal to deliver recreation services to the community.

## 5.2 Current Utilization Data

Detailed utilization data for all facilities is available from City administration, and was used to influence decisions made in this report. The following graph (Figure 11) illustrates the annual attendance at BMGC and CRC on the primary vertical axis. Total attendance combines walk in admissions with membership scans. The secondary vertical axis identifies the number of passholders per facility. Note: Crestwood was closed mid-March 2020 until February 2022, then re-opened until December 2022.

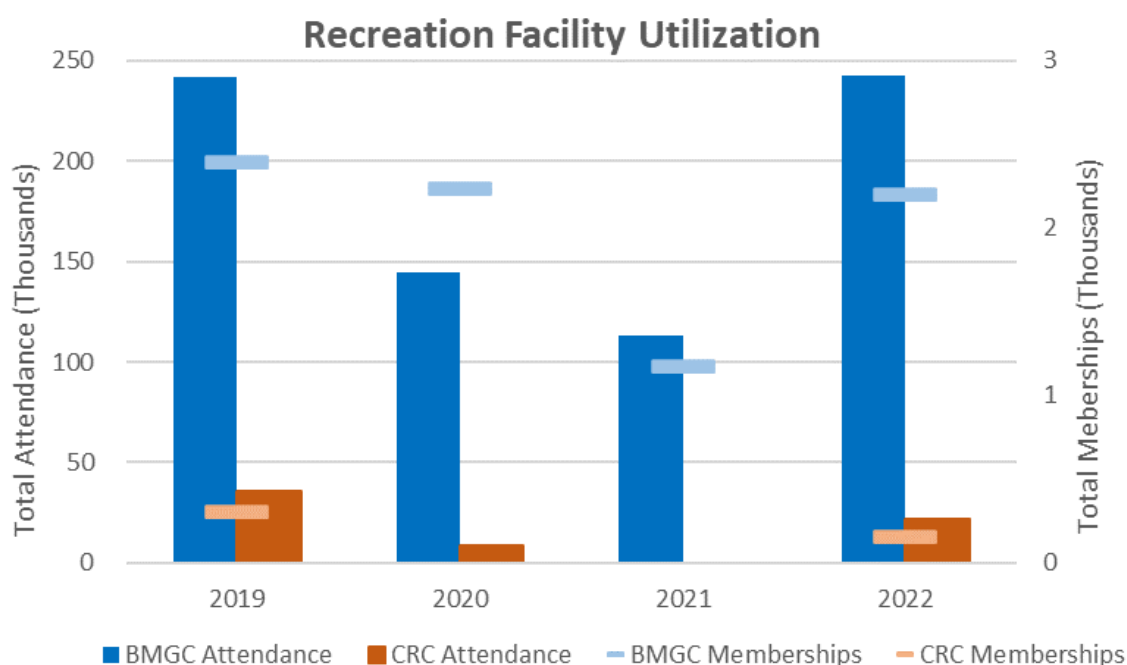


Figure 11: Recreation Facility Utilization

The graph (Figure 12) below identifies the total net operating cost (revenue less expenses) on the primary vertical axis and further identifies the total net operating cost per visit on the secondary vertical axis. Note: Crestwood was closed mid-March 2020 until February 2022, then re-opened until December 2022.

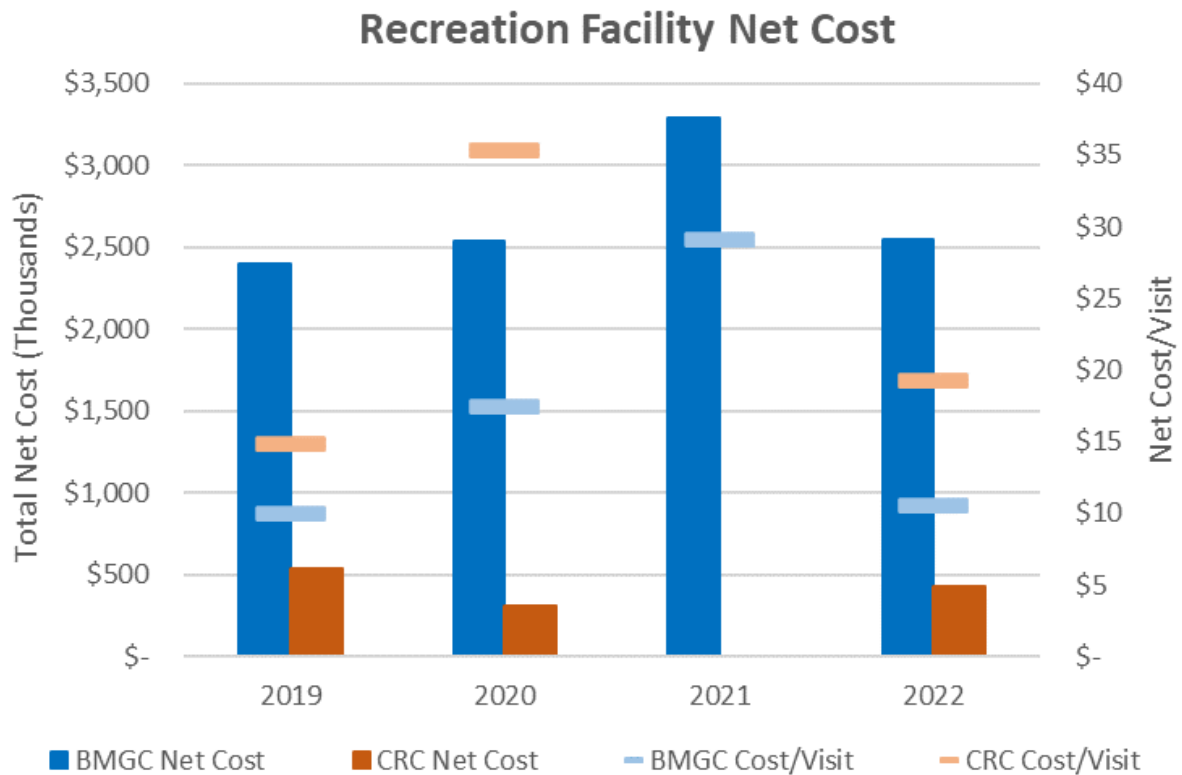


Figure 12: Recreation Facility Net Cost

The graph (Figure 13) below compares total net operating cost per visit (also broken down by revenue/visit and expenses/visit) for BMGC to Genesis Place (Airdrie) and Eastlink Centre (Grande Prairie). If we increased our utilization by 30% or decreased our operating expenses by 15% we would see closer alignment around operating expenses with our comparators.

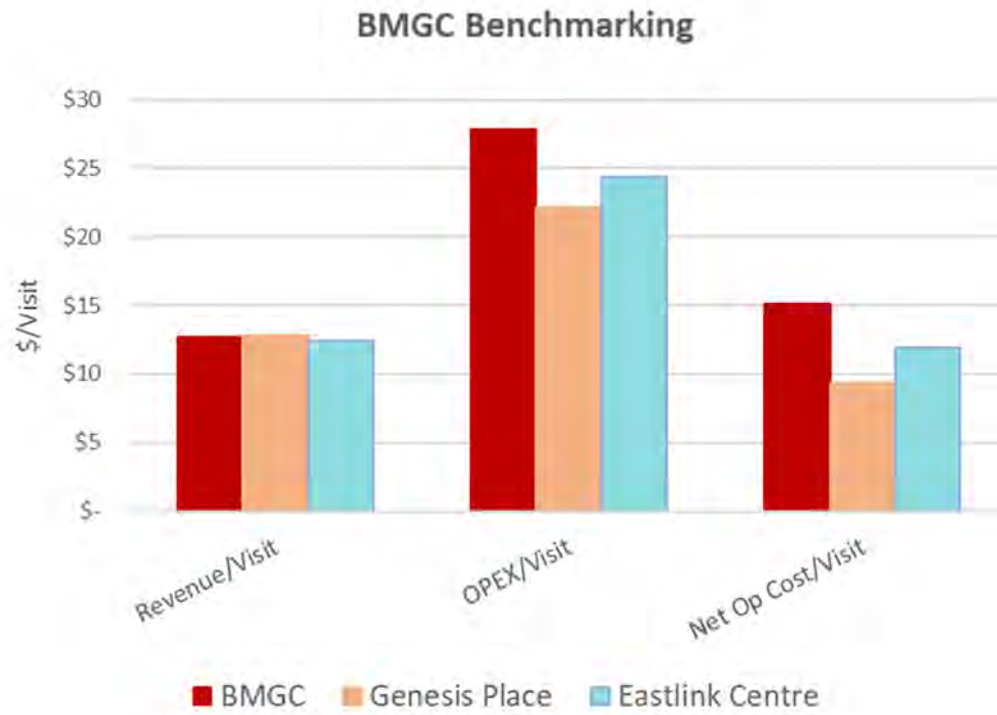


Figure 13: Big Marble Go Centre Benchmarking

The graph (Figure 14) below shows utilization for a twin ice sheet facility and two single ice sheet facilities. Historic data indicates that twin facilities are cheaper to operate by a margin of 27-37%. Utilization includes COVID years at rinks; normally ice utilization is approx. 80-85% utilization during prime time, and 20%-40% during non-prime time.

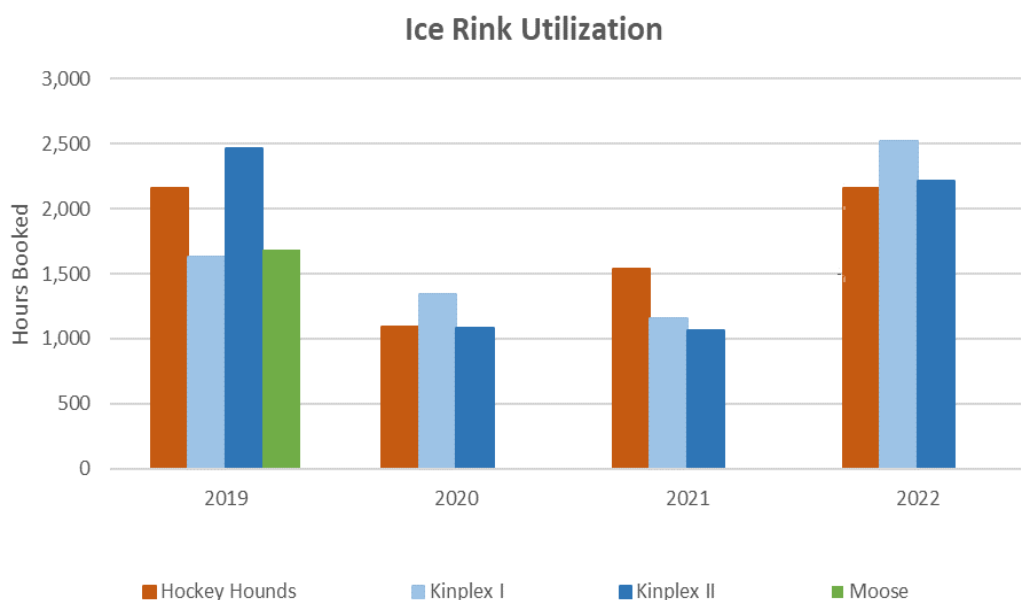


Figure 14: Ice Rink Utilization



The graph (Figure 15) below identifies the total utilization for outdoor pools on the primary vertical axis in addition to the total net operating costs (revenue less expenses) on the secondary vertical axis. 2022 was the first year Kinsmen free swim was introduced therefore there was an increase in utilization compared to 2019.

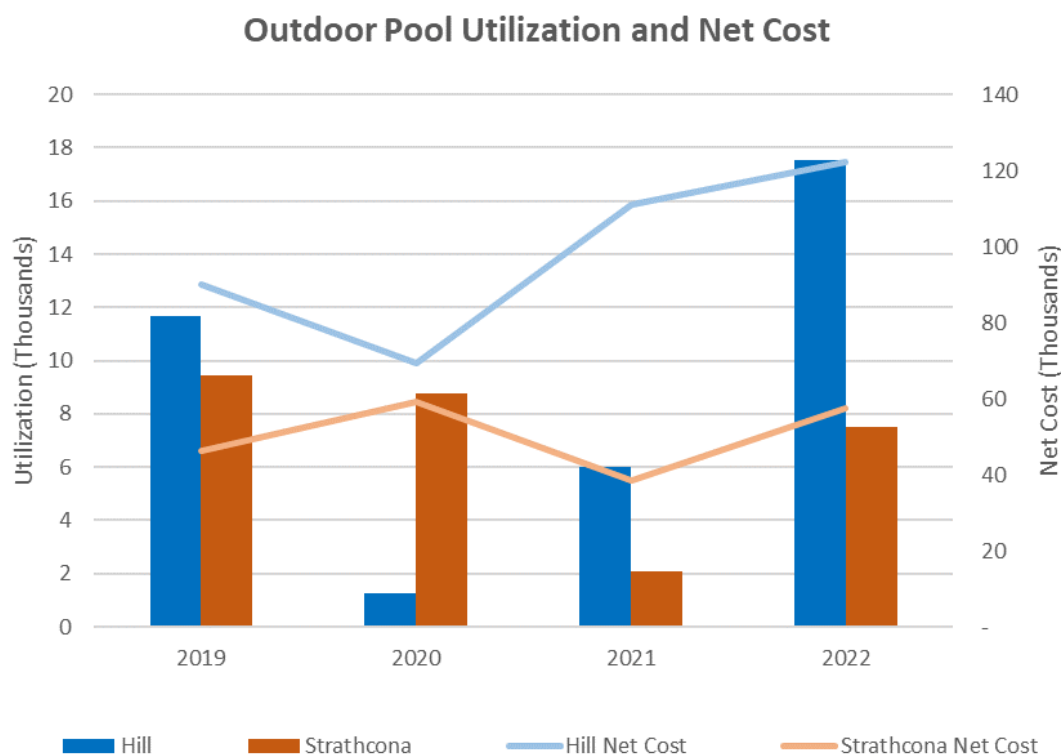


Figure 15: Outdoor Pool Utilization and Net Cost

### 5.3 Facility Conditions

Figure 31 through 42 (found in Appendix A) provide a snapshot of facility conditions for eleven City-owned facilities, as well as one regional park. Each figure identifies the age of the facility, its current insured value, any known value of renovations required and general comments.

### 5.4 Market Supply and Demand: Spatial Distribution

The current supply of public recreation facilities exceeds the demand required to generate membership levels required for more financially sustainable facilities. Figure 16 identifies 3km catchment areas for four major recreational facilities in the City, demonstrating a significant overlap. Figures 17 through 25 identify additional information on location of facilities according to population and residence location of passholders in proximity to the listed facilities.

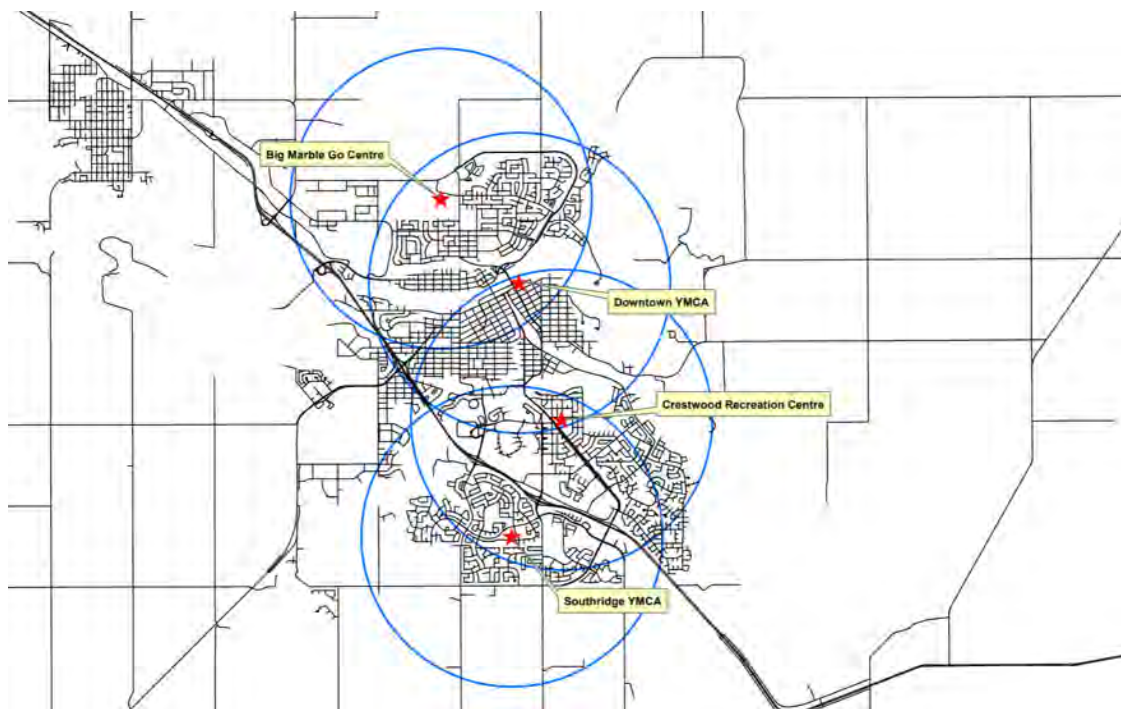


Figure 16: 3KM Catchment area of Big Marble Go Centre, Crestwood Recreation Centre, Downtown YMCA, and Southridge YMCA, showing overlap in recreation centre service areas throughout the City

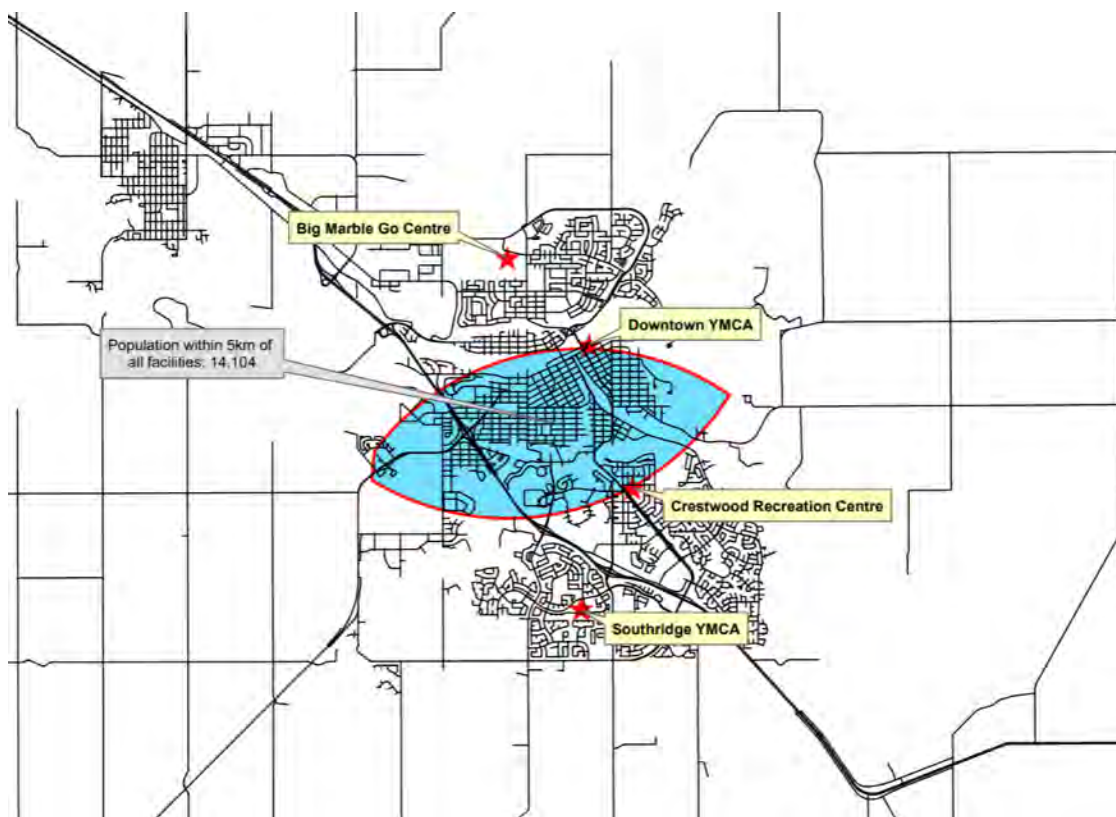


Figure 17: Population of 14,104 currently live within 5KM of all current recreation facilities

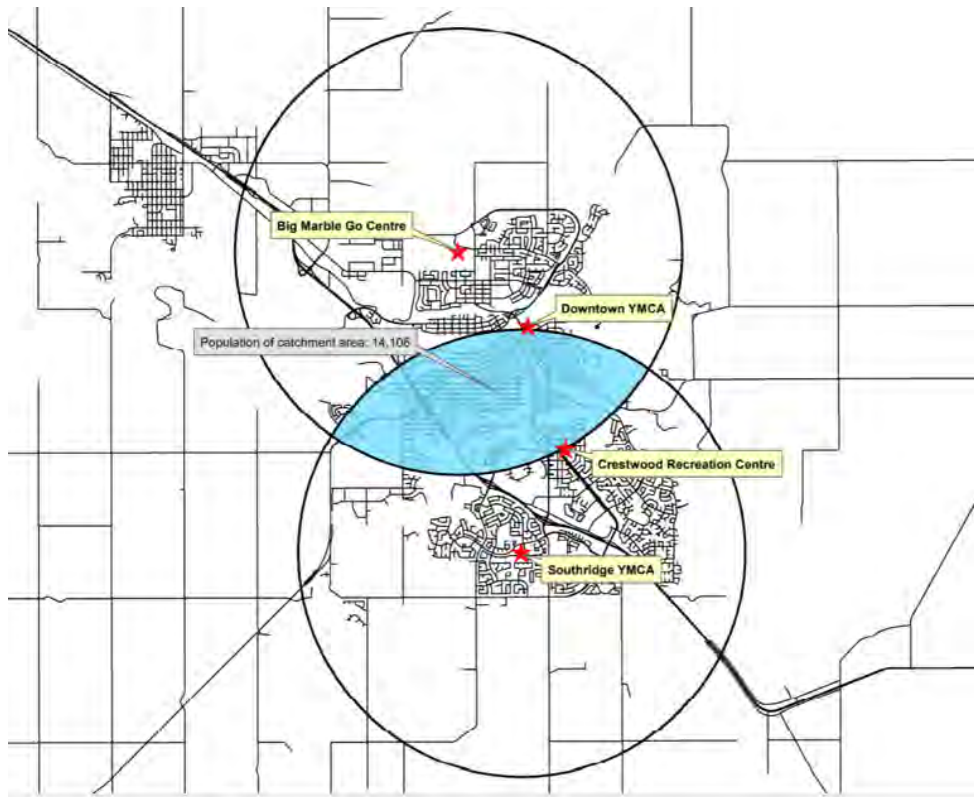


Figure 18: 5KM catchment area of Big Marble Go Centre and Southridge YMCA; population of 14,106 live within 5KM of a north and south recreation facility

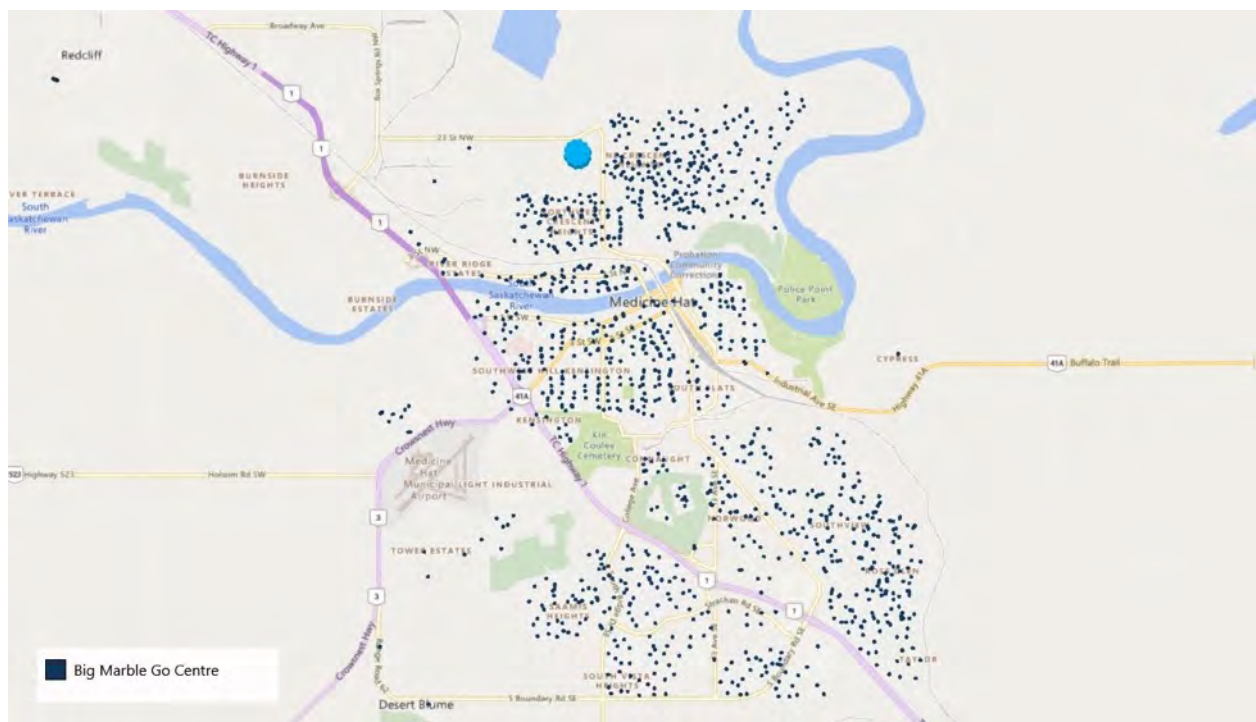


Figure 19: Map showing location of all passholders to Big Marble Go Centre

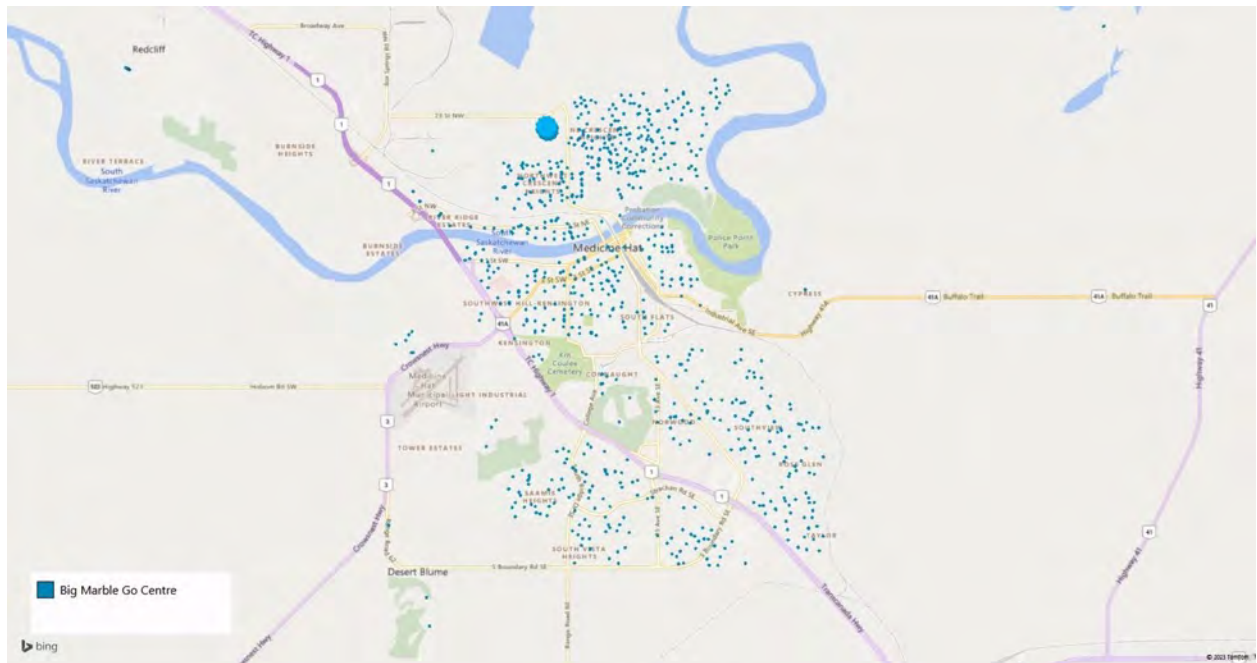


Figure 20: Map showing location of passholders to Big Marble Go Centre, excluding 10 punch pass holders

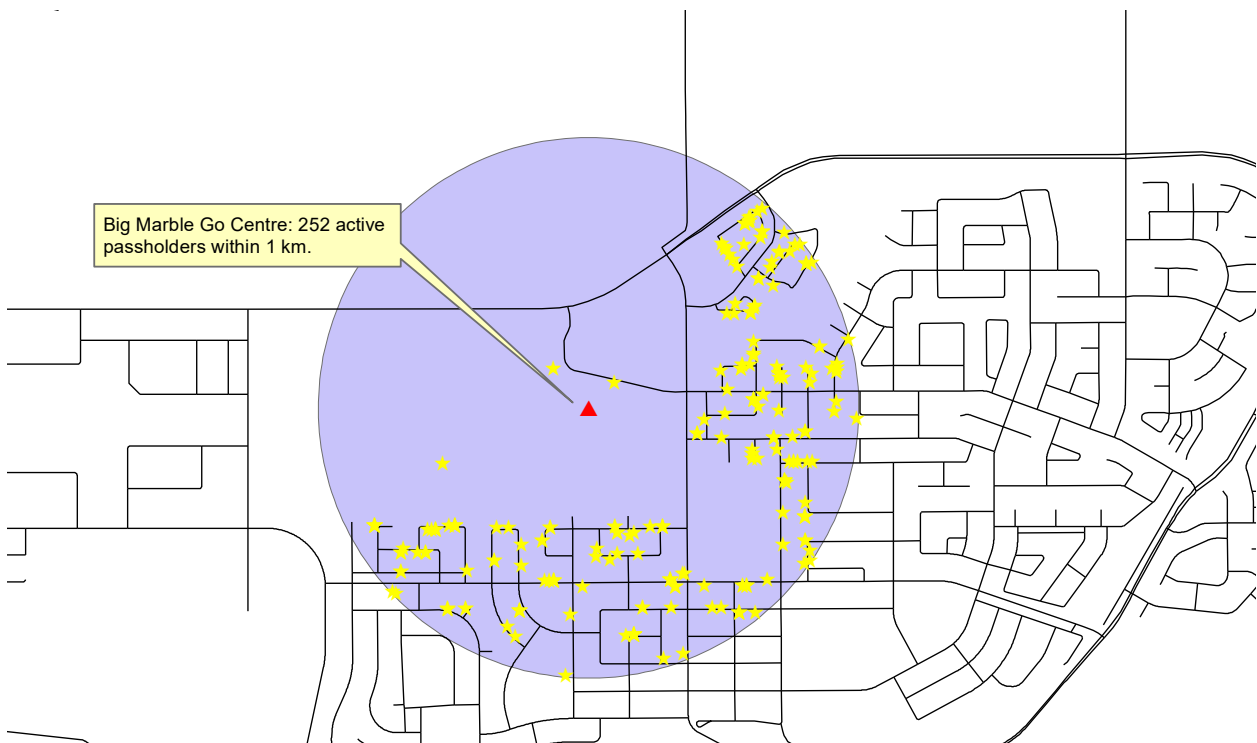


Figure 21: Big Marble Go passholders within 1km of facility



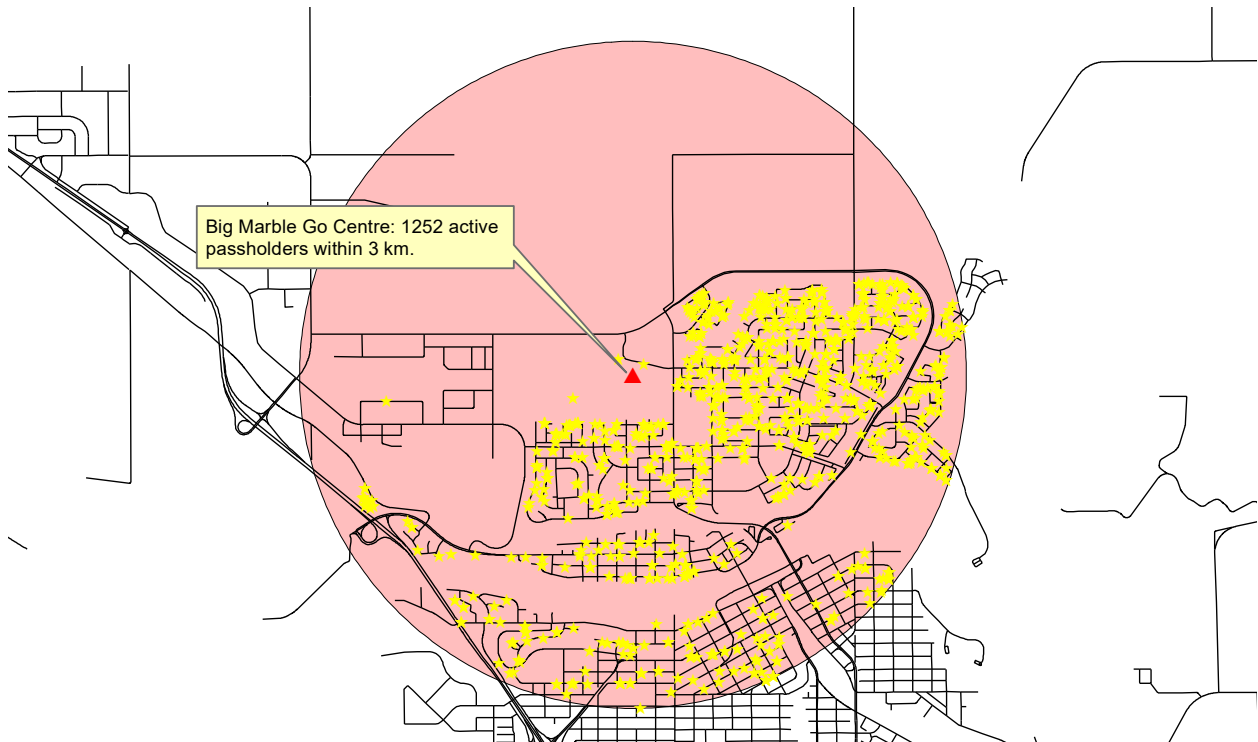


Figure 22: Big Marble Go passholders within 3km of facility

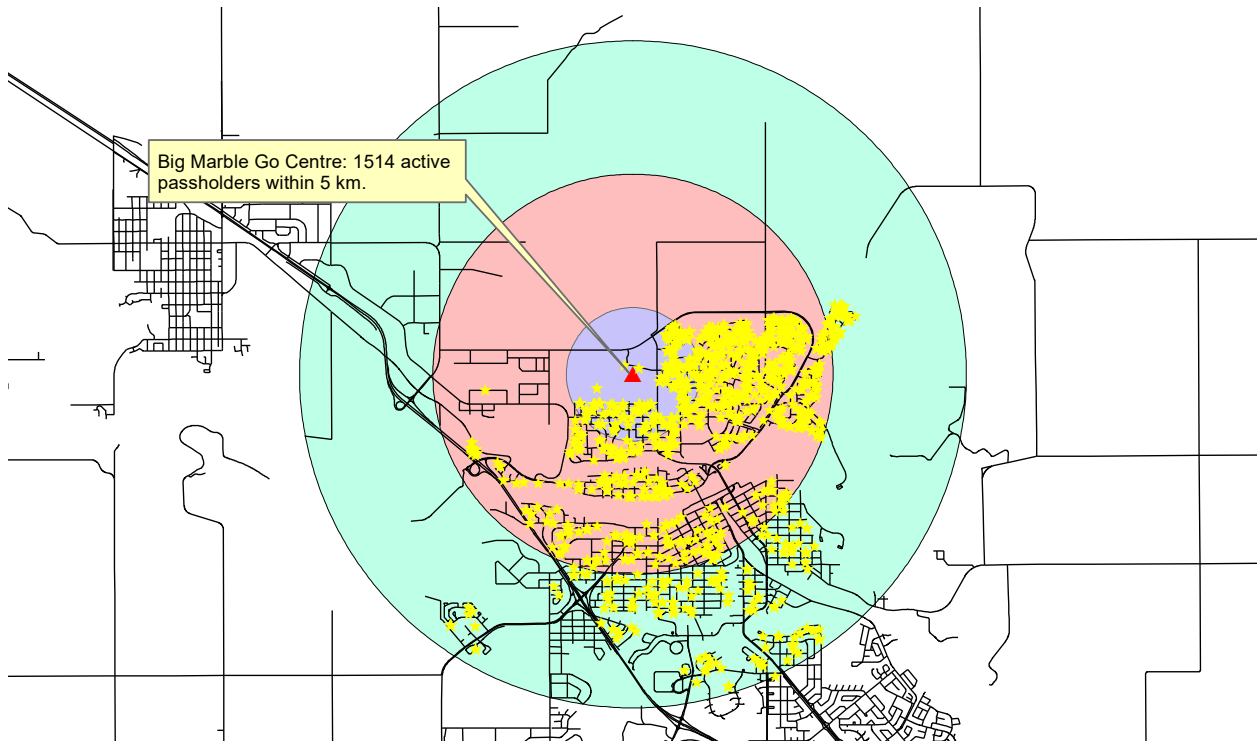


Figure 23: Big Marble Go passholders within 5km of facility

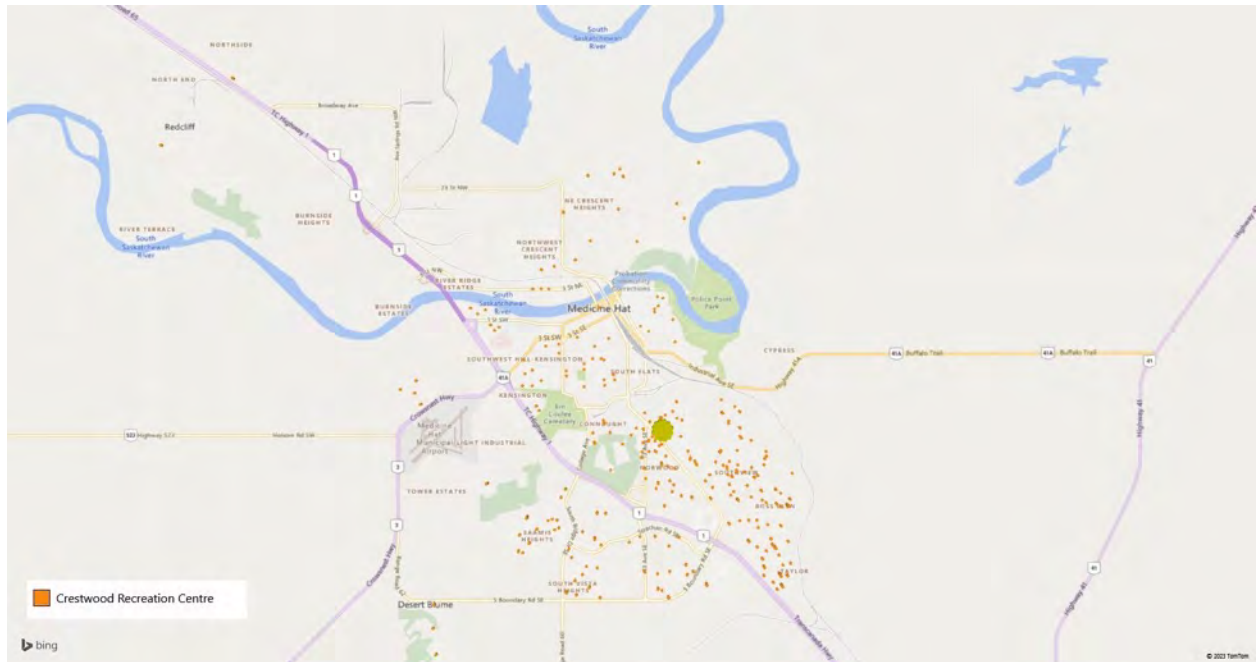


Figure 24: Map showing location of all passholders to Crestwood Recreation Centre

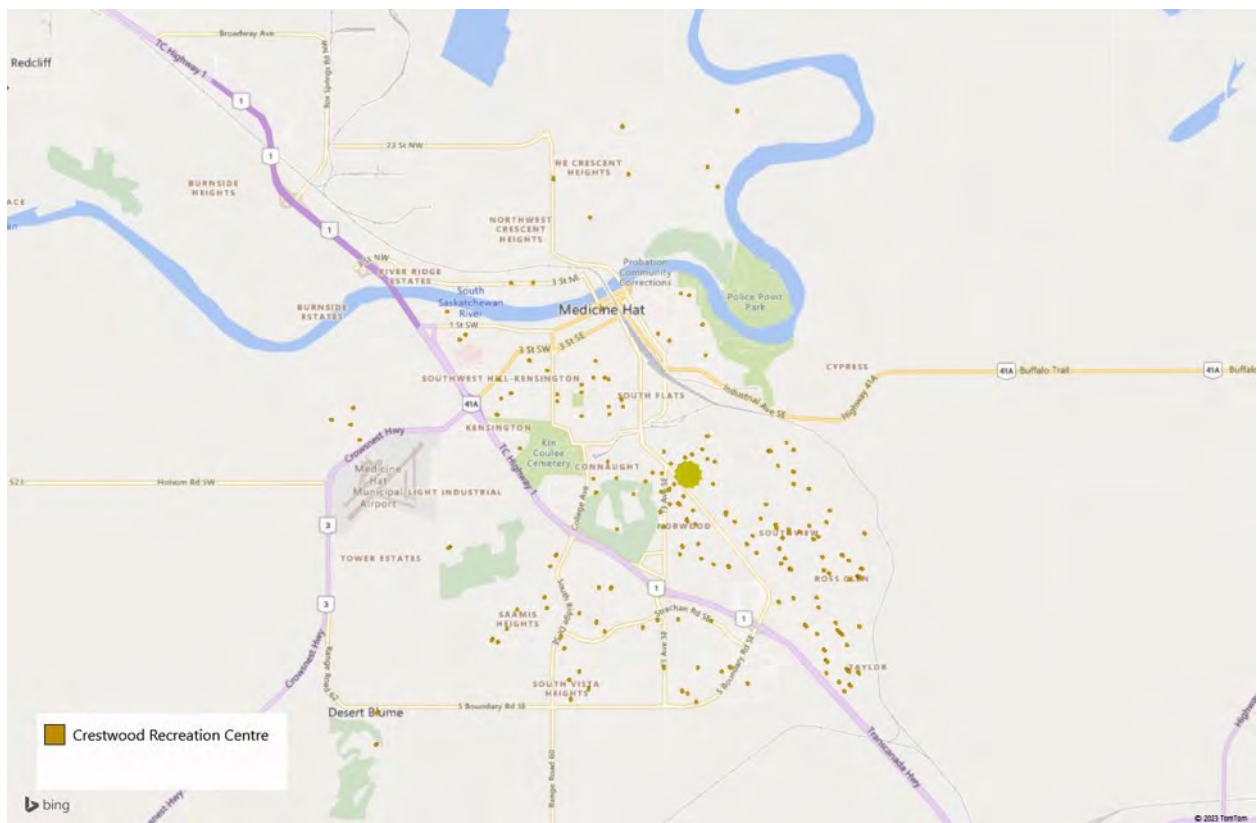


Figure 25: Map showing location of passholders to Crestwood Recreation Centre, excluding 10 punch pass holders

Through past engagement we have heard much about the importance of recreational facilities being placed in the right location. Whether for ease of access by walking or cycling, the perception that it increases personal property assessment value or just the nostalgia of having it near their own home, residents demonstrated an affinity to maintain neighbourhood-based recreational amenities opposed to new, consolidated, multi-purpose and destination-based ones that may be a “drive away” from home. We have heard loud and clear that neighbourhood-based facilities are important and bring a strong sense of place to neighbourhoods. On the other hand, maintaining several smaller facilities opposed to fewer larger facilities is not economically efficient. Figures 26 and 27 identify the location of all indoor and outdoor recreational facilities and amenities in Medicine Hat.

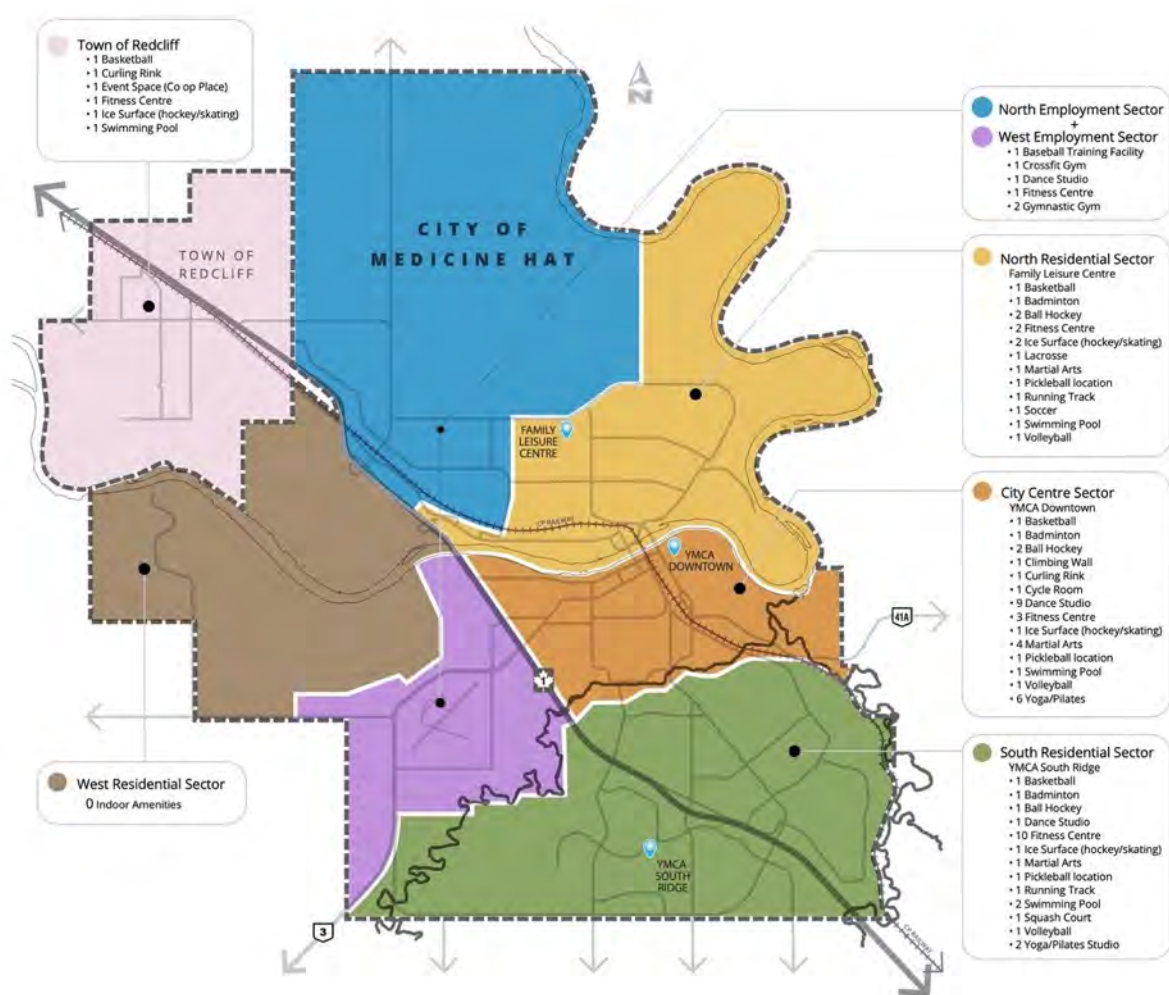


Figure 26: City of Medicine Hat Indoor Recreation Facility Distribution

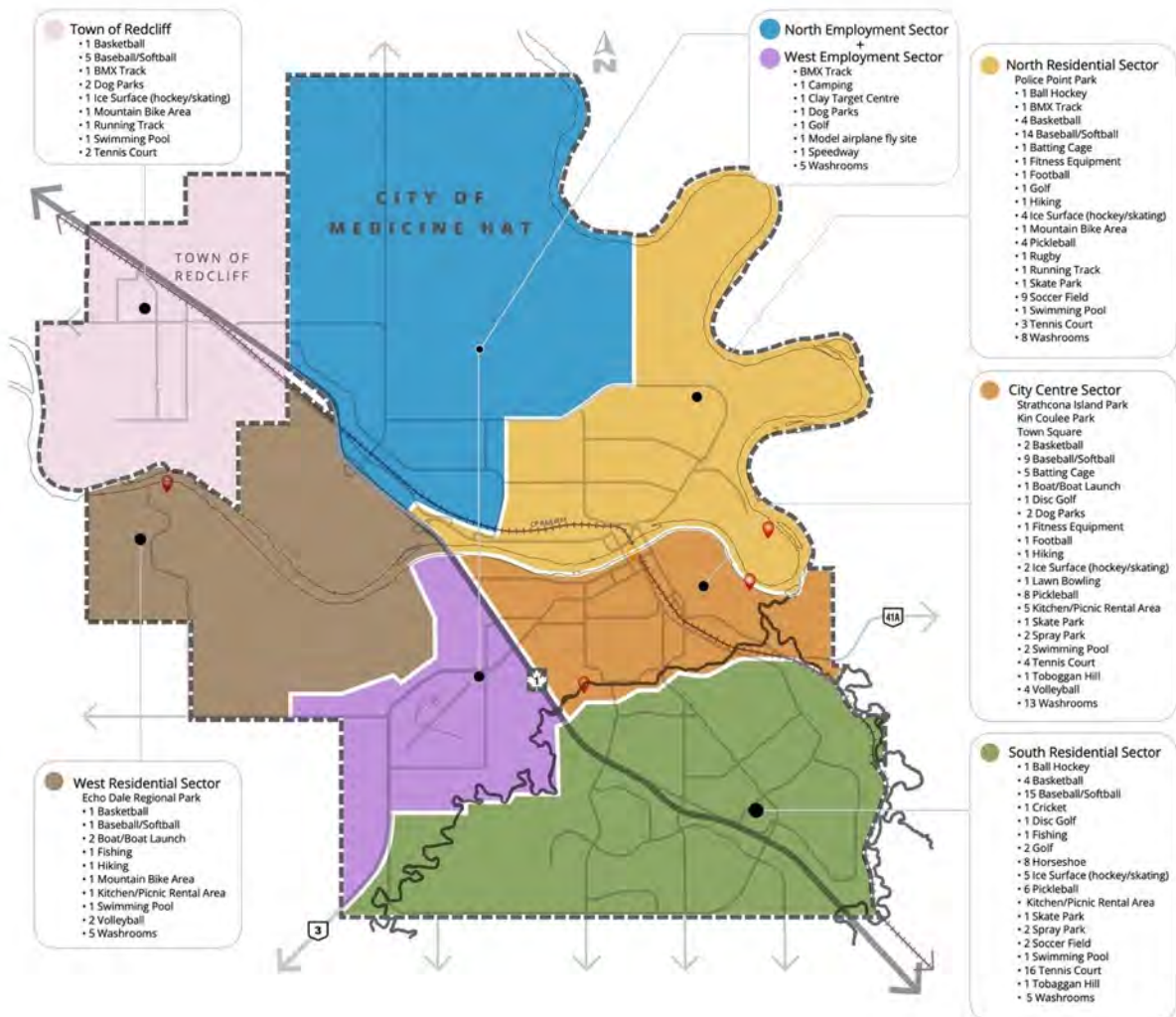


Figure 27: City of Medicine Hat Outdoor Recreation Facility Distribution

For comparative purposes, Figures 43 through 49 (Found in Appendix B) identify the spatial distribution of facilities in other western Canadian communities.

## 5.5 Direct & Indirect Effects on Adjacent Development

Recreation facilities have a variety of direct benefits to adjacent properties, such as increasing nearby property values, reduction of vehicle travel having amenities within walking distance, and more foot traffic that increased perceived safety of public streets. Neighbourhood-based recreation facilities and youth programming that is readily available to youth has proven reductions in youth crime. For developers, having key amenities in a neighbourhood also increases marketability of their land and development product. Recreation facilities provide positive economic benefits to residents, municipal



governments and developers. For facilities that attract out-of-town users and sports organizations, nearby restaurants, hotels and other commercial developments benefit from additional revenue.

Some challenges that recreational facilities can pose, especially larger-scale amenities, is an increase of vehicle traffic that has direct impact on pedestrian safety, noise pollution and the quaintness of a community. Larger facilities can also be daunting and harder to navigate for newer participants.

## **5.6 Transportation**

The City of Medicine Hat currently offers a public transit system that includes 10 regular routes, providing residents access to 90% of the city<sup>12</sup>. Transit on demand is also offered during weekday evenings and Sundays for the north and central areas of the city only. Transit service is not available on statutory holidays. To access recreation facilities, which includes the Big Marble Go Centre, Crestwood Recreation Centre, South Ridge YMCA and the Downtown YMCA, regular trips take an average of 33 minutes to get from one recreation facility to another, which includes walking to and from the transit stop, and bus changes at the downtown transit terminal. The top three time commitments to reach a recreation facility is experienced when traveling from the Downtown YMCA to the South Ridge YMCA (50 minutes); the Big Marble Go Centre to South Ridge YMCA (53 minutes); and South Ridge YMCA to Big Marble Go Centre (58 minutes). For a community of our size, these public transit statistics demonstrate that people may not be taking public transit to these recreation facilities because of the value they place on their personal time to travel time (there and back).

It would be beneficial to explore creative solutions (i.e., recreation destination routes) that would promote ridership and accessibility between recreation facilities as well as offering service on stat holidays during the summer when demand increases at the recreation facilities, outdoor pools, and Echo Dale Regional Park.

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<sup>12</sup> Transit Report, "Alberta Municipal Benchmarking Initiative," 2018, pg.6

Table 1: Travel Time Between Recreation Facilities

	Facility					
Average Travel Time (minutes)	Downtown YMCA	South Ridge YMCA	Crestwood Recreation Centre	Big Marble Go Centre		Facility
	-	45	33	20	Downtown YMCA	
	50	-	36	53	South Ridge YMCA	
	20	25	-	27	Crestwood Recreation Centre	
	28	58	32	-	Big Marble Go Centre	
Average travel time from Rec Facility to Rec Facility (minutes)	33	43	34	33	Average travel time from Point A to Rec Facility (minutes)	

Large multi-plex facilities often require significant parcels of land to accommodate the physical size of the structure, the required parking lots, transit terminal areas and supporting outdoor amenities. This often leads to site selections on the outskirts of a community where there is the highest abundance of land. While land needs are met, these locations often result in challenges to access sites through active transportation means such as cycling or walking.

## 5.7 High-Level of Current Subsidization Levels of Facilities

The graph below (Figure 28) identifies the subsidy rate for the City's recreational facilities. Based on 2019 data (most recent pre-covid data), Crestwood Recreation Centre required almost 20% higher subsidy than the rest of the City's facilities. The graph below also shows that multi-use facilities (Kinplex and BMGC) operate with lower subsidies than single use facilities. It is important to note that Moose was closed May 2020 until September 2022, and Crestwood was closed mid-March 2020 until February 2022.

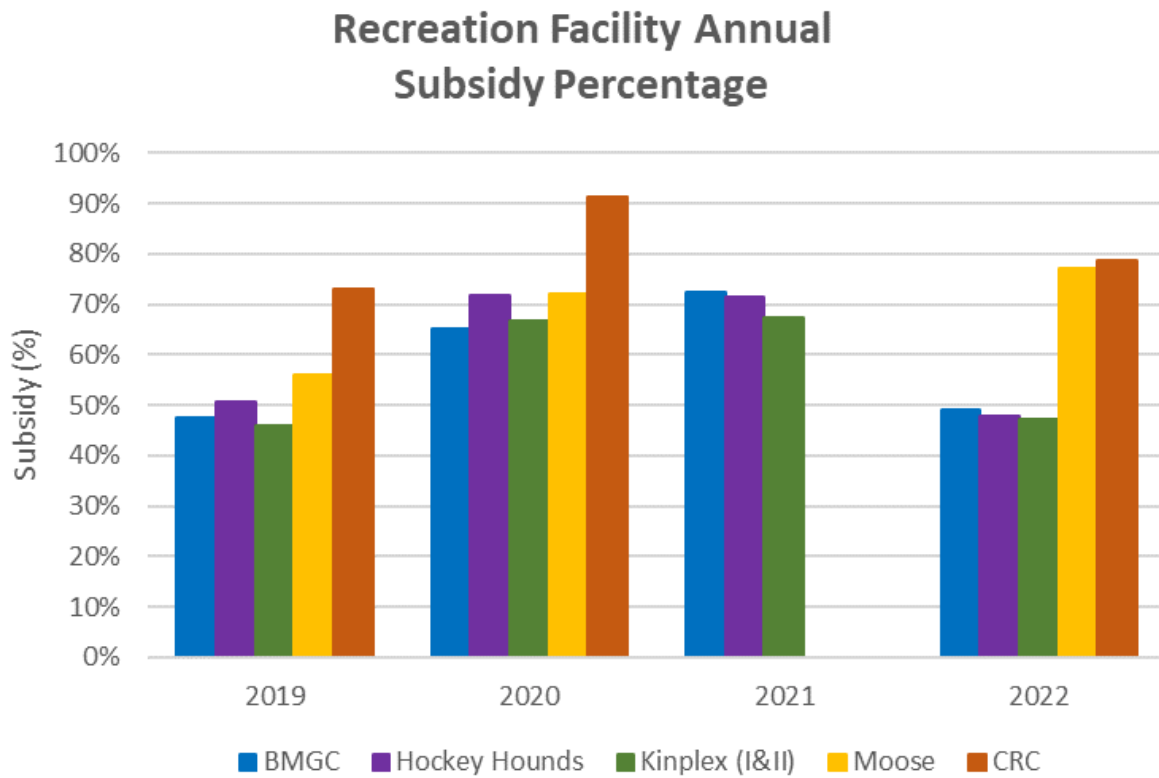


Figure 28: Recreation Facility Annual Subsidy Percentage

## 5.8 Financial Performance of Facilities

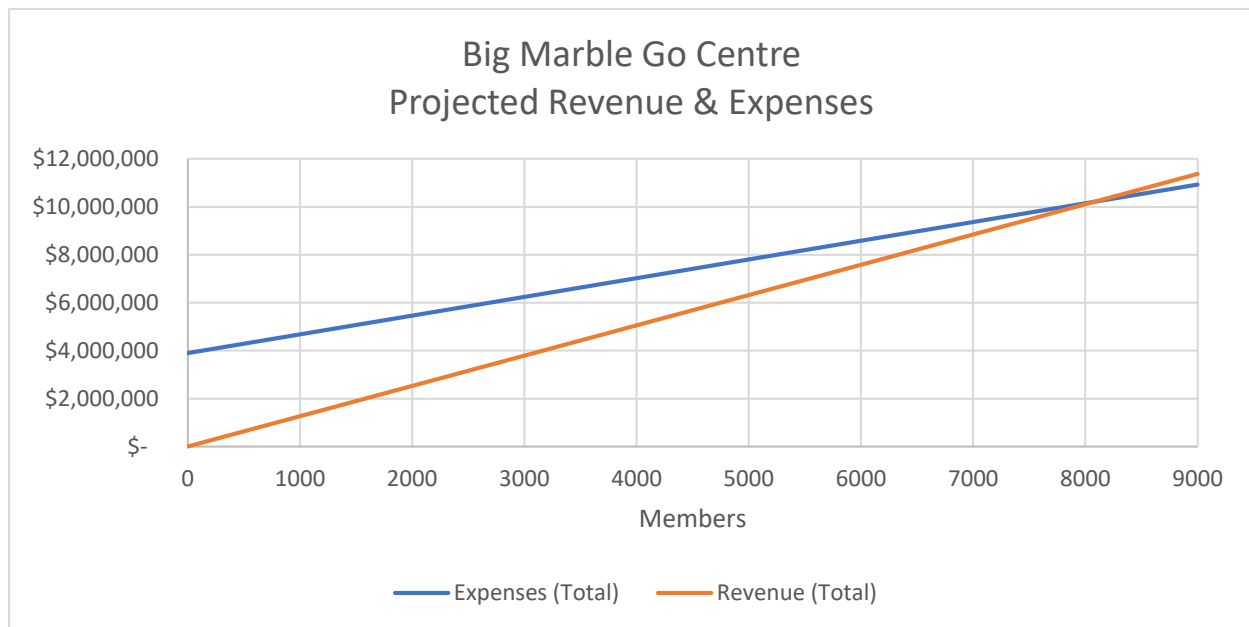


Figure 29: Big Marble Go Centre Projected Revenue & Expenses

- Average BMGC membership is approximately 2,250. At this level of membership, the facility recovers approximately 50% of its operating costs, which results in an annual net cost of \$2.8M to operate;
- Increasing the membership to 4,250, BMGC is estimated to recover 74% of its operating costs, at an annual net cost of approximately \$1.8M to operate; and
- At approximately 8,000 members, BMGC recovers 100% of its operating costs and is self-funding.



Figure 30: Crestwood Recreation Centre Projected Revenue & Expenses

- Average CRC membership is approximately 265. At this level of membership, the facility recovers approximately 26% of its operating costs, which results in an annual net cost of \$515K to operate;
- Crestwood Recreation Centre Membership costs would need to increase by approximately 135% to equal the level of cost recovery of BMGC. This means an Adult annual membership would increase from \$399 to \$938; and
- Under the current operating model, even with significantly increased membership CRC is unlikely to reach a point where the facility recovers all of its operating costs.

## 5.9 How Does This Stack Up to Our Values?

Section 5 provided a snapshot of how facilities are currently distributed, local market supply and demand, facility subsidization and financial performance. The following table identifies how the current state of facilities align with the values established at the onset of this report, and identifies three categories of “effects”:

- Green – the current state of facilities strongly supports this value;
- Yellow – the current state of facilities has qualities that support the value, but also has qualities that do not; and
- Red – the current state of facilities does not support this value.

*Table 2 - Alignment of current facilities versus Medicine Hat's values*

Value	Effect	Description
#1 – Placement	Red	There is a significant overlap on catchment areas, making facilities less financially viable creating high subsidizations. The most current facilities are placed on the outskirts of the City and are not near to the most highly populated residential areas
#2 – Placemaking	Yellow	Small, community-based recreational facilities are strong contributors to sense of place, while larger recreational centres such as Big Marble Go Centre have less of an impact on local placemaking
#3 – Balanced Perspective	Green	Current operations and development of recently built facilities consider a variety of perspectives and design considerations
#4 – Inclusive, Accessible	Yellow	Facilities meet minimum accessibility standards however more can be done to ensure facilities are accessible to all ages and abilities
#5 – Attracting Youth	Yellow	Modern facilities are a strong attractant to retaining young families and immigration to the City, and

		Medicine Hat lacks modern facilities in some areas such as outdoor pools and splashpads
<b>#6 – Multi-Functional Space</b>		Facilities operating as single-use amenities are less efficient than those with more extensive programming and a variety of users accommodated
<b>#7 – Residents First</b>		In comparison to other communities, Medicine Hat had developed a number of neighbourhood-based facilities. Past decisions have been made with strong community engagement to ensure we are meeting local needs, and sport tourism has not been a focus
<b>#8 – Social Impact</b>		The number of smaller community-based facilities spread amongst residential areas are strong contributors to positive social value
<b>#9 – Health Impact</b>		Health impact assessments have yet to be implemented in the planning for new and retrofitting of existing facilities
<b>#10 – Economic Impact</b>		Several small (and outdated) facilities come with low economic efficiency, and the current network of facilities are much less economically efficient than fewer large-scale and consolidated facilities. Medicine Hat has facilities that over-compete with one another which drives up required subsidies and lowers financial efficiency

## 6.0 Options Overview

### 6.1 Recreation Facilities

Table 3: Indoor Recreation Centres

Option 1	Option 2	Option 3
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Status Quo (Crestwood Recreation Centre, BMGC, South Ridge YMCA, Downtown YMCA)	Close Crestwood Recreation Centre	Close Downtown YMCA, South Ridge YMCA, Crestwood Recreation Centre and build new South Recreation Community Centre with amenities that are needed (i.e. Squash, climbing etc.)
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## 6.2 Outdoor Park Spaces

Table 4: Outdoor Park Spaces

Option 1	Option 2	Option 3	Option 4	Option 5	Option 6	Option 7
Status Quo	Close Heights Pool and add Spray Park	Upgrade Saamis Rotary Park Spray Park	Echo Dale Regional Park Swim Lake and Park Enhancements	EDRP Campground Development and services	EDRP Swim lake enhancements, heights spray park, Saamis Rotary Park Spray Park & Campground development	EDRP Swim lake enhancements, heights spray park, Saamis Rotary Park Spray Park & Campground development and Brier Run Sport Field Development



## 6.3 Outdoor Aquatics

Table 5: Outdoor Aquatic Options

Option 1	Option 2	Option 3	Option 4	Option 5	Option 6	Option 7
Status Quo	Reinvest and Reopen Heights	Upgrade Hill Pool	Community Pools Only	Destination Pool Only (Heights remains closed, Hill	Destination Pool and Upgrade Hill Pool	Echo Dale invest destination outdoor aquatics and upgrade Hill Pool

Upgrade and Strathcona open)	
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## 6.4 Ice Rinks & Curling

Table 6: Ice Rink Options

Option 1	Option 2	Option 3	Option 4	Option 5	Option 6
Status Quo (Reinvest in Existing)	Twin Sheet	Quad Sheet	Curling Standalone	Twin Plus Curling	Quad Plus Curling
Continue to Operate: Moose, Hounds, Kinplex, BMGC, Co-Op Place for community and organized sport use.	Kinplex continues to operate.  New twin ice facility constructed.	Decommission Moose, Hounds, Kinplex.  New quad ice facility constructed.	New curling facility constructed.  All other ice surfaces remain.	Construction of twin ice arena.  New curling facility attached to twin ice arena.	Construction of quad ice facility.  New curling facility attached to quad ice arena.



## 6.5 Indoor Aquatics

Table 7: Indoor Aquatics Options

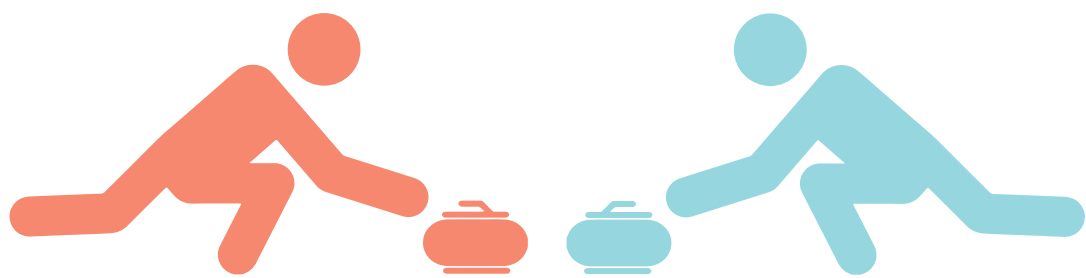
Option 1	Option 2	Option 3	Option 4
Status Quo (Reinvest in Existing)	Like for Like Replacement	New Aquatics	New Aquatics

Details and Assumptions		Downtown YMCA closure.	Close Downtown YMCA.
		South Ridge YMCA – dispose OR build out on South Ridge existing site (small).	New South Recreation Centre has new indoor (large) Pool



### 6.6 Curling

With over 400 members and a facility that has recently seen a failure of the ice slab, curling is currently being considered not only from the perspective of repairing the current facility but also including a new facility in the range of options for Council consideration.



## 7.0 Impact to the Taxpayer

### 7.1 Total Capital Required

Table 8: Incremental Impact of New Twin Ice Facility with Curling

	New Capital Cost / Foregone	Annual Tax Increase / (Decrease) to	Annual Net Operating	Annual Tax Increase / (Decrease) to	Total Annual Tax Increase / (Decrease)

	Sustaining Capital Costs <sup>1</sup>	Pay Capital Cost <sup>2</sup>	Cost Increase / (Decrease) <sup>3</sup>	Pay Net Operating Cost	
<b>New Facility:</b>					
<b>Twin Ice Facility with Curling</b>	\$70M - \$80M	\$121.00 - \$139.00	\$365k - \$455k	\$8.76 - \$10.91	\$129.76 - \$149.92
<b>Foregone Costs:</b>					
<b>Closure of Moose</b>	(\$1.55M)	(\$3.72)	(\$220k)	(\$5.28)	(\$9.00)
<b>Closure of Hounds</b>	(\$0.47M)	(\$1.13)	(\$235k)	(\$5.64)	(\$6.77)
<b>Closure of Curling</b>	(\$7.9M)	(\$18.96)	-	-	(\$18.96)
<b>Net Incremental Cost Increase / (Decrease)</b>	\$60.08M - \$70.08M	\$97.19 - \$115.19	(\$90k) - \$0	(\$2.16) - \$0	\$95.03 - \$115.19

<sup>1</sup> Sustaining capital costs represent the required capital expenditures to maintain the facility over the next 10 years. Facility demolition costs are not included.

<sup>2</sup> New capital costs are assumed to be completely funded through borrowing with a tax increase to pay back the loan over a 25-year period.

<sup>3</sup> Net operating costs are ongoing costs that occur every year the facility is open and represent the costs to operate after the receipt of any revenue.

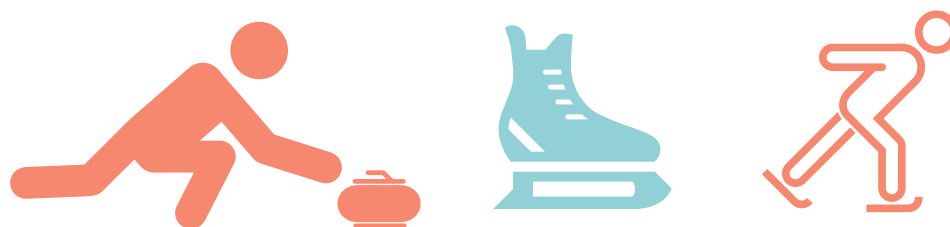


Table 9: Incremental Impact of New Recreation Facility

	New Capital Cost / Foregone Sustaining Capital Costs <sup>1</sup>	Annual Tax Increase / (Decrease) to Pay Capital Cost <sup>2</sup>	Annual Net Operating Cost Increase / (Decrease) <sup>3</sup>	Annual Tax Increase / (Decrease) to Pay Net	Total Annual Tax Increase / (Decrease)
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	Operating Cost				
New Facility:					
Recreation Facility (with Indoor Pool & Fitness Centre)	\$55M - \$70M	\$95.00 - \$121.00	\$450k - \$550k	\$10.80 - \$13.20	\$105.80 - \$134.20
Foregone Costs:					
Closure of Crestwood Recreation Centre	(\$7.5M)	(\$18.00)	(\$532k)	(\$12.77)	(\$30.77)
Net Incremental Cost Increase / (Decrease)	\$47.5M - \$62.5M	\$77.00 - \$103.00	(\$82k) - \$18k	(\$1.97) - \$0.43	\$75.03 - \$103.44
<sup>1</sup> Sustaining capital costs represent the required capital expenditures to maintain the facility over the next 10 years. Facility demolition costs are not included.					
<sup>2</sup> New capital costs are assumed to be completely funded through borrowing with a tax increase to pay back the loan over a 25-year period.					
<sup>3</sup> Net operating costs are ongoing costs that occur every year the facility is open and represent the costs to operate after the receipt of any revenue.					



Table 10: Incremental Impact of Hill Pool Redesign

	New Capital Cost / Foregone Sustaining Capital Costs <sup>1</sup>	Annual Tax Increase / (Decrease) to Pay Capital Cost <sup>2</sup>	Annual Net Operating Cost Increase / (Decrease) <sup>3</sup>	Annual Tax Increase / (Decrease) to Pay Net Operating Cost	Total Annual Tax Increase / (Decrease)
<b>New Facility:</b>					

<b>Hill Pool Resdesign</b>	\$10M - \$15M	\$17.00 - \$26.00	\$125k - \$175k	\$3.00 - \$4.20	\$20.00 - \$30.20
<b>Foregone Costs:</b>					
<b>Closure of Existing Hill Pool</b>	(\$1.4M)	(\$3.36)	(\$110k)	(\$2.64)	(\$6.00)
<b>Net Incremental Cost Increase / (Decrease)</b>	\$8.6M - \$13.6M	\$13.64 - \$22.64	\$15k - \$65k	\$0.36 - \$1.56	\$14.00 - \$24.20

<sup>1</sup> Sustaining capital costs represent the required capital expenditures to maintain the facility over the next 10 years. Facility demolition costs are not included.

<sup>2</sup> New capital costs are assumed to be completely funded through borrowing with a tax increase to pay back the loan over a 25-year period.

<sup>3</sup> Net operating costs are ongoing costs that occur every year the facility is open and represent the costs to operate after the receipt of any revenue.

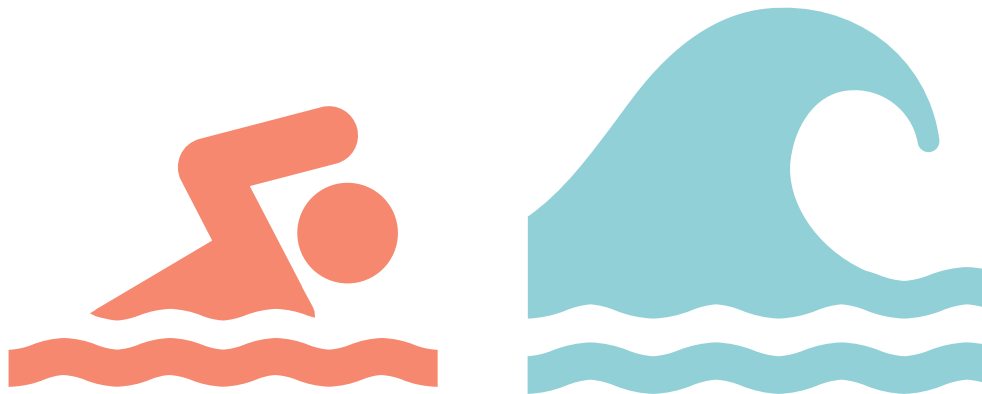


Table 11: New Capital Investment

	Capital Cost <sup>1</sup>	Annual Tax Impact to Pay Capital Cost	Net Operating Cost <sup>2</sup>	Annual Tax Impact to Pay Net Operating Cost	Total Annual Tax Impact
<b>Outdoor Aquatics Destination Facility</b>	\$16M - \$20M	\$28.00 - \$35.00	\$150k - \$250k	\$3.60 - \$5.99	\$31.60 - \$40.99



<b>New Spray Park (Crescent Heights)</b>	\$425k	\$0.74	\$38k - \$43k	\$0.91 - \$1.03	\$1.65 - \$1.77
<b>Redesign Saamis Rotary Spray Park</b>	\$425k	\$0.74	\$38k - \$43k	\$0.91 - \$1.03	\$1.65 - \$1.77
<b>Echo Dale<sup>3</sup></b>	\$4M - \$30M	\$7.00 - \$52.00	\$450k - \$700k	\$10.79 - \$16.78	\$17.73 - \$68.82
<b>Brier Run Fields<sup>4</sup></b>	\$5.5M - \$6.3M	\$7.00	\$80k - \$105k	\$0.53 - \$0.58	\$7.53 - \$7.58

<sup>1</sup> New capital costs are assumed to be completely funded through borrowing with a tax increase required to pay back the loan over a 25-year period.

<sup>2</sup> Net operating costs are ongoing costs that occur every year the facility is open and represent the costs to operate after the receipt of any revenue.

<sup>3</sup> Echo Dale options include a range from basic site servicing, pedestrian and emergency access bridge and campground development.

<sup>4</sup> Brier Run Fields includes: relocation of soccer fields, additional premium field, and additional four ball diamonds.

## 7.2 Example of Enhanced Service Levels

The recommendations presented are about investments in the people in community in addition to the people visiting and possibly considering moving to our community. People want to move to and visit communities that are vibrant and thriving. There is an opportunity to modernize facilities that function and serve people in a more desirable way without significantly burdening people with higher user fees and/or tax dollars. Several benefits to this recommendation package include: highly desirable places to socialize and belong (twin rinks / curling; Recreation Centre); features that are for all ages and abilities (outdoor pools with zero depth entry, change rooms for 'everyone', ; Facilities that are more energy efficient (twin rinks / curling, Recreation Centre.; destinations that require less travelling (twin rink), facilities that have amenities of convenience and comfort (warmer twin ice seating, curling seating, pool design, quality food services), Facilities that enhances quality of life, wellness and health (Recreation Centre, Echo Dale Regional Park, Outdoor Pool) with amenities and programs that impact community and people (facilities that people are proud of, use and tell others about that drive tourism and reasons to relocate.

Table 12: Impact of Enhanced Service Level vs. Existing Service Level

	New Capital Cost / Sustaining Capital	Annual Tax Impact to Pay Capital Cost <sup>2</sup>	Annual Net Operating Cost	Annual Tax Impact to Pay Net Operating Cost
<b>Enhanced Service Level<sup>1</sup></b>	\$151M - \$185M	\$262.00 - \$322.00	\$1.1M – \$1.5M	\$27.10 - \$35.30
<b>Existing Service Level<sup>2</sup></b>	\$44M <sup>3</sup>	\$35.00	\$1.1M	\$26.30
<b>Incremental Impact</b>	\$124M - \$158M	\$227.00 - \$287.00	\$0 - \$0.5M	\$0.80 - \$9.00

<sup>1</sup> Enhanced Service Level includes:

- New Twin Facility with Curling
- New Recreation Centre (Indoor Pool & Fitness Centre)
- New Outdoor Aquatic Destination Facility
- Hill Pool Redesign
- Crescent Heights Spray Park

<sup>2</sup> Existing Service Level Includes:

- Moose
- Hockey Hounds
- Medicine Hat Curling Club
- Crestwood Recreation Centre
- Existing Hill Pool

<sup>3</sup> Capital required to maintain existing facilities over the next 30 years.

### 7.3 Potential Funding Options

While the overall investment of capital outlined in the previous sections is significant, there is also a large capital investment that is required to maintain status quo. The impact of not beginning to modernize or replace facilities now will result in the following occurring:

1. The community will incur over \$42 million of costs to maintain existing facilities, that does not result in any increased amenities or opportunities for programming;
2. Capital construction costs are expected to continue to increase with inflation; and
3. There is currently a strong Provincial presence in the community with the Premier of Alberta representing the Brooks-Medicine Hat electoral district as well as a seemingly strong desire from Alberta Tourism to support projects that enhance tourism in southeast Alberta. Not having a comprehensive, approved plan to begin modernizing and replacing aging facilities may result in Medicine Hat missing an opportunity for Provincial partnership as a component of the funding model.

Given the significant capital required to maintain existing facilities, it is important to focus on the incremental capital investment required to build new facilities that is in addition to the costs that are projected to occur. With a large-scale, comprehensive upgrade and replacement project for aging facilities, there are several funding options to be considered, including:

- Formal partnership with the Province of Alberta to upgrade facilities and outdoor spaces. The Province of Alberta previously provided Medicine Hat with infrastructure funding in the 1980s to assist with the development of Echo Dale Regional Park;
- Increased collaboration with regional partners through the Intermunicipal Collaboration Framework;
- Debenture financing; and
- Sale of naming rights for new facilities.

While new capital construction costs are significant, maintaining existing facilities that were not designed to last over 75 years is not sustainable. Current population growth projections showcase a potentially unsustainable scenario for future decision makers in our community if existing facilities are maintained to 2050. By 2050, it is projected that the percentage of working-age residents reduces nearly 10%, potentially negatively impacting assessment revenue received from the Commercial/Industrial sector, which currently accounts for 38% of the City's assessment revenue. With escalated construction costs in the future, combined with a potential negative impact on assessment revenue, the decision to permanently close facilities, without the option or ability to replace them, may become a reality.

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## 8.0 Sequencing of Options

### 8.1 How the Current Recreation Landscape Influences Sequencing

Section 5.0 identifies the current recreation landscape in Medicine Hat. The following influential factors are drivers of the recommended sequencing strategy:

- The current population base does not support the number of facilities in the City, causing high subsidization to operate and maintain our facilities. Some duplicate facilities can be decommissioned while still offering recreation options to residents;

- With most facilities beyond their intended lifecycle and in need of immediate attention and significant investment, we need to act now;
- Residents have an expectation that some recreation facilities must be maintained within or nearby to their community, while there is a tolerance for destination-based amenities such as ice facilities that are beyond walking or cycling distance. Therefore, ice facilities can be placed where land is more readily available rather than dealing with undersized, inner-city parcels;
- A new recreation centre should be developed outside the catchment area of the Big Marble Go Centre and close to the most populated area, therefore in the south side of Medicine Hat;
- To meet the growing demands for minor softball and cricket in the City, a new facility should be developed within the sequence of facility development; and
- Consolidating these initiatives together takes advantage of “commodity of scale” and may attract opportunities for significant funding packages from higher levels of government. For example, if an offer for a cost sharing agreement between the three levels of government arises at 1/3 per funding source, the City may secure a more significant grant package over the multi-phase sequence.

## 8.2 Recommended Sequencing Strategy

In response to the data provided in this report, the following chart identifies a sequence of options for major facilities and public open spaces. Three phases have been listed, with Phase 1 being 1-3 years, Phase 2 being 3-5 years and Phase 3 being in a 5+ year horizon.

Table 13 - Recommended Sequencing Strategy

Facility		Timing	Capital Cost Range	Operating Cost Range
Ice Facility	Construction of twin ice arena with curling sheets	Phase 1	\$70M-\$80M	\$365k-\$455k
Recreation Centre	Construction of South side recreation facility with both indoor and outdoor aquatics and a fitness floor	Phase 1 <sup>13</sup>	\$55M-\$70M	\$450k-\$550k
Echo Dale Regional Park	Implementation of Echo Dale Future Plan (Campground and Park Enhancements)	Phase 1 <sup>14</sup>	\$20M-\$25M	\$450k-\$700k

<sup>13</sup> While planning and design may start immediately it is anticipated that construction would commence within 5 years, subject to a variety of factors

<sup>14</sup> While planning and design may start immediately it is anticipated that construction would commence within 3 years, subject to a variety of factors

<b>Hounds / Moose</b>	Decommission and demolish both facilities	Phase 2	\$2.5M- \$3.0M	N/A
<b>Brier Run Fields</b>	Development of quad ball diamond(s) and cricket pitch	Phase 2	\$5.5M- \$6.3M	\$80k-\$105k
<b>Strathcona Pool</b>	No Change	N/A	N/A	\$0
<b>Hill Pool</b>	Upgrade to include zero-depth entry, on-deck spray park, parking lot, new change rooms	Phase 3	\$10- \$15M	\$140k- \$190k
<b>Heights Pool</b>	Decommission pool. Construct spray park on site	Phase 3	\$1.9- \$2.2M	\$45-\$60k
<b>Totals</b>			<b>\$164.9M - \$201.5M</b>	<b>\$1.53M - \$2.06M</b>

### 8.3 Impact of Delaying or Not Making a Decision

The following are the financial impacts of not pursuing this plan:

	Capital Cost 2023	Annual Tax Impact to Pay Capital Cost	Capital Cost *2033	Annual Tax Impact to Pay Capital Cost	Incremental Capital Cost	Incremental Tax Impact to Pay Capital Cost
<b>New Facilities:</b>						
<b>Hill Pool Redesign</b>	\$10M - \$15M	\$17.00 - \$26.00	\$13M - \$20M	\$23.00 - \$35.00	\$3M - \$5M	\$6.00 - \$9.00
<b>Outdoor Aquatics Destination Facility</b>	\$16M - \$20M	\$28.00 - \$35.00	\$21M - \$27M	\$37.00 - \$46.00	\$5M - \$7M	\$9.00 - \$11.00
<b>New Recreation Facility (Indoor Pool &amp; Fitness)</b>	\$55M - \$70M	\$95.00 - \$121.00	\$74M - \$94M	\$128.00 - \$163.00	\$14M - \$24M	\$33.00 - \$42.00
<b>Twin Ice Facility with Curling</b>	\$70M - \$80M	\$121.00 - \$139.00	\$94M - \$107M	\$163.00 - \$186.00	\$24M - \$27M	\$42.00 - \$47.00

<b>New Spray Park (Crescent Heights)</b>	\$425k	\$0.74	\$570k	\$1.00	\$145k	\$0.26
<b>Redesign Saamis Rotary Spray Park</b>	\$425k	\$0.74	\$570k	\$1.00	\$145k	\$0.26
<b>Echo Dale*</b>	\$4M - \$20M	\$7.00 - \$35.00	\$5M - \$27M	\$9.00 - \$47.00	\$1M - \$7M	\$2.00 - \$12.00
<b>Brier Run Fields</b>	\$5.5M - \$6.3M	\$8.00	\$6.5M	\$12.00	\$1M	\$2.00
<b>Total</b>	<b>\$160M - \$213M</b>	<b>\$276 - \$364</b>	<b>\$214M - \$281M</b>	<b>\$371 - \$488</b>	<b>\$49M - \$71M</b>	<b>\$95 - \$124</b>

\*Capital costs inflated at a rate of 3% per year.

\*\* Above capital project numbers not include design costs

The table above shows the impact of inflation over a period of 10 years. It would cost between \$160 and \$210 million to build the above facilities today, an additional \$25 to \$36 million in five years, and a total addition of \$49 to \$71 million if construction does not begin for ten years. The City's existing facilities will require \$20 million to maintain capital over the next ten years, and an additional +\$22 million over the long term (30-year max).

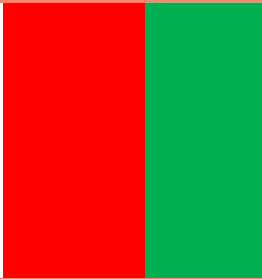


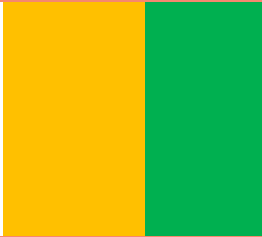
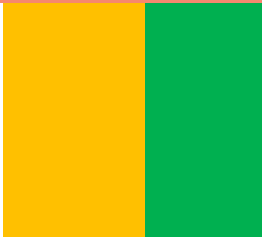
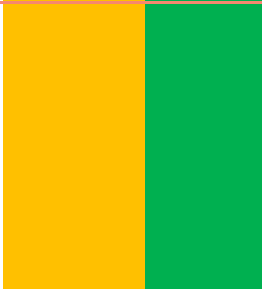

## 8.4 How Does This Stack Up to Our Values?

Section 8 provides an overview of a proposed sequence and the way in which facilities are modernized to meet local needs. The recommendations suggested in Section 6 were made to ensure we have chosen the best option for our community based on these values. The recommended actions and the sequence of completing them was based on the maximum effect on each of the values. The following chart identifies how the proposed state of facilities align with the values established at the onset of this report, and shows how the current state would be changed if the proposed options are put into place:

- Green – the current state of facilities strongly supports this value;
- Yellow – the current state of facilities has qualities that support the value, but also has qualities that do not; and
- Red – the current state of facilities does not support this value.

Value	Current State	Effect	Description
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<b>#1 – Placement</b>		A new multi-purpose recreational facility would be placed in the south of the City amongst an area of concentrated population. There would still be smaller, community-based recreation facilities rather than everything being consolidated
<b>#2 – Placemaking</b>		Moving some community-based recreational amenities such as ice rinks to consolidated locations take away some place-supportive facilities, while others would remain within community fabric that are high contributors to sense of place and community
<b>#3 – Balanced Perspective</b>		This approach holds equal value to social, health and economic impacts of the direction for facility planning
<b>#4 – Inclusive, Accessible</b>		The City will maintain a strong commitment to ensuring all retrofitted and new facilities would be of the highest level of accessibility for all ages and abilities
<b>#5 – Attracting Youth</b>		Modernized facilities with diverse and resilient functions are a large attractant for people to move into a community and will help retain young populations having family-based facilities
<b>#6 – Multi-Functional Space</b>		Building retrofits will explore opportunities for modernization and diversification of building and site programming; new facilities will include an appropriate mix of diverse function and recreational programming
<b>#7 – Residents First</b>		Financial, health and social impacts are being scrutinized against Medicine Hat. Impacts on tourism is secondary

#8 – Social Impact		The proposed sequence seeks to retain some neighbourhood-based facilities, while new large-scale facilities will have a strong focus on social elements such as gathering spaces. While some residents feel that consolidation of activities into large recreation centres is contrary to good social value, multi-use sites offer opportunities to positively impact social value.
#9 – Health Impact		Administration is eager to include health impact assessments into all future facility retrofit and new construction projects to ensure all facets of human health are considered and efforts are made to improve how facilities enhance human health
#10 – Economic Impact		The proposed sequence is not purely driven by economic factors, rather balances social and health impacts with decision-making

## 9.0 Next Steps

To realize the recommended direction for facility planning, we recommend the following next steps:

- Further work with Council to ensure all information possible is provided to allow for informed decision-making;
- Continued engagement with local residents, and essential engagement with regional partners, other municipalities, Provincial departments and potential funding / service delivery partners;
- Complete a detailed market survey to support the retention and improvement to some existing facilities, and the size, location and program of new facilities;
- With a market survey in hand and a clear indication of a service delivery model, finalize location of proposed new facilities;

- Develop a funding strategy that has a detailed outlook on financial requirements and commitments required by the City; and
- Modernize and construct facilities while completing accessibility audits, social value evaluations and health impact assessments to influence design for each major development.

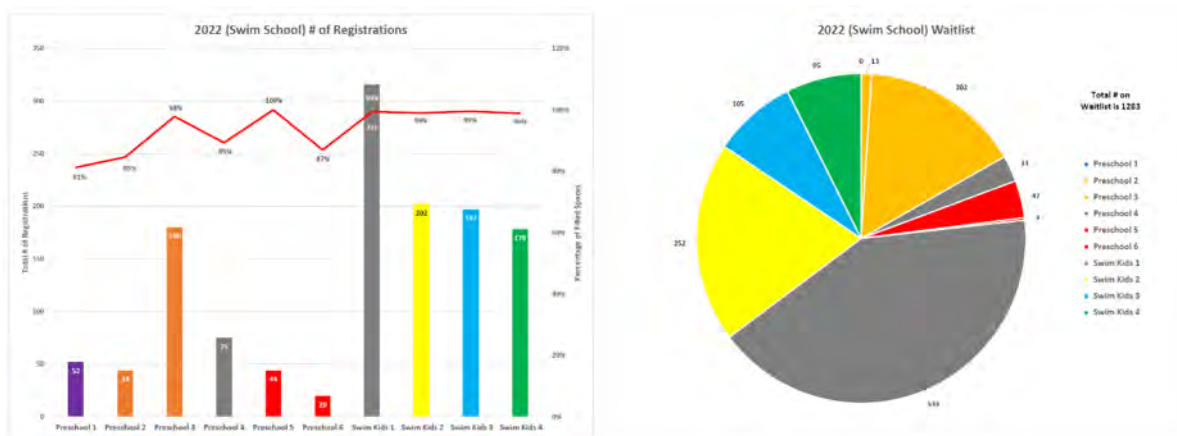
## 10.0 Supplementary Data

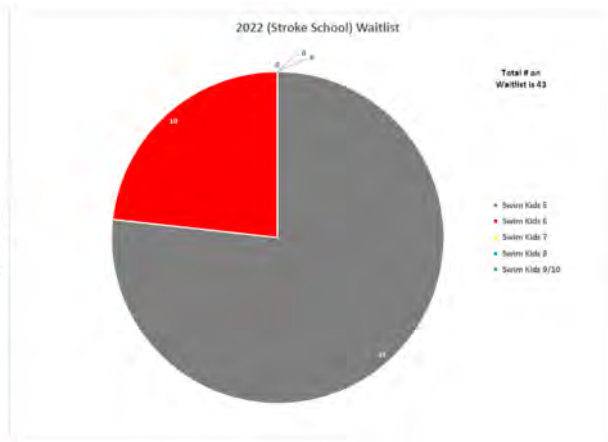
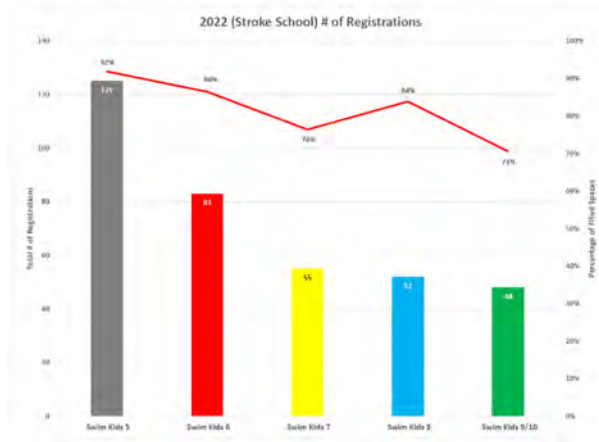
### 10.1 2022 Swimming lessons: Big Marble Go Centre and Crestwood Recreation Centre

- 1,308 people registered in Swim School;
- 363 in Stroke School at CRC or BMGC;
- Total of 1,671 total swimmers;
- 1,283 on the Swim School waitlist;
- 43 on the Stroke School waitlist; and
- Total of 1,326 on waitlist.

#### So What?

- High demand for beginner swimming lessons (typically aged 5-9 years old);
- More need for shallow depth pool for lessons; and
- CRC only able to accommodate 541/1,671 or 32% of lessons.



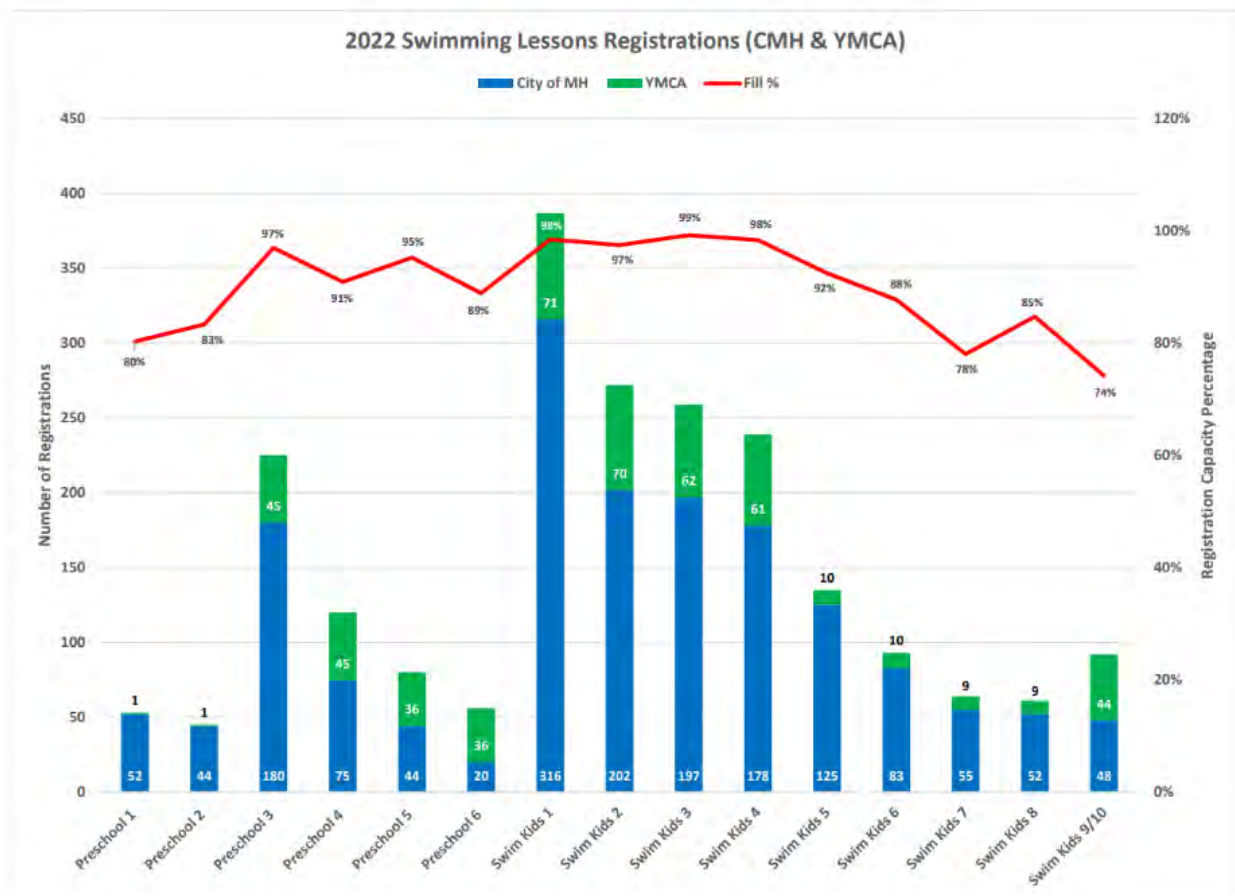


## 10.2 2022 Indoor Swim Lessons (BMGC, CRC & YMCA)

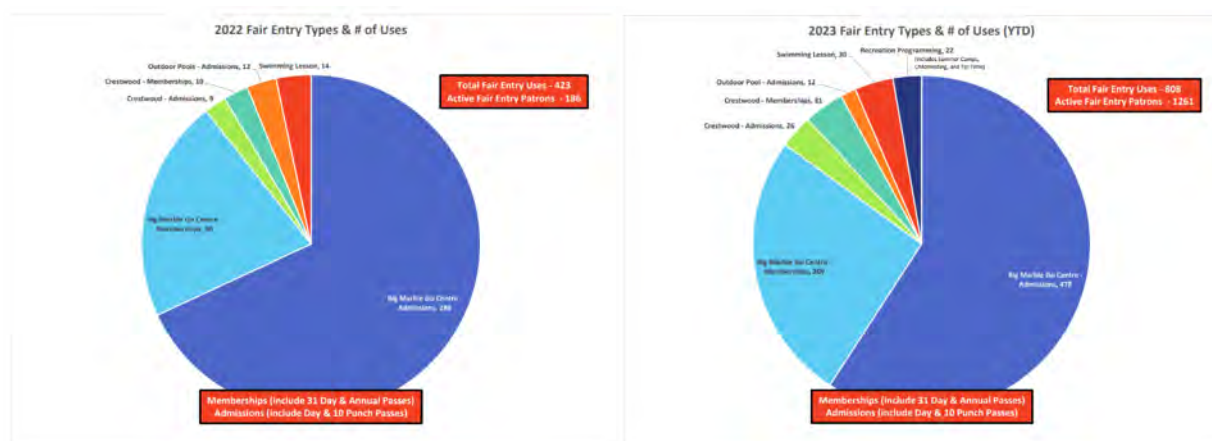
- 510 total at YMCA; and
- 2,181 total between BMGC, CRC & YMCA.

### So What?

- High demand for beginner swimming lessons (typically aged 5-9 years old);
- More need for shallow depth pool for lessons;
- Moving from 3 indoor pools to 2 indoor pools (with shallow depth or warm variable depth) would allow for more lessons;
  - o 1497/2181 or 68.6% of swimmers require shallow or warm variable depth pools for lessons; and
  - o An additional shallow depth pool would nearly eliminate the lesson waitlist.



## 10.3 Fair Entry



### So What?

- Updated Fair Entry Program in 2023 that allowed people to use more funds for financial assistance on recreation;
- Majority of Fair Entry uses are day admissions at the BMGC followed by BMGC memberships; and
- YTD in 2023 Only 57 people have used Fair Entry at CRC compared to 687 at BMGC.

## Appendix A – Facility Fact Sheets

### Crestwood Recreation Centre

**Constructed:** 1969 (54 years old)

**Insured Value:** \$7.5M (2023)

**Value of Renovations Required:** \$6-7M Capital

**General Comments:**

- Largely used for lane swimming / Aquafit (lacking recreational use)
- \$6-7M capital replaces pool tank liner, does not include any modernization
- 38,000 annual visits (vs. ~250,000 at FLC), excluding rentals, spectators
- Annual Memberships (2019): 308 (vs. 2,632 at FLC) – provides access to Crestwood only



Update to Public Services Committee  
Parks and Recreation Department

Slide 1

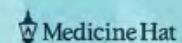


Figure 31: Crestwood Recreation Centre Facility Fact Sheet

### Moose Recreation Centre

**Constructed:** 1961 (62 years old)

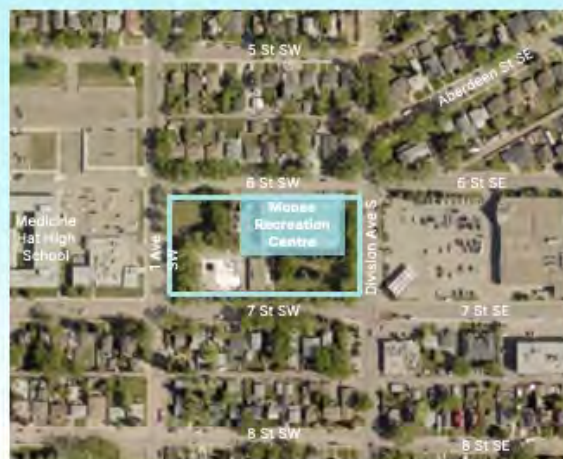
**Insured Value:** \$6.8M (2023)

**Value of Renovations Required:** \$400k Capital at 10-year outlook, and \$4.77M at 30-year outlook

- Universal changeroom and washroom addition

**General Comments:**

- Parking challenges
- Ice slab recently completed



Update to Public Services Committee  
Parks and Recreation Department

Slide 2

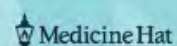


Figure 32: Moose Recreation Centre Facility Fact Sheet



## Heights Pool

**Constructed:** 1968 (55 years old)

**Insured Value:** \$2.5M (2023)

**Value of Renovations Required:** ~\$2M (drainage)

### General Comments:

- Lowest utilized outdoor pool (potentially due to proximity to BMGC)
- Limited parking



Update to Public Services Committee  
Parks and Recreation Department  
Slide 3

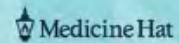


Figure 33: Heights Pool Facility Fact Sheet

## Hill Pool

**Constructed:** 1962 (61 years old)

**Insured Value:** \$2.1M (2023)

**Value of Renovations Required:** \$1.25M Capital

- New pool liner (budgeted in 2024) – necessary to continue operations

### General Comments:

- Highest utilized outdoor pool
- Potential to enhance into “destination pool”



Update to Public Services Committee  
Parks and Recreation Department  
Slide 4

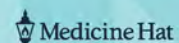


Figure 34: Hill Pool Facility Fact Sheet



# Medicine Hat Curling Club

**Constructed:** 1956 (67 years old)

**Value of Renovations Required:** \$7.9M (City of Medicine Hat Facility Condition Assessment)

**Facility Condition:** Poor

- Needs significant capital upgrades

**General Comments:**

- Original ice slab (1956)
- Brine line issues
- Potential asbestos abatement required if renovations occur
- Significant work required to bring to current building code



Update to Public Services Committee  
Parks and Recreation Department

Slide 5

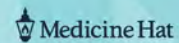


Figure 35: Medicine Hat Curling Club Facility Fact Sheet

# Downtown YMCA

**Constructed:** 1960 (63 years old), several renovations and expansions have occurred over the years

**Value of Renovations Required:** \$3M (Capital campaign underway)

**Facility Condition:** Requires significant investment

**General Comments:**

- Serves the downtown area



Update to Public Services Committee  
Parks and Recreation Department

Slide 6

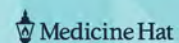


Figure 36: Downtown YMCA Facility Fact Sheet

## South Ridge YMCA

**Constructed:** 2004 (19 years old)

**Partnership Site:**

- City of Medicine Hat (City-owned facility)
- Medicine Hat Public School Division
- Medicine Hat Catholic School Board

**Facility Condition:** Good (Building Services Review)

**General Comments:**

- Lacking adequate space for both lane swimming and destination leisure pool
- Lack of ability to expand parking
- One-way vehicle access into facility



Update to Public Services Committee  
Parks and Recreation Department  
Slide 7

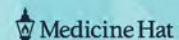


Figure 37: South Ridge YMCA Facility Fact Sheet

## Big Marble Go Centre

**Constructed:** 2000 (25 years old), significant upgrades in 2016

**Insured Value:** \$67.5M (2023)

**Value of Renovations Required:** \$3.1M Capital

- \$1.5M (2024 Lifecycle) – new pool filters, confined space access, etc. Budget approved.
- \$1.6M (2025 Lifecycle) – water slide replacement, access control upgrades, etc.)

**General Comments:**

- ~250,000 annual visits, excluding rentals, spectators
- Multi-use site, aligns with MDP
- Hub for numerous local user groups
- Annual Memberships (2019): 2,632 (vs. 308 at Crestwood) – provides access to BMGC and Crestwood



Update to Public Services Committee  
Parks and Recreation Department  
Slide 8

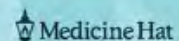


Figure 38: Big Marble Go Centre Facility Fact Sheet

# Strathcona Pool

**Constructed:** Approx. 1979 (44 years old)

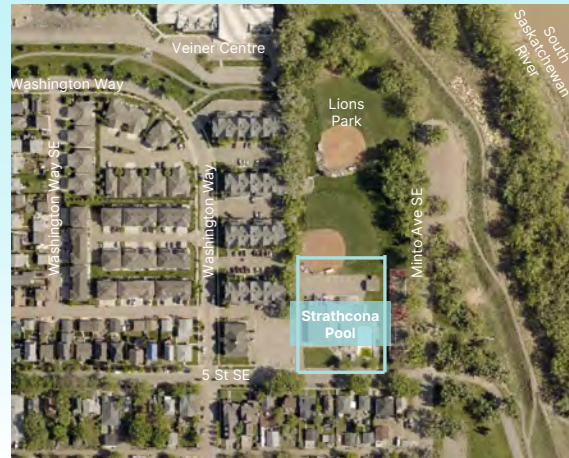
**Insured Value:** \$3.2M (2023)

**Facility Condition:** \$600k Capital

- Universal / family changeroom addition (2025)

## General Comments:

- Shallow-depth pool (unique offering for young swimmers)



Update to Public Services Committee  
Parks and Recreation Department  
Slide 9

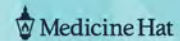


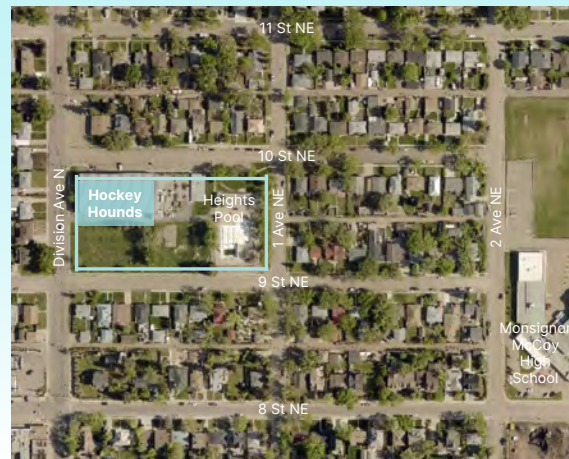
Figure 39: Strathcona Pool Facility Fact Sheet

# Hockey Hounds

**Constructed:** 1961 (62 years old)

**Insured Value:** \$8.4M (2023)

**Facility Condition:** Good, no improvements required in the immediate- / near-term



Update to Public Services Committee  
Parks and Recreation Department  
Slide 10

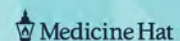


Figure 40: Hockey Hounds Facility Fact Sheet



# Kinplex

**Constructed:** 1974 (49 years old)

**Insured Value:** \$17.8M (2023)

**Facility Condition:** \$400k Capital

- Kin 2 Ice Plant chiller replacement (2023/2024) – work in progress

## General Comments:

- Located on the Medicine Hat Exhibition & Stampede Grounds



Update to Public Services Committee  
Parks and Recreation Department  
Slide 11

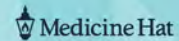


Figure 41: Kinplex Facility Fact Sheet

# Echo Dale Regional Park

**Constructed:** 1986

**Facility Condition:** Fair, outdated services and amenities requiring improvements.

## General Comments:

- Timing, comes after facility decisions
- Improvements to Water Treatment Plant (2021)
- Some tree planting for (2022)
- Minor maintenance upgrades over the last 5-10 years
- Potential for refresh / commercial activities (barrier to some up to date services and utilities (power/water)
- Draft Master Plan work conducted in 2020
- Campground Feasibility study conducted in 2020



Update to Public Services Committee  
Parks and Recreation Department  
Slide 12

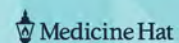


Figure 42: Echo Dale Regional Park Facility Fact Sheet

## Appendix B – Facility Distribution in Other Communities



Figure 43: City of Red Deer Recreation Facility Distribution

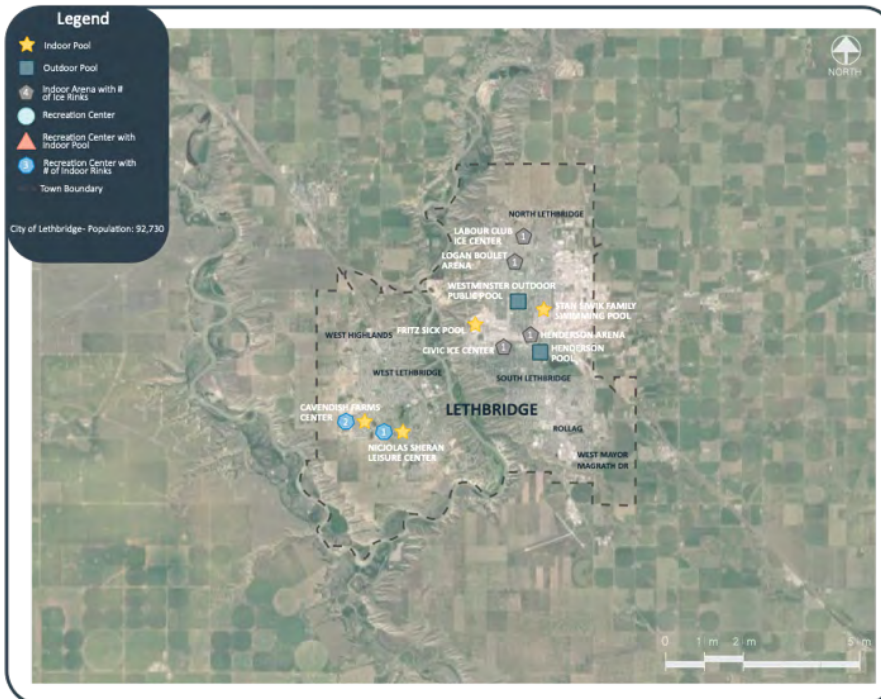


Figure 44: City of Lethbridge Recreation Facility Distribution





Figure 45: City of Kamloops Recreation Facility Distribution

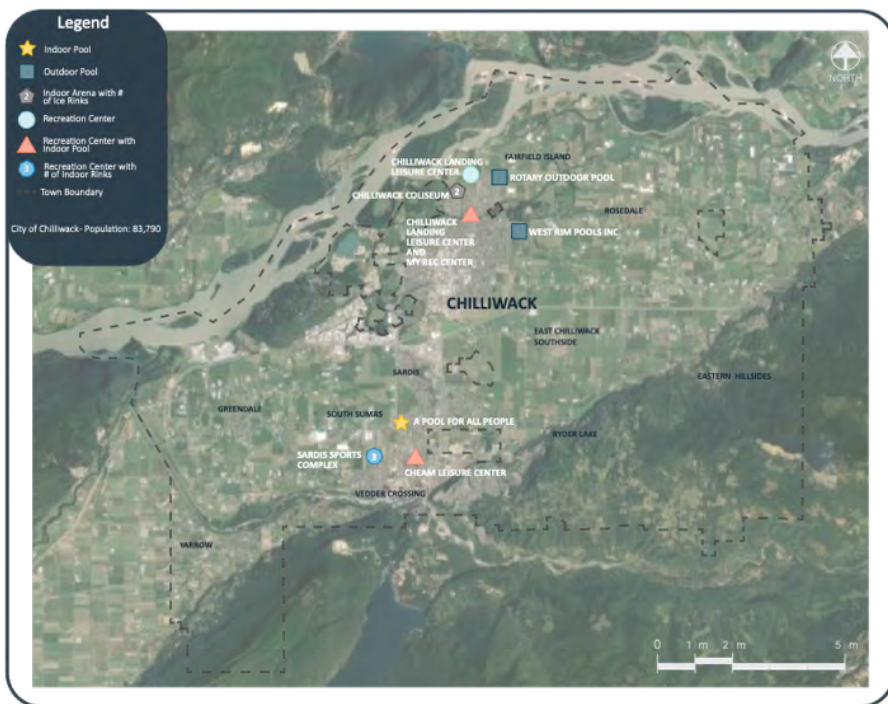


Figure 46: City of Chilliwack Recreation Facility Distribution



Figure 47: City of Prince George Recreation Facility Distribution



Figure 48: City of Airdrie Recreation Facility Distribution



Figure 49: City of Grande Prairie Recreation Facility Distribution



## Appendix C – Facility Capital and Operating Costs

<b>New Facilities</b>	<b>New Capital Cost</b>	<b>Annual Tax Impact to Pay Capital Cost</b>	<b>Net Operating Cost</b>	<b>Annual Tax Impact to Pay Net Operating Cost</b>
Hill Pool Redesign	\$10MM - \$15MM	\$17 - \$26	\$125K - \$175K	\$3.00 - \$4.20
Outdoor Aquatics Destination Facility	\$16MM - \$20MM	\$28 - \$35	\$150 - \$250K	\$3.60 - \$5.99
New Recreation Facility (Indoor pool & fitness)	\$55MM - \$70MM	\$95 - \$121	\$450K - \$550K	\$10.79 - \$13.19
Twin Ice Facility with Curling	\$70MM - \$80MM	\$121 - \$139	\$365K - \$455K	\$8.75 - \$10.91
Twin Ice Facility	\$50MM - \$60MM	\$87 - \$104	\$365K - \$400K	\$8.75 - \$9.59
Curling Facility	\$35MM - \$40MM	\$61 - \$69	-	-
Quad Ice Facility	\$90MM - \$100MM	\$156 - \$173	\$700K - \$750K	\$16.78 - \$17.98
New Spray Park (Crescent Heights)	\$425K	\$0.74	\$38K	\$0.91 - \$1.03
Redesign Saamis Rotary Spray Park	\$425K	\$0.74	\$38K	\$0.91 - \$1.03
Echo Dale	\$4MM - \$20MM	\$7 - \$35	\$450K - \$700K	\$10.79 - \$16.78
Brier Run Fields	\$4MM	\$7.00	\$22K - \$24K	\$0.53 - \$0.58
<b>Existing Facilities</b>	<b>Sustaining Capital</b>	<b>Annual Tax Impact to Pay Sustaining Capital Cost</b>	<b>Net Operating Cost</b>	<b>Annual Tax Impact to Pay Operating Cost</b>
Crestwood Recreation Centre	\$3.5MM - \$7.5MM	\$8 - \$18	\$532K	\$11.99
Moose Arena	\$4.7MM	\$4	\$220K	\$5.27
Hockey Hounds Arena	\$5.6MM	\$4	\$235K	\$5.63
Kinplex Arena	\$14.5MM	\$12	\$364K	\$8.73
Curling Rink	\$7.9MM	\$19	-	-
Hill Pool	\$1.4MM	\$3	\$110K	\$2.64
Heights Pool	\$2.3MM	\$6	\$81K	\$1.94

\* Crestwood, Hill Pool, Heights Pool & the Curling Rink show capital estimates for 10 years. Moose, Hockey Hounds & Kinplex show capital estimates for 30 years.

## Appendix D – Resource Documents

1. “What we Heard Report”, Facilities for the Future Initiative public and stakeholder engagement, 2022
2. “What we Heard Summary” presentation to City Council on results of Council member survey, July 2023
3. Parks and Recreation Master Plan, 2022
4. 2022 Parks and Recreation Master Plan “What we Heard Report”, 2022
5. Yardstick Facilities Survey 2021
6. Detailed utilization data for all City-owned facilities, current to end of 2022

# Facilities For the Future

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## Update to Council on Recreation Facilities Review

# Why Are We Here Today?

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Administration is looking for approval for project initiation, and direction on next steps

Vision: Providing our residents with a network of indoor and outdoor facilities and amenities to meet our recreation needs, that are built and maintained in a way that balances health, social and economic values



# Presentation Summary

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1. Problem: What we are trying to solve?
2. Engagement: What values we've determined
3. Research: Current recreation landscape
4. Analysis: Comparing current trends to our values
5. Recommendation: Overview of potential options
6. Application: Recommended sequence
7. Next Steps





# 1. Problem: What are we trying to solve?

Parks and Recreation Master Plan process demonstrated high degree of public interest in the fate of ageing facilities, including buildings (ie. pools, arenas, recreation centres) as well as key destination parks (ie. Echo Dale, Strathcona Island).

During the Parks & Rec Master Plan engagement program we heard a lot of misconceptions around facilities. Providing accurate information to the general public is an important part of this process.

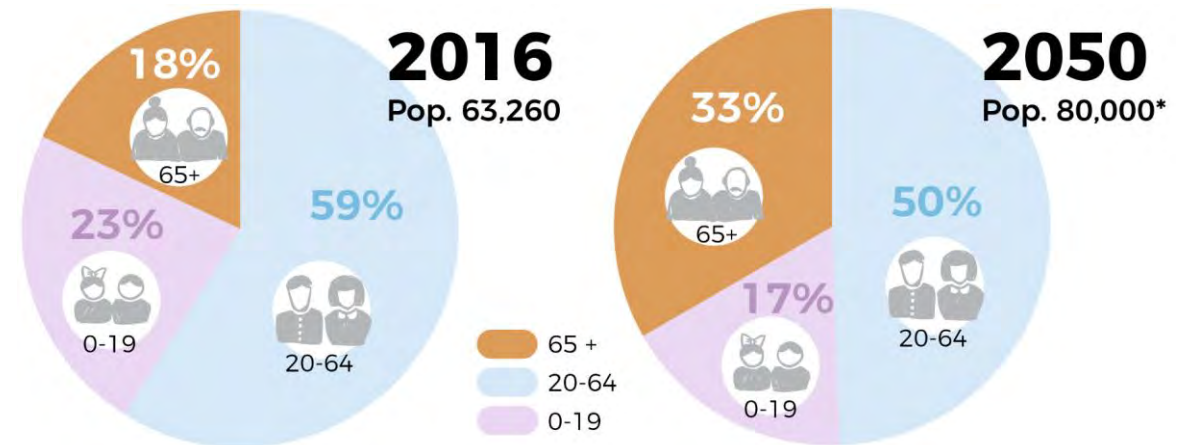
Master Plan is too high-level and strategic of a document to ask the specific questions that we needed to ask to inform Council on immediate- to long-term decisions regarding facilities.

We needed to understand local values regarding recreation facilities.



# 1. Problem: What are we trying to solve?

1. Ageing Facilities – making best decisions possible to determine if a facility should be retrofitted, re-purposed or replaced
2. Spatial Distribution – provision of recreational facilities across the City
3. Ageing Population – projecting to have a much higher mean age between now and 2050
4. Decreasing Return on Investment – a need to explore disparity between cost and recoveries
5. Aligning Decisions with Values – ensuring local values resonate with the decisions we make



## 2. Engagement: What values we've determined

### Resident values determined by engagement

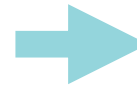
### How does this influence facility planning?

There is a strong affinity for local swim facilities (ie. indoor and outdoor pools) to be located within residential areas, being within walking distance of school / home



There is a social connection with local swim facilities, which outweighs the economic inefficiency of several smaller facilities opposed to larger, consolidated swim facilities

Indoor ice facilities do not necessarily need to be located within residential areas. Having multi-use facilities and two or more sheets of ice is desirable for local use and attracting tournaments



There is general acceptance of ice surfaces being within large multi-plex facilities; hosting events such as skate competitions or hockey tournaments are preferred in multi-sheet facilities

Approx. 27% of annual property tax is allocated to recreation. Far more survey respondents feel more should be allocated than those who felt less should be spent



More residents than not are willing to support a Council decision that may result in increased allocation of funds and a higher priority toward recreation than other civic services

The three most important values of survey respondents are safety in and around facilities, parking and having facilities close to home



Careful planning is required to ensure public safety, have adequate parking on site and strategically locating new facilities



## 2. Engagement: What values we've determined

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Research done on facility planning

- Past public and stakeholder engagement
- Recent engagement with Council on priorities
- Review of surveys, best practices from other organizations such as Yardstick, ARPA

Determined that decisions need to be made with a balance of considerations:

- Social value
- Health impacts
- Economic impacts

Established ten values to apply to this process



## 2. Engagement: What values we've determined

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Value #1 – Placement: Facilities need to be accessible via active transportation; facilities contribute to sense of place and community when they are located within neighbourhoods

Value #2 – Placemaking: People have a nostalgic connection with existing facilities within residential areas of communities . . . let's create opportunities for exceptional placemaking

Value #3 – Balanced Perspective: We need a well-rounded approach to planning and maintaining facilities with social, economic, environmental considerations

Value #4 – Inclusive & Accessible: Ensure easy access for all people regardless of age or abilities

## 2. Engagement: What values we've determined

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Value #5 – Attracting Youth: Strategies to positively impact our demographic projection over time

Value #6 – Multi-Functional Space: Develop new facilities with a variety of uses & activities

Value #7 – Residents First: Meet the needs of Hatters first, then explore sport tourism growth

Value #8 – Social Impact: Social considerations are of equal importance as health & economics

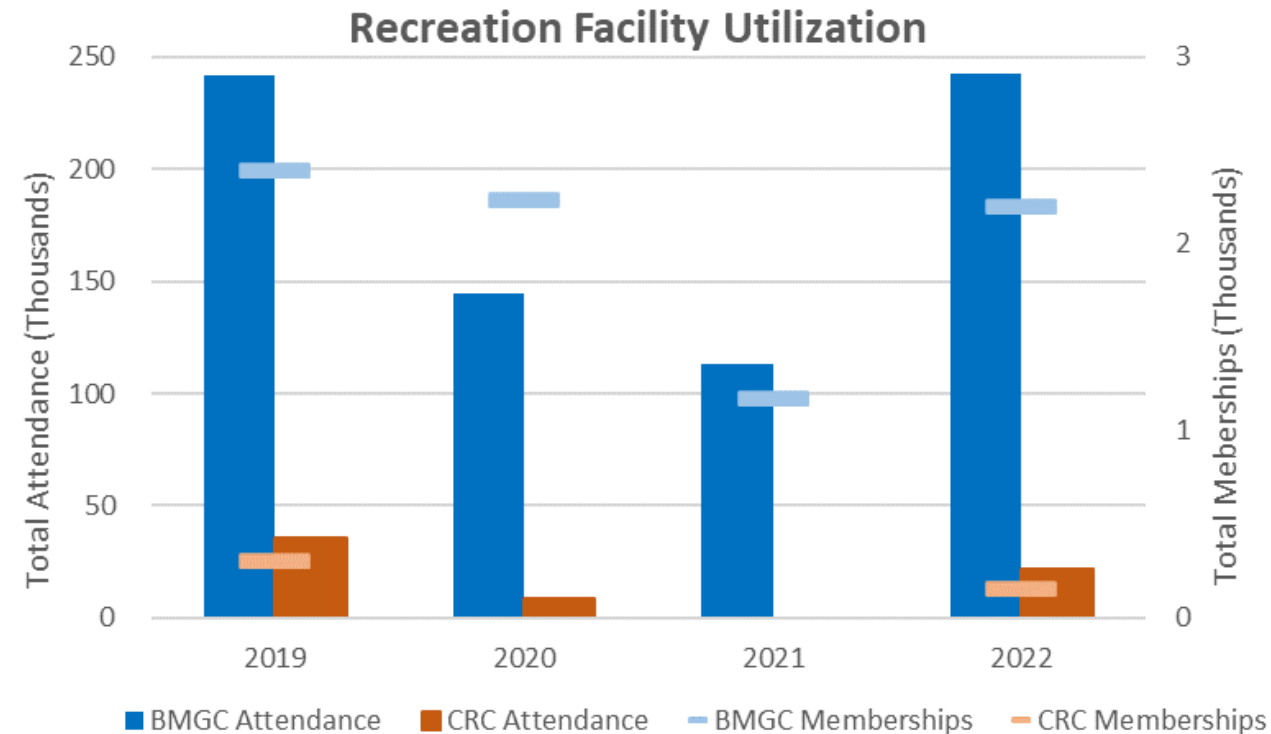
Value #9 – Health Impact: Health impact considerations to be applied to facility planning & operation

Value #10 – Economic Impact: We need to make fiscally responsible decisions

### 3. Research: Current recreation landscape

#### Customer Market Availability & Utilization

- Require a certain number of facility memberships
- Current memberships in Medicine Hat extremely low
- Competition between City facilities as well as third-party operators
- Over-saturation of some types of facilities in our market such as fitness centres: not running efficiently on a square foot per member basis

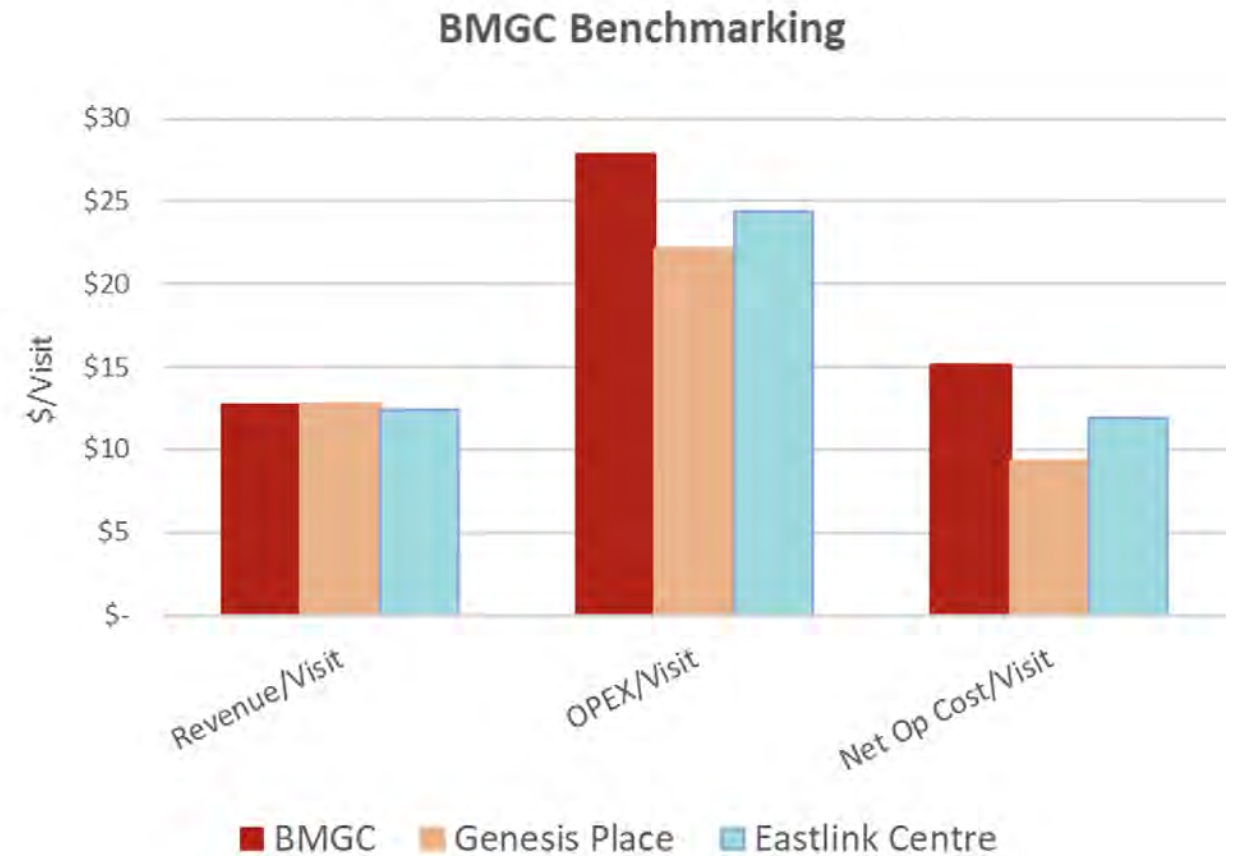


\* Crestwood closed mid-March – December 2020, closed in 2021, open February – December 2022

### 3. Research: Current recreation landscape

#### Comparison With Other Communities: Multiplex

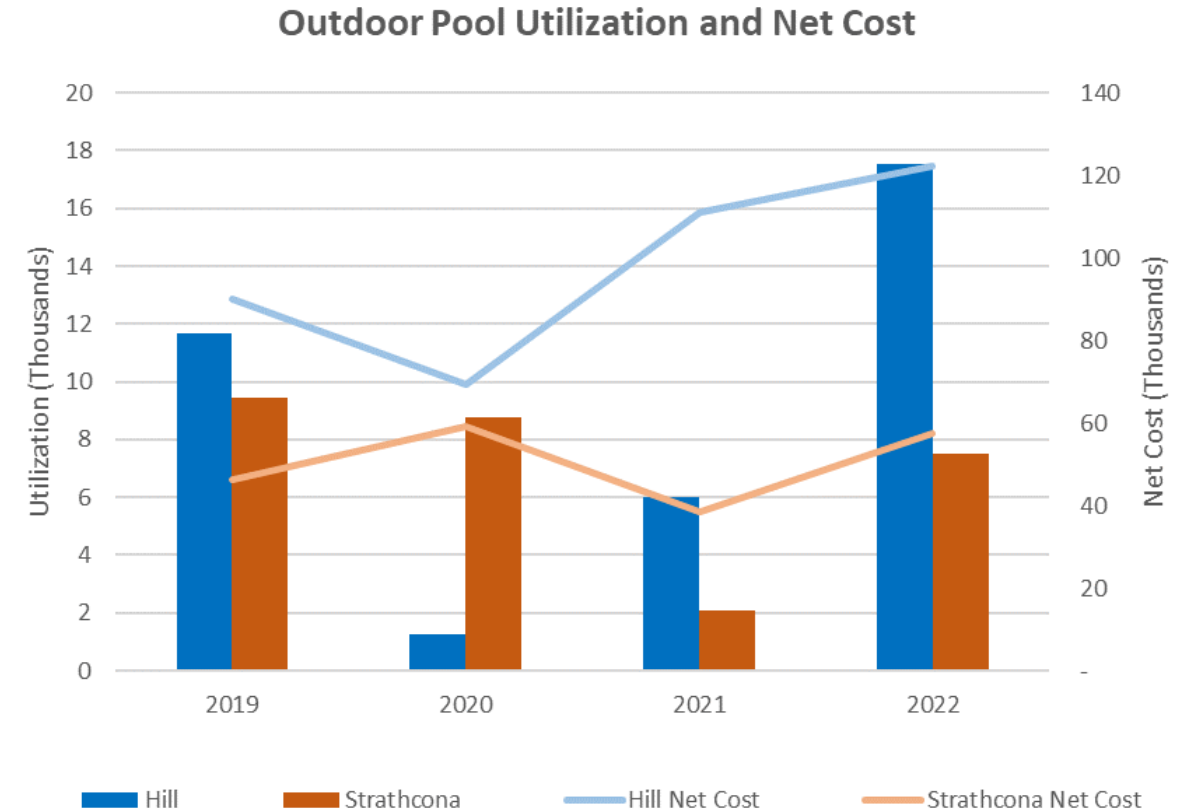
- As an example, comparing Big Marble Go Centre with total net operating cost per visit
- Comparing with Genesis Place (Airdrie) and Eastlink Centre (Grande Prairie)
- To align with these two examples, Medicine Hat's big Marble Go Centre would need to decrease operating costs by 15%, or increase utilization by 30%



### 3. Research: Current recreation landscape

#### Outdoor Pool Utilization vs Operating Costs

- Assessment completed for Hill Pool, Strathcona Pool
- Significant increase in both utilization and net cost with Hill Pool, Strathcona Pool relatively stable
- 2022 was first year Kinsmen Free Swim was introduced therefore increase in use from 2019

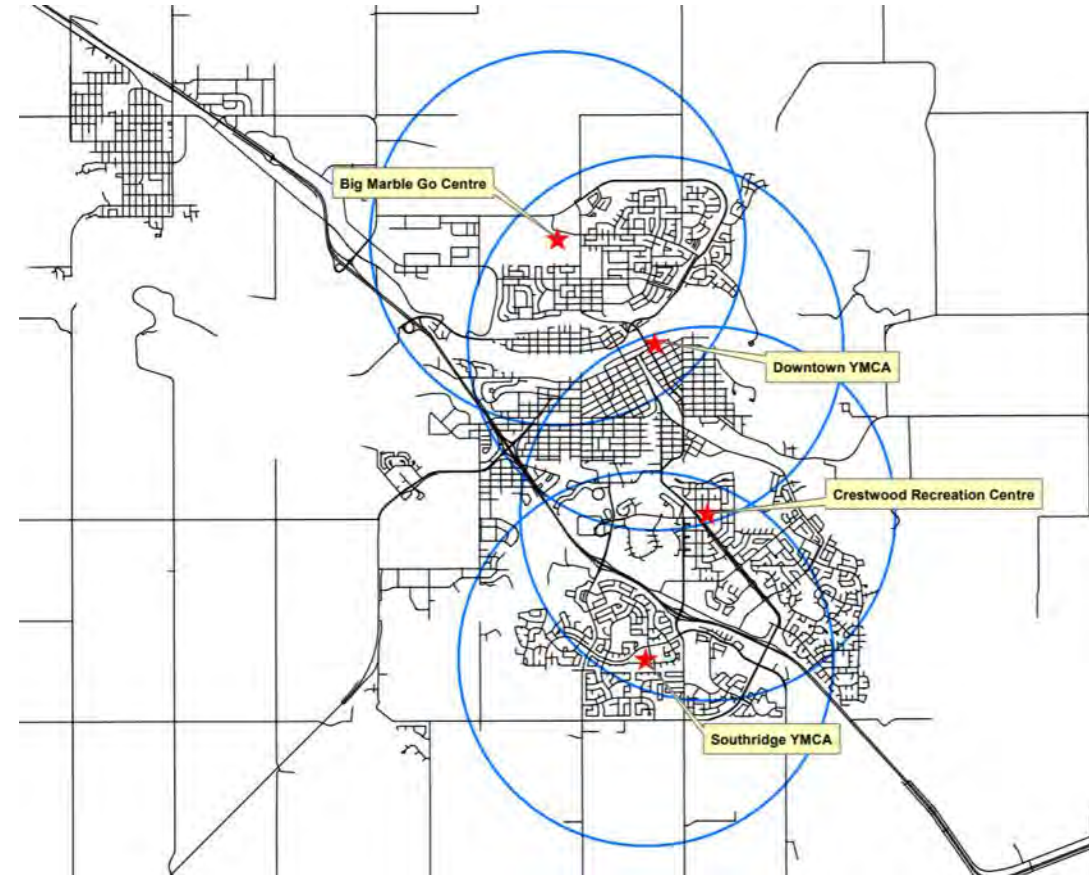




### 3. Research: Current recreation landscape

#### Spatial Distribution: Overlapping Catchment Areas

- Cannibalization of membership between facilities
- Evaluation based on a 3km radius of what each facility has for a local catchment area
- Obvious overlap of areas: creating competition between facilities of same service offerings
- Tells us we need less facilities: reduce competition = reduced subsidization



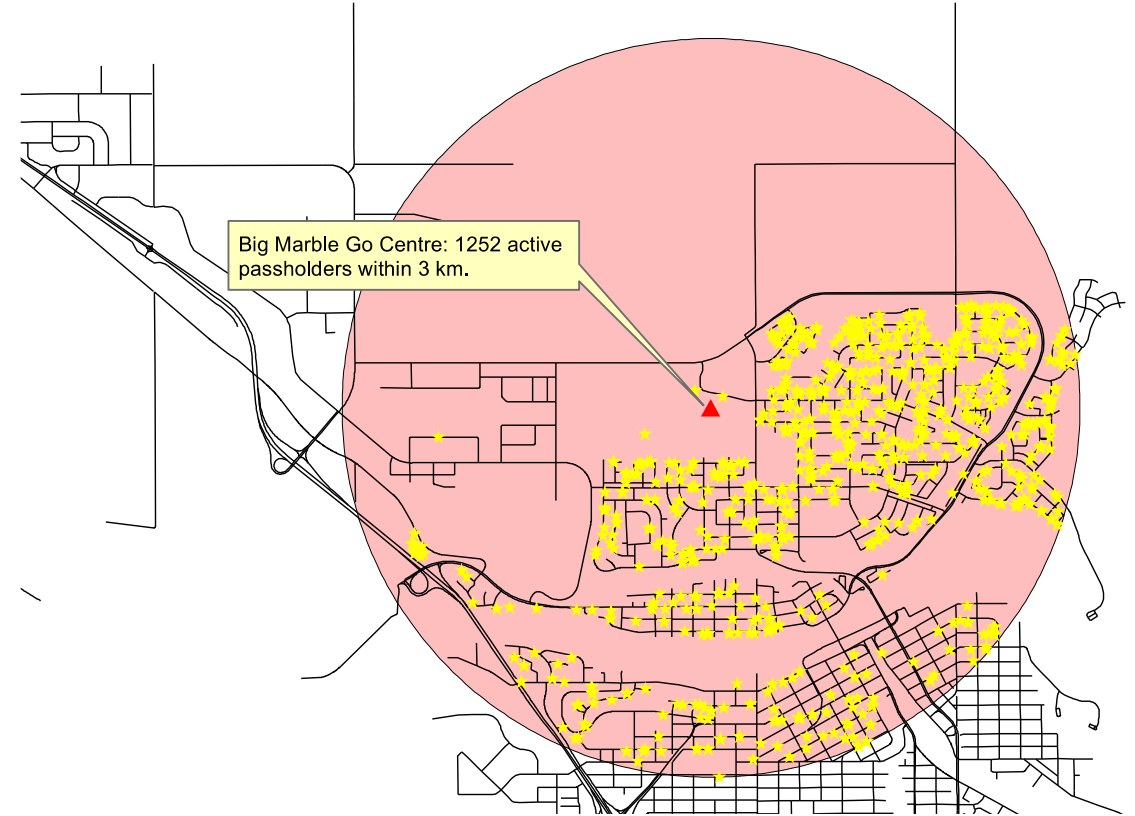




### 3. Research: Current recreation landscape



5km catchment area of BMGC, Southridge YMCA



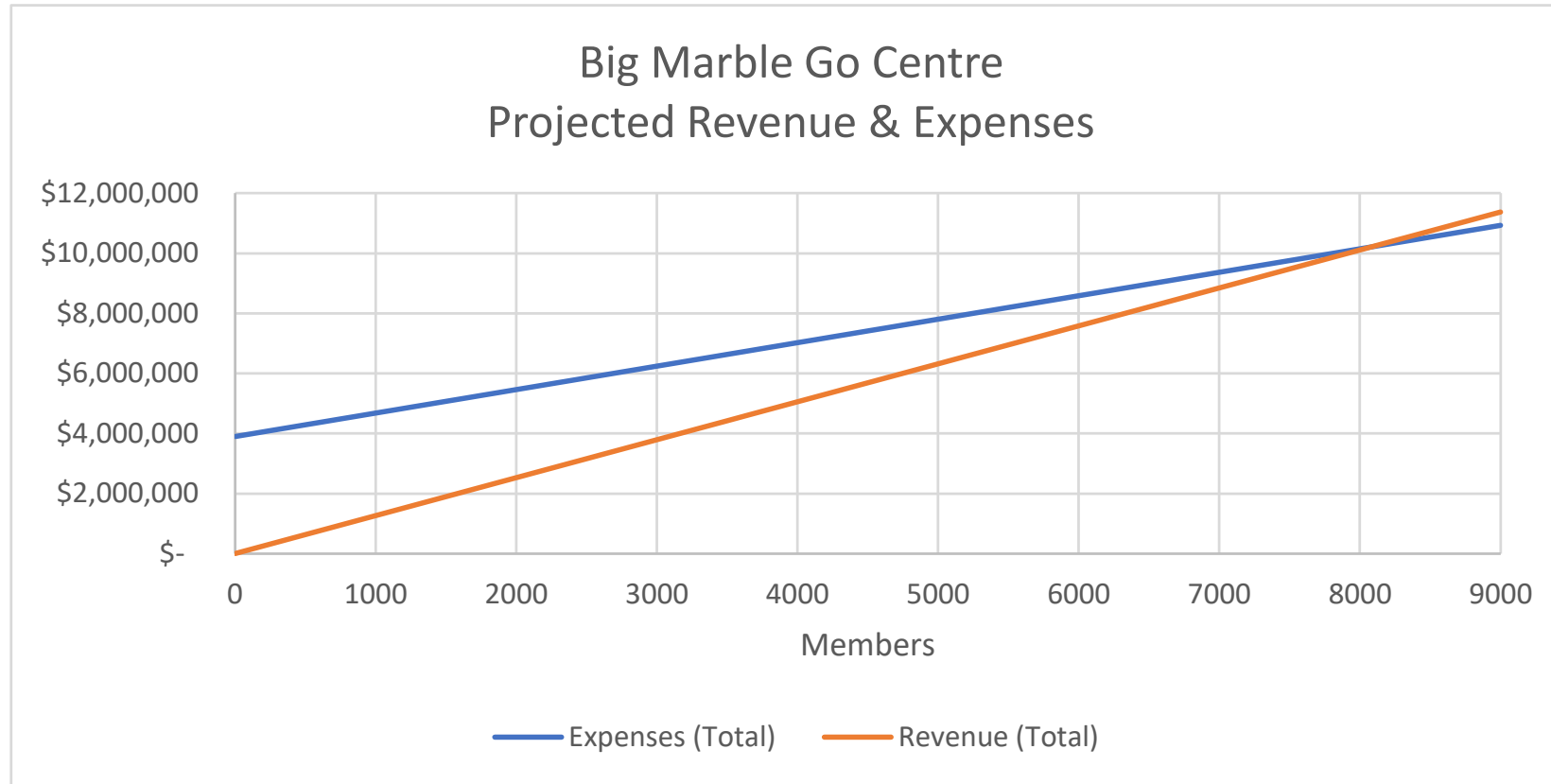
1252 of 2250 members live within 3km radius

### 3. Research: Current recreation landscape



Crestwood Recreation Centre: no projected 'break-even' even if memberships increase, under current operating model. Membership costs would need to increase by approximately 135% to equal the level of cost recovery of BMGC. This means an Adult annual membership would increase from \$399 to \$938

### 3. Research: Current recreation landscape



Big Marble Go Centre: approx. 8000 members required to 'break even'

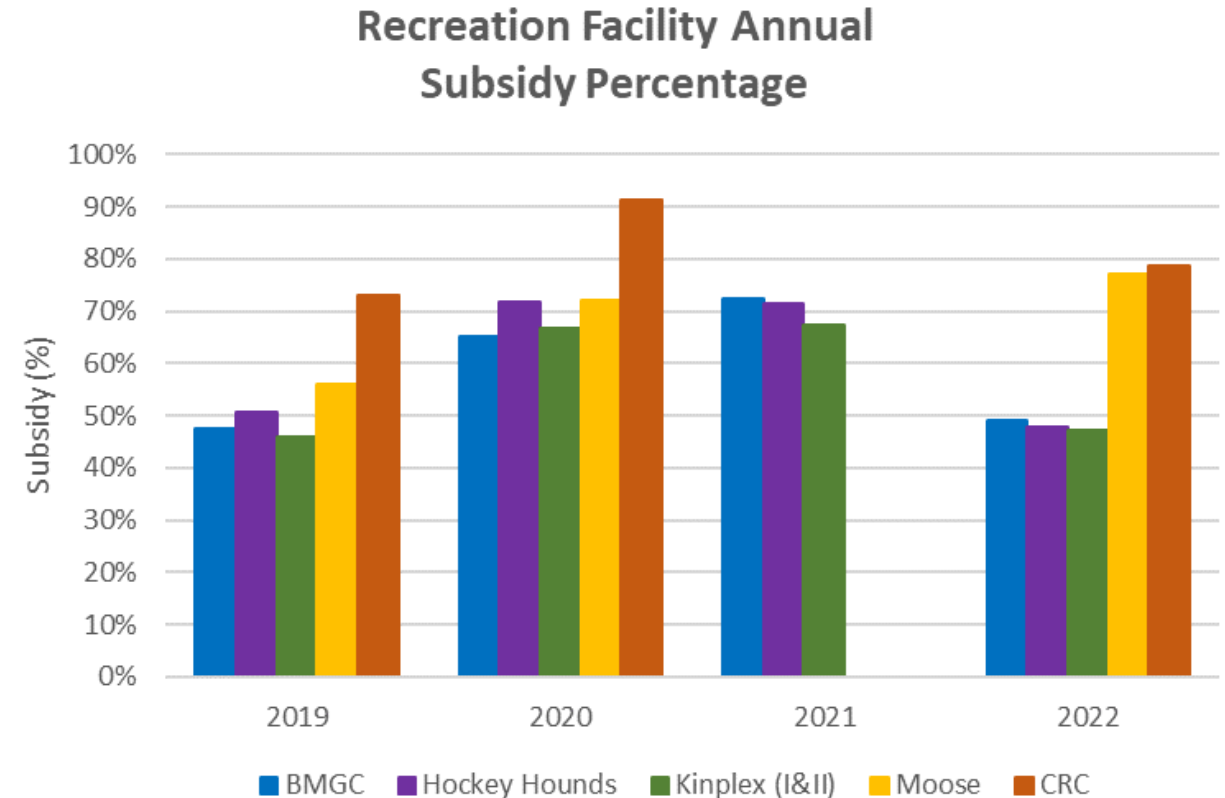
### 3. Research: Current recreation landscape

Percentage of subsidization per major facility

Strong influences from COVID pandemic

Closures of Moose Arena and Crestwood that affect statistics significantly

Multiplex facilities come with higher economic efficiency



\* Moose Arena closed May 2020 until Sept 2022; CRC closed mid-Mar 2020 until Feb 2022

## 4. Analysis: Comparing current trends to our values

Value	Effect	Description
#1 – Placement		There is a significant overlap on catchment areas, making facilities less financially viable creating high subsidizations. The most current facilities are placed on the outskirts of the <u>City</u> and are not near to the most highly populated residential areas
#2 – Placemaking		Small, community-based recreational facilities are strong contributors to sense of place, while larger recreational centres such as Big Marble Go Centre have less of an impact on local placemaking
#3 – Balanced Perspective		Current operations and development of recently built facilities consider a variety of perspectives and design considerations
#4 – Inclusive, Accessible		Facilities meet minimum accessibility standards however more can be done to ensure facilities are accessible to all ages and abilities
#5 – Attracting Youth		Modern facilities are a strong attractant to retaining young families and immigration to the <u>City</u> , and Medicine Hat lacks modern facilities in some areas such as outdoor pools and splashpads

#6 – Multi-Functional Space		Facilities operating as single-use amenities are less efficient than those with more extensive programming and a variety of users accommodated
#7 – Residents First		In comparison to other communities, Medicine Hat had developed a number of neighbourhood-based facilities. Past decisions have been made with strong community engagement to ensure we are meeting local needs, and sport tourism has not been a focus
#8 – Social Impact		The number of smaller community-based facilities spread amongst residential areas are strong contributors to positive social value
#9 – Health Impact		Health impact assessments have yet to be implemented in the planning for new and retrofitting of existing facilities
#10 – Economic Impact		Several small (and outdated) facilities come with low economic efficiency, and the current network of facilities are much less economically efficient than fewer large-scale and consolidated facilities. Medicine Hat has facilities that over-compete with one another which drives up required subsidies and lowers financial efficiency



# 5. Recommendation: Overview of potential options

## Recreation Facilities: 3 Options

Recreation Facilities		
Option 1	Option 2	Option 3
Status Quo: retain Crestwood, BMGC, South Ridge YMCA, Downtown YMCA	Close Crestwood, retain all others	Consolidate to two facilities: retain BMGC, develop a new south-side recreation centre with new amenities as needed

Values Alignment: Takes away small, single-use facilities that currently residents perceive as being contributors to sense of place. Has higher economic efficiency. South-side location would be near highest populated area of the City, accessible through modes of active transportation. Multi-purpose amenity increases accessibility of recreation to a greater audience of people of all ages and abilities.

## 5. Recommendation: Overview of potential options

### Outdoor Park Spaces: 7 Options

Outdoor Park Spaces						
Option 1	Option 2	Option 3	Option 4	Option 5	Option 6	Option 7
Status Quo: retain all spaces in current condition	Close Heights Pool and add a spray park	Upgrade Saamis Rotary Park Spray Park	Pursue EDRP swim lake and park enhancements	EDRP compground development and services	EDRP swim lake enhancements, Heights spray Park, Saamis Rotary Park spray park & campground development	EDRP swim lake enhancements, Heights spray Park, Saamis Rotary Park spray park & campground development, Brier Run sportsfield development

Values Alignment: Increase recreational offerings in public open space with modernized amenities, helps promote sense of place through activation of public open space. Provide wider range of activities that cater to greater diversity of ages and abilities. Offer amenities catered to young families to attract and retain a younger demographic.



## 5. Recommendation: Overview of potential options

### Outdoor Pools: 7 Options

Outdoor Aquatics						
Option 1	Option 2	Option 3	Option 4	Option 5	Option 6	Option 7
Status Quo: retain all facilities in current condition	Reinvest in, and re-open Heights Pool	Upgrade Hill pool	Community pools only	Destination pool only: Heights remains closed, Hill Pool upgraded, Strathcona opens	Destination pool and upgrade Hill Pool	Enhance EDRP, invest in destination outdoor aquatics and upgrade Hill Pool

Values Alignment: Increase recreational offerings in public open space with modernized amenities, helps promote sense of place through activation of public open space. Retain community-based amenity (Hill Pool).

## 5. Recommendation: Overview of potential options

### Ice Rinks & Curling: 6 Options

Ice Rinks & Curling					
Option 1	Option 2	Option 3	Option 4	Option 5	Option 6
Status Quo (reinvest in existing)	Twin Sheets	Quad Sheet	Curling Standalone	Twin Sheets plus Curling	Quad Sheet plus Curling
Continue to operate Moose, Hounds, Kinxplex, BMGC, Co-op Place	Kinxplex continues to operate, new twin ice facility constructed	Decomission Moose, Hounds, Kinxplex. New quad ice facility constructed	All other ice surfaces remain	Curling attached to new twin ice arena	Curling attached to new quad ice arena

Values Alignment: Economic efficiency of consolidating more than one ice surface in a single facility. Investment in curling – a life-long physical activity.

# 5. Recommendation: Overview of potential options

## Indoor Aquatics: 4 Options

Indoor Aquatics		
Option 1	Option 2	Option 3
Status Quo (reinvest in existing)	New aquatics, small pool	New aquatics, large pool
	Close downtown YMCA, dispose or build small pool on South Ridge existing site	Close downtown YMCA, new southside rec centre includes large indoor pool

Values Alignment: Takes away small, single-use facilities that currently residents perceive as being contributors to sense of place. Has higher economic efficiency. South-side location would be near highest populated area of the City, accessible through modes of active transportation.



## 5. Recommendation: Overview of potential options

Report contains several cost assessments for a variety of scenarios

Includes costs to sustain existing facilities as well as costs for replacements

Provides capital costs, annual net operating cost implications and estimated tax increase / decrease

Upcoming slide on potential funding options to lessen obligation on the City for financial costs

Table 8: Incremental Impact of New Twin Ice Facility with Curling

	New Capital Cost / Foregone Sustaining Capital Costs <sup>1</sup>	Annual Tax Increase / (Decrease) to Pay Capital Cost <sup>2</sup>	Annual Net Operating Cost Increase / (Decrease) <sup>3</sup>	Annual Tax Increase / (Decrease) to Pay Net Operating Cost	Total Annual Tax Increase / (Decrease)
<b>New Facility:</b>					
<b>Twin Ice Facility with Curling</b>	\$70M - \$80M	\$121.00 - \$139.00	\$365k - \$455k	\$8.76 - \$10.91	\$129.76 - \$149.92
<b>Foregone Costs:</b>					
<b>Closure of Moose</b>	(\$1.55M)	(\$3.72)	(\$220k)	(\$5.28)	(\$9.00)
<b>Closure of Hounds</b>	(\$0.47M)	(\$1.13)	(\$235k)	(\$5.64)	(\$6.77)
<b>Closure of Curling</b>	(\$7.9M)	(\$18.96)	-	-	(\$18.96)
<b>Net Incremental Cost Increase / (Decrease)</b>	<b>\$60.08M - \$70.08M</b>	<b>\$97.19 - \$115.19</b>	<b>(\$90k) - \$0</b>	<b>(\$2.16) - \$0</b>	<b>\$95.03 - \$115.19</b>

See next slide for enlargement

Table 8: Incremental Impact of New Twin Ice Facility with Curling

New capital costs are assumed to be completely funded through borrowing with a tax increase to pay back the loan over a 25-year period

Sustaining capital costs represent the required capital expenditures to maintain the facility over the next 10 years

	New Capital Cost / Foregone Sustaining Capital Costs <sup>1</sup>	Annual Tax Increase / (Decrease) to Pay Capital Cost <sup>2</sup>	Annual Net Operating Cost Increase / (Decrease) <sup>3</sup>	Annual Tax Increase / (Decrease) to Pay Net Operating Cost	Total Annual Tax Increase / (Decrease)
<b>New Facility:</b>					
<b>Twin Ice Facility with Curling</b>	\$70M - \$80M	\$121.00 - \$139.00	\$365k - \$455k	\$8.76 - \$10.91	\$129.76 - \$149.92
<b>Foregone Costs:</b>					
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<b>Net Incremental Cost Increase / (Decrease)</b>	<b>\$60.08M - \$70.08M</b>	<b>\$97.19 - \$115.19</b>	<b>(\$90k) - \$0</b>	<b>(\$2.16) - \$0</b>	<b>\$95.03 - \$115.19</b>

# 5. Recommendation: Overview of potential options

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Variety of funding options available to the City:

1. Formal partnership with the Government of Alberta, similar to 1980s model to fund EDRP
2. Increased collaboration with regional partners through intermunicipal collaboration framework
3. Debenture financing
4. Sale of naming rights, sponsorships
5. Partnerships with third parties, ie. Medicine Hat College, YMCA, etc.





## 6. Application: Recommended sequence

Phase 1: 1-3 years

Phase 2: 3-5 years

Phase 3: 5+ year horizon

Phase 1 items will require significant planning and design, may take 3-4 years before shovels are in the ground for ice facility and recreation centre

Facility	Description	Timing
Ice Facility	Construction of twin ice arena with curling sheets	Phase 1
Recreation Centre	Construction of south side recreation facility with both indoor and outdoor aquatics and a fitness floor	Phase 1
Echo Dale Regional Park	Implementation of Echo Dale future plan, including campground and park enhancements	Phase 1
Hounds / Moose	Decomission and demolish both facilities	Phase 2
Brier Run Fields	Development of quad ball diamonds and cricket pitch	Phase 2
Strathcona Pool	No change	n/a
Hill Pool	Upgrade to include zero-depth, on-deck spray park, parking lot, new change rooms	Phase 3
Heights Pool	Decomission pool, construct spray park on site	Phase 3

## 6. Application: Recommended sequence

Summary of total costs for recommended sequence included in the report:

1. Includes capital costs in 2023 and 2033, includes estimated tax increase
2. Capital costs for phase 2 and 3 items escalated at 3% per year
3. Cost of \$160M to \$210M to build the proposed facilities today, increases by \$25M to \$36M if deferred 5 years, increases by \$49M to \$71M if deferred 10 years
4. To the right is one example of many tables provided in the report with detailed financial data

	Capital Cost 2023	Annual Tax Impact to Pay Capital Cost	Capital Cost *2033	Annual Tax Impact to Pay Capital Cost	Incremental Capital Cost	Incremental Tax Impact to Pay Capital Cost
<b>New Facilities:</b>						
Hill Pool Redesign	\$10M - \$15M	\$17.00 - \$26.00	\$13M - \$20M	\$23.00 - \$35.00	\$3M - \$5M	\$6.00 - \$9.00
Outdoor Aquatics Destination Facility	\$16M - \$20M	\$28.00 - \$35.00	\$21M - \$27M	\$37.00 - \$46.00	\$5M - \$7M	\$9.00 - \$11.00
New Recreation Facility (Indoor Pool & Fitness)	\$55M - \$70M	\$95.00 - \$121.00	\$74M - \$94M	\$128.00 - \$163.00	\$14M - \$24M	\$33.00 - \$42.00
Twin Ice Facility with Curling	\$70M - \$80M	\$121.00 - \$139.00	\$94M - \$107M	\$163.00 - \$186.00	\$24M - \$27M	\$42.00 - \$47.00
New Spray Park (Crescent Heights)	\$425k	\$0.74	\$570k	\$1.00	\$145k	\$0.26
Redesign Saamis Rotary Spray Park	\$425k	\$0.74	\$570k	\$1.00	\$145k	\$0.26
Echo Dale*	\$4M - \$20M	\$7.00 - \$35.00	\$5M - \$27M	\$9.00 - \$47.00	\$1M - \$7M	\$2.00 - \$12.00
Brier Run Fields	\$5.5M	\$8.00	\$6.5M	\$12.00	\$1M	\$2.00
<b>Total</b>	<b>\$160M - \$212M</b>	<b>\$276 - \$364</b>	<b>\$214M - \$281M</b>	<b>\$371 - \$488</b>	<b>\$49M - \$71M</b>	<b>\$95 - \$124</b>

See next slide for enlargement

	Capital Cost 2023	Annual Tax Impact to Pay Capital Cost	Capital Cost *2033	Annual Tax Impact to Pay Capital Cost	Incremental Capital Cost	Incremental Tax Impact to Pay Capital Cost
<b>New Facilities:</b>						
<b>Hill Pool Redesign</b>	\$10M - \$15M	\$17.00 - \$26.00	\$13M - \$20M	\$23.00 - \$35.00	\$3M - \$5M	\$6.00 - \$9.00
<b>Outdoor Aquatics Destination Facility</b>	\$16M - \$20M	\$28.00 - \$35.00	\$21M - \$27M	\$37.00 - \$46.00	\$5M - \$7M	\$9.00 - \$11.00
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<b>Twin Ice Facility with Curling</b>	\$70M - \$80M	\$121.00 - \$139.00	\$94M - \$107M	\$163.00 - \$186.00	\$24M - \$27M	\$42.00 - \$47.00
<b>New Spray Park (Crescent Heights)</b>	\$425k	\$0.74	\$570k	\$1.00	\$145k	\$0.26
<b>Redesign Saamis Rotary Spray Park</b>	\$425k	\$0.74	\$570k	\$1.00	\$145k	\$0.26
<b>Echo Dale*</b>	\$4M - \$20M	\$7.00 - \$35.00	\$5M - \$27M	\$9.00 - \$47.00	\$1M - \$7M	\$2.00 - \$12.00
<b>Brier Run Fields</b>	\$5.5M	\$8.00	\$6.5M	\$12.00	\$1M	\$2.00
<b>Total</b>	\$160M - \$212M	\$276 - \$364	\$214M - \$281M	\$371 - \$488	\$49M - \$71M	\$95 - \$124



## 6. Application: Recommended sequence

Value	Current State	Effect	Description
#1 – Placement			A new multi-purpose recreational facility would be placed in the south of the City amongst an area of concentrated population. There would still be smaller, community-based recreation facilities rather than everything being consolidated
#2 – Placemaking			Moving some community-based recreational amenities such as ice rinks to consolidated locations take away some place-supportive facilities, while others would remain within community fabric that are high contributors to sense of place and community
#3 – Balanced Perspective			This approach holds equal value to social, health and economic impacts of the direction for facility planning
#4 – Inclusive, Accessible			The City will maintain a strong commitment to ensuring all retrofitted and new facilities would be of the highest level of accessibility for all ages and abilities
#5 – Attracting Youth			Modernized facilities with diverse and resilient functions are a large attractant for people to move into a community and will help retain young populations having family-based facilities

#6 – Multi-Functional Space			Building retrofits will explore opportunities for modernization and diversification of building and site programming; new facilities will include an appropriate mix of diverse function and recreational programming
#7 – Residents First			Financial, health and social impacts are being scrutinized against Medicine Hat. Impacts on tourism is secondary
#8 – Social Impact			The proposed sequence seeks to retain some neighbourhood-based facilities, while new large-scale facilities will have a strong focus on social elements such as gathering spaces. While some residents feel that consolidation of activities into large recreation centres is contrary to good social value, multi-use sites offer opportunities to positively impact social value.
#9 – Health Impact			Administration is eager to include health impact assessments into all future facility retrofit and new construction projects to ensure all facets of human health are considered and efforts are made to improve how facilities enhance human health
#10 – Economic Impact			The proposed sequence is not purely driven by economic factors, rather balances social and health impacts with decision-making

## 7. Next Steps

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- Further work with Council to ensure all information possible is provided to allow for informed decision-making
- Continued engagement with local residents, and essential engagement with regional partners, other municipalities, Provincial departments and potential funding / service delivery partners
- Complete a detailed market survey to support the retention and improvement to some existing facilities, and the size, location and program of new facilities

## 7. Next Steps

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- With a market survey in hand and a clear indication of a service delivery model, finalize location of proposed new facilities
- Develop a funding strategy that has a detailed outlook on financial requirements and commitments required by the City
- Modernize and construct facilities while completing accessibility audits, social value evaluations and health impact assessments to influence design for each major development



# Facilities For the Future

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Update to Council on Recreation  
Facilities Review