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## **Hollingsworth Arena and Future Ice Allocation Considerations Staff Report**

Report Number: 2019-32

Department(s): Recreation & Culture

Author(s): Colin Service, Director, Recreation & Culture

Meeting Date: April 8, 2019

### **Recommendations**

1. That the report entitled Hollingsworth Arena and Future Ice Allocation Considerations, dated April 8, 2019, be received; and,
2. That the Town of Newmarket decommission the Hollingsworth Arena after the 2019-2020 season, ending in April 2020; and,
3. That the Town of Newmarket operate with six ice pads and report back annually on the status of ice allocations, and ability to accommodate users; and,
4. That staff conduct programmatic changes as outlined in the report in order to accommodate user groups post closure of Hollingsworth Arena; and
5. That construction of a new outdoor ice pad coincide with the final season of Hollingsworth Arena if at all possible; and,
6. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

### **Executive Summary**

Hollingsworth Arena has been in operation for over 45 years and is approaching the end of its serviceable life – meaning that essential building systems will need replacement over the next few years. It is anticipated that close to \$1 Million in capital expenditures will be required over the next 5 years. As well, Hollingsworth Arena typically operates at a net deficit of approximately \$50,000 annually.

Indoor ice usage has shown a decline over the last 10 years both locally and nationally. Despite a national trend in declining ice usage, neighbouring municipalities and private sector rink developers are continuing to add inventory of new indoor ice pads. It is anticipated that this will have further impact on use of Newmarket ice pads.

Given the trends and significant expenses anticipated, staff is recommending decommissioning of Hollingsworth Arena after the 2019-2020 operating season.

## **Purpose**

As the community changes demographically, Hollingsworth Arena continues aging, surrounding communities add to their inventory of ice pads and participation in ice sports continues to decline both locally and on a national level, it is important to evaluate the efficiency and effectiveness of indoor ice pads. This report will serve as a comprehensive review, providing recommendations for the future of Hollingsworth Arena and service levels for ice pad provision.

## **Background**

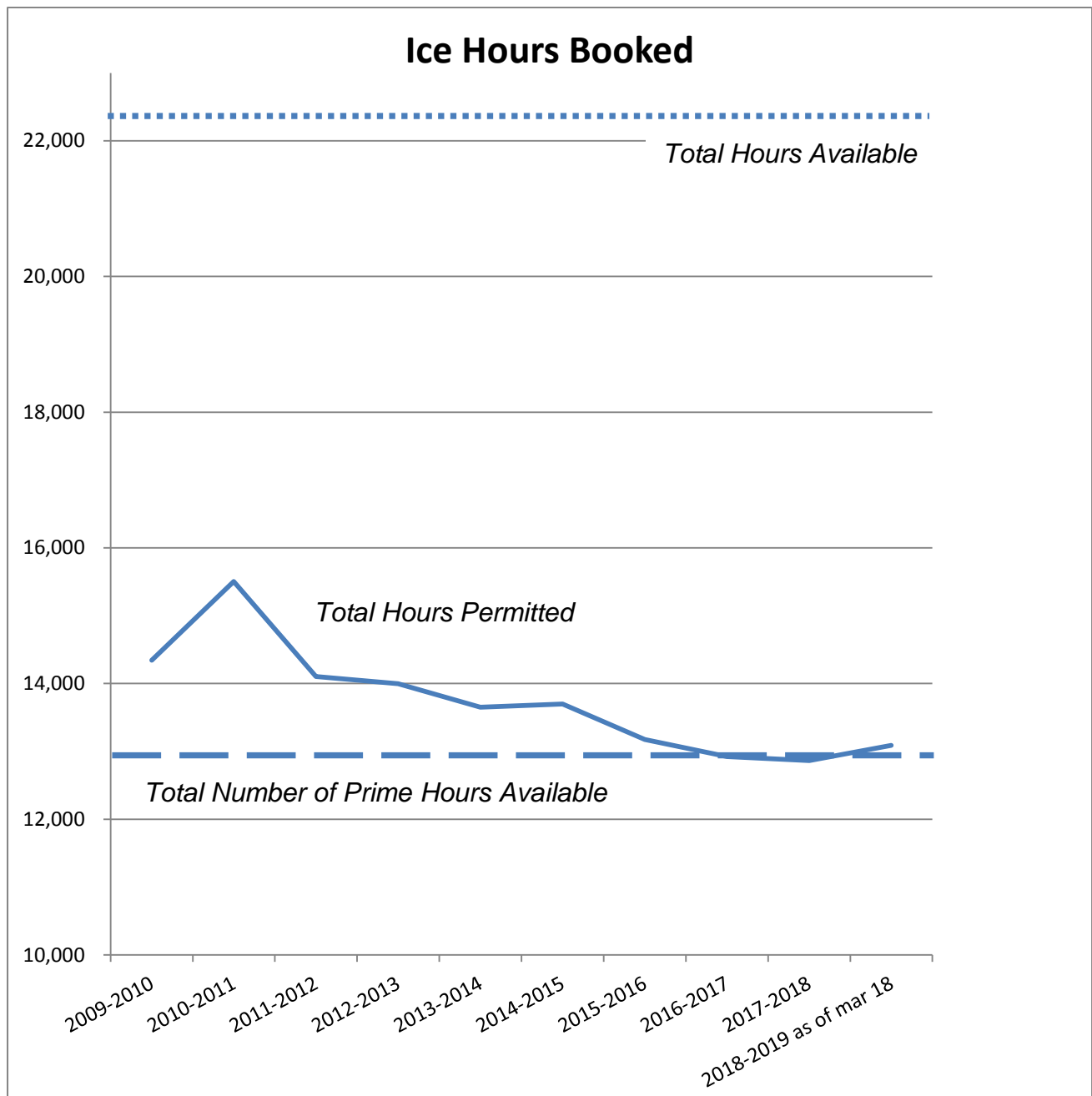
The Town of Newmarket currently operates seven indoor ice pads: four pads located at the Magna Centre, two pads at the Ray Twinney Recreation Complex, and one pad at Hollingsworth Arena. In 2018, over 13,000 hours of time was permitted out to user groups and individuals, with approximately 18 to 20 % of time permitted to non-residents.

## **Use of Hollingsworth Arena**

Hollingsworth Arena currently operates on a compressed schedule, opening in late September/early October and closing in late March/early April. It is available for permitting Monday through Friday from 5 pm to 11 pm and on weekends from 7 am to 11 pm. This represents approximately 1,650 hours available for permitting per year. In last year's operating season just under 1,100 hours were permitted.

## **Ice Usage Trends in Newmarket**

The following chart demonstrates the pattern of permitted ice time over the last 10 operating seasons across the Town's current inventory of seven indoor ice pads:



As is demonstrated in the chart, over the last 10 years, total amount of ice time permitted has declined by well over 1,000 hours. That being said, over the last three years, time permitted has stabilized.

The next chart provides an overview of the number of ice pads that were booked in a typical week during the regular ice season across Town of Newmarket ice pads. The number represents the number of ice pads in operation during that hour. Town of Newmarket programming has been excluded from this chart.

Time of Day	Monday	Tuesday	Wed.	Thursday	Friday	Saturday	Sunday
6 am	0	1	1	0	1	0	0
7 am	0	1	2	0	0	3	4
8 am	0	1	0	0	0	5	5
9 am	0	0	0	0	0	6	6
10 am	0	0	0	0	0	6	7
11 am	0	0	0	0	0	6	5
12 Noon	0	0	0	0	0	6	4
1 pm	0	0	0	0	0	5	5
2 pm	0	0	1	0	0	4	6
3 pm	1	1	1	0	0	4	6
4 pm	2	3	4	2	3	3	5
5 pm	6	6	5	6	3	3	6
6 pm	7	7	6	6	6	3	7
7 pm	7	7	7	7	6	3	7
8 pm	7	7	7	7	6	2	5
9 pm	7	5	6	7	6	1	3
10 pm	1	3	4	5	4	1	1
11 pm	0	0	0	0	1	0	0

As the above chart demonstrates, there are 15 hours (shaded) in a typical week where all seven ice pads are occupied simultaneously. These 15 hours represent the pinch points which will have the most significant impact on user groups. However, as the chart demonstrates, there are a large number of ice pads available at the 10 pm slot on weekdays, as well as a few other time slots around these pinch points. There are currently adult groups that are occupying a portion of these prime time slots. The ice allocation policy does stipulate that adult groups should be allocated prime time hours only after all minor groups are allocated time. Review and reinforcement of the ice allocation policy will be required post closure of Hollingsworth Arena.

## **User Group Participation and National Trends**

There are currently 10 user groups who permit time regularly throughout the season. The user groups represent hockey, figure skating, speed skating and ringette. Collectively, the total resident participation among these groups has dropped fairly dramatically over the last ten years. In the 2008-2009 season there were over 4,200 participants among these user groups. By the 2018-2019 season there are approximately 1,000 less participants among these groups. Additionally, non-resident use has also dropped proportionately during this same time period.

According to a study done by online media outlet VICE Sports, youth participation in ice related sports has at best plateaued nationally, with significant declines experienced in more multicultural communities. At one time, nearly 9 out of 10 Canadian male youths had played organized hockey. Now it is estimated that 1 out of 10 Canadian male youths has played organized hockey. In their research, it was found that hockey now ranks below swimming and soccer in terms of total youth participation. In terms of immigrant youth participation in sport, hockey ranks below swimming, soccer, and basketball nationally. In communities with large Asian populations, it also ranks below badminton as well. This research is significant as Newmarket grows and diversifies as a community.

Female participation has been increasing over the last few years in hockey, speed skating and remains strong in figure skating. However, the growth of female participation has not been as swift as the decline in male participation.

The decline in participation experienced in Newmarket appears to be consistent with what is experienced on a national scale. That being said, over the last 15 years there has been a shift in sport participation for youth to specialize with more intensive training as single sport athletes. So the decline in registrants has been somewhat balanced by increased demand for usage by those participants. This trend is fairly consistent across all sports. However, there is emerging research that does demonstrate adverse implications of single sport training in youth – namely that it often is linked with less participation in all sport and physical activity as children age.

An additional consideration for Newmarket will be the aging population. In the most recent census, the number of adults over the age of 55 surpassed the number of children under the age of 10 for the first time in Newmarket's history. It is expected that this trend will continue for a number of years. This will have a profound impact in how facilities are used in the future.

## **Recreation Playbook**

In 2015, Council approved the Recreation Playbook. This 10 year plan was developed through an extensive public consultation program, along with an external facility review conducted by Monteith Brown Planning Consultants. This strategy was designed to

serve as a living, guiding document that is reviewed annually as the community changes and diversifies.

Through the Recreation Playbook it was recommended that the Town continue operating 7 ice pads. This recommendation was based on the Facility Review conducted by Monteith Brown Planning Consultants. In their comprehensive review, they found that Town needed 6.3 to 6.5 ice surfaces. This finding echoed the findings of a facility review conducted in 2012 by dmA Planning & Management Services which also found a need for 6.3 ice surfaces.

It should be noted that these recommendations were reflective of the environment at that time of those studies – surrounding Municipalities are continuing to develop new facilities that were not reflected at the time of development of the Recreation Playbook.

No external study has suggested the need for a full 7 ice pads. The studies that have been completed do suggest that an inventory of slightly greater than 6 would be ideal in order to accommodate users at preferred times. The studies have also gone on to state that total number of hours permitted to user groups can be accomplished with 6 ice pads if groups were moved outside of preferred time slots.

## Understanding the Market Place

The following chart provides an overview of the current market place in terms of opportunities in close proximity for ice rentals:

Municipality	# of Municipal Ice Pads	# of Private Ice Pads	# of Anticipated New Ice Pads over next 5 years	Population per Municipal Ice Pad	Population per total Number of Ice Pads
Aurora	4	1	3 – Private	13,860	11,085
East Gwillimbury	2	0	1 – Municipal	11,995	11,995
King Township	3	0	0	8,170	8,170
Whitchurch-Stouffville	4	0	0 (Master plan recommending one built by 2028)	12,144	12,144
Georgina *	3	0	0	15,140	15,140
Newmarket **	7	3	0	12,285	8,600

\* Georgina does also have a covered full sized outdoor rink with boards and glass in Pefferlaw (supported by a full refrigeration plant).

**\*\*** Two of the private pads identified in Newmarket are located at NTR – these pads are undersized but support youth programming, specialized training, and various men’s leagues. The third private pad identified is located at Pickering College. This ice pad is nearing the end of its serviceable life and may not be replaced when it is decommissioned.

In a typical Canadian community, it is a widely accepted service level to find 1 ice pad per 12,500 people. If only considering municipally owned and operated ice pads, Newmarket surpasses that level of service as do nearly all neighbouring municipalities. When you factor in the presence of private ice pads as well, then Newmarket significantly passes that level of service as do all but one neighbouring municipalities. It should also be noted that this level of service is widely regarded as a standard in a typical Canadian community – however, the municipalities identified in this chart are changing demographically with greater influx of new Canadians who are not participating in ice sports with the same frequency.

## **Discussion**

Given the trends in ice usage, both locally and nationally, and the aging building condition of Hollingsworth Arena, it is recommended that the Town decommission Hollingsworth Arena after the 2019-2020 operating season. Continuing to operate for one more full season will afford staff the opportunity to work with user groups to minimize adverse impacts and develop alternatives to meet both general community need and user group need.

The Town cannot provide the same number of hours at the times currently offered to user groups on six ice pads. As such, closure of Hollingsworth Arena will have impacts on existing user groups. That being said, through programmatic changes some of the negative impacts can be mitigated.

## **Town Run Programs**

Currently the Town offers public skating, shinny hockey, learn to skate programs, and an adult men’s league. Typically, Town programs have been offered in time periods that were deemed less desirable by user groups. That being said, in the absence of a seventh ice pad, some of the times currently occupied by Town programming could be deemed more desirable by user groups.

Post closure of Hollingsworth Arena, it is recommended that all Town programs be scheduled after allocating time to user groups. Further, programs such as the Town operated men’s league would be reevaluated for overall effectiveness and may be cancelled in future.

## **Prime Time Hour Allocation**

Upon examination of typical municipal allocation policies, most municipalities allocate prime time hours first to minor sport organizations as top priority. If prime time hours

remain available after all minor sport organizations are allocated, then adult user groups will be given consideration. In Newmarket, this has typically been the process – though there are some groups that have been grandfathered and continue to occupy prime time hours. Post closure of Hollingsworth Arena, it is recommended that all minor sport organizations be allocated prime time hours first. Then, second priority would be given to adult user groups and third priority to Town of Newmarket programming (as per previous section).

## **Adult Hockey**

As discussed in the previous section, use of prime time hours by adults does need further consideration in order to accommodate use by youth organizations. However, it should also be noted as long term implications of decommissioning Hollingsworth Arena are considered, many communities are starting to see an increase of adult play during day time hours. As the work force changes and traditional notions of location and hours of work change, more and more adults are finding opportunity to be able to play during day time hours. While this trend is only just emerging, it should be watched closely and carefully considered as decisions around ice pad provision are considered.

## **Use of Outdoor Rinks**

With the success of Riverwalk Commons, which offers free public skating all day long, the need to program indoor ice pads with public skating has lessened considerably. Within the Recreation Playbook, it was recommended that an additional NHL sized outdoor ice pad, with refrigeration plant, be built. Preliminary discussions have occurred around construction of this type of facility and outdoor ice trails being constructed at the Mulock Property. Such a facility would enable all Town programming to be accommodated. It is recommended that priority be given to construction of such a facility to be usable in the winter of 2020/2021 – the first season after it is recommended that Hollingsworth Arena be decommissioned.

## **Conclusion**

While it is clear that there will be operational challenges with closure of Hollingsworth Arena, given the extensive capital repairs anticipated over the next 5 years, and the current trends in ice usage, it is the most fiscally responsible direction to move forward with for the next three seasons. Staff will continue to monitor the effects on user groups and will report back annually.

## **Business Plan and Strategic Plan Linkages**

### **Living Well**

- Emphasis on active lifestyles and recreational opportunities



## **Well Balanced**

- Recreational facilities and services

## **Well Equipped and Managed**

- Fiscal responsibility
- Efficient management of capital assets and municipal services to meet existing and future operational demands

## **Consultation**

Contributions from the Public Works Department and the Finance Department were included and both departments have reviewed the report.

Additionally, post publishing of this report, in advance of Committee of the Whole where this report will be reviewed, staff will meet with all user groups to review the report and discuss strategies to assist them in obtaining necessary time to keep groups operational.

## **Human Resource Considerations**

Hollingsworth Arena is currently staffed with casual/sessional/seasonal staff. As such, closure of this facility would have no direct impact on any full time employment. While some additional staff hours would likely be required to increase additional permitting at the Ray Twinney Complex and the Magna Centre, it is anticipated that there would be some loss of hours for staff employed seasonally with the Town. Essentially, this would mean hiring less casual staff members for the 2020-2021 season.

## **Budget Impact**

### **Capital Budget**

There has been some discussion that Hollingsworth Arena is approaching the end of its serviceable life. This does not mean that the building is in poor condition. In actuality, the facility is in fairly good shape considering the age of the building. The ending of its serviceable life simply means that the major building operating systems are at the stage where replacement is necessary. A basic building condition assessment was completed recently (see appendix 1 for a copy of the assessment). This assessment highlighted anticipated repairs expected over the next 5 years – it is expected capital expenses will total close to \$943,800 over this time period.

### **Operating Budget**

Hollingsworth Arena has traditionally operated with an annual deficit. The following chart represents the actual financial performance in 2017 and 2018, as well as what is budgeted in 2019:

	2017	2018	2019
Operating Costs	\$267,554	\$221,227	\$235,264
Revenue	\$208,184	\$204,874	\$193,000
Net	-\$59,370	-\$16,590	-\$42,264

In the event that Hollingsworth Arena were to close, there would be significant operating expense savings, with a moderate decrease in anticipated revenues (while no revenue would be collected at Hollingsworth Arena, additional revenues will be collected at the remaining ice pads). The following chart represents revenues that would be anticipated by maximizing use of the remaining six ice pads, and the costs that would be saved through closure of Hollingsworth Arena:

	Anticipated Performance post Closure
Operating Costs Still Expected	\$ 75,000
Revenues Anticipated	\$100,000
Net	\$25,000

The above chart demonstrates that there will be costs incurred as a result of maximizing bookings at the other arenas. Additionally, it is anticipated that some revenues will be lost as not all rentals at Hollingsworth are likely to be accommodated. Still, it is expected that closure of Hollingsworth will result in an overall improvement in operating in the operating budget by approximately \$67,000 annually (this number is derived by removing the net operating loss of Hollingsworth with the efficiencies and revenue enhancements identified in the chart above).

## Attachments

Appendix 1 – Capital Building Condition Assessment

## Approval

Colin Service, Director, Recreation & Culture

Ian McDougall, Commissioner, Community Services

## Contact

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