

Town of Riverview

COUNCIL REPORT FORM



Presented to: Mayor and Town Council

Presented by: Parks, Recreation and Community Relations

Date: October 18, 2022

Subject: Riverview Recreation Complex – Fitness Centre

BACKGROUND

At each interval throughout the Riverview Recreation Complex (RRC) project lifespan, the inclusion of a dedicated fitness and/or weight training space has been identified by residents, various stakeholders, consultants and project team members, however, a formal decision has not been reached on the inclusion of such a space within the RRC.

This report is intended to highlight the existing data, research and considerations related to this subject for Council to review. With the complex's schematic design process underway, an opportunity for review is present and conclusions can be incorporated relatively easily, without additional design expenses to the Town.

For historical context, Council will recall the relevant excerpts from published studies below:

Community Needs Assessment (2013) - A Fitness Centre was the second most desired facility identified by community in the Town's 2013 consultation: Walking Track (69%), Fitness Centre (58%), Full-size Gym (53%), Ice Pads (51%), Swimming Pool (48%).

Wellness Centre Feasibility Study (2015) – Study categorized weight and fitness centres in the same category, identifying that that Town has an existing service ratio of 1:9,564 through operations at the Riverview Community Hall (145 Lakeside Dr.) and the Program Studio (55 Biggs Dr.). It was noted that at the time of the study, there were 4 publicly owned complexes that contained dedicated fitness centres, up to 6 private operators and an outstanding need within the community for an additional 32 hours weekly across 6 primary user groups.

The feasibility study indicated that some "larger urban communities have in recent years shied away from including equipment-based fitness centres within their public facilities is due to actual or perceived competition from the private sector." It further indicated the partnerships with a local providers may support or augment service offerings and that "there is no program reason not to include equipment based fitness facilities within a public community centre, each community will need to assess the viability of such a facility with respect to these concerns."

RRC Business Plan (2020) - Study indicated that according to the Canadian Fitness and Lifestyle Research Institute, more than 30% of adults participate in weightlifting and cardio training, double the number who participate in soccer, hockey, badminton, basketball, or volleyball.

All municipally run multi-sport recreation facilities in the Maritimes who use a membership model have a fitness centre component ranging from 3,000 to 11,500 square feet. A designated cardio and weight training space could increase accessibility for various user groups, improve participation rates, and increase memberships at the RRC by accommodating users’ needs under one roof. Stakeholder sports organizations that the Town has consulted with have also said that this addition would be desirable for warming up and cross-training. The Steering Committee and Capital Cabinet Committee are in support of its inclusion.

This fitness centre should offer basic equipment to not compete with local businesses that offer specialized personal training services. A possible partnership between a private operator and the Town for space or equipment leasing could be explored. The addition of a Fitness Centre has the potential to increase the Town’s cost recovery for its recreational facilities, demonstrating fiscal responsibility and improving sustainability.

Alignment with federal policies, including the *Pathways to Wellbeing*, the Framework for Recreation in Canada identifies the importance of ensuring the provision of supportive physical and social environments that encourage participation in recreation and build strong, caring communities. The *Canadian Sport for Life* builds quality sport and physical literacy in Canada by addressing overall sport and physical activity from policy to program delivery. This type of space supports the long term athlete development model and some of the basic principles of training and performance (stamina, strength, etc.).

RESEARCH

In September 2022, the Town retained external consultants (Colliers Project Leaders) to verify the information available to date in conjunction with the Town’s internal operational modelling to ensure accuracy and provide concrete data and recommendations related to a fitness centre. The specific results of this study are attached to this report, with a summary of the scenario analysis below:

	1,500sqft	2,000sqft	3,000sqft
Capital Expense	625,480	834,000	1,340,000
Monthly Operating	4,970	6, 260	8,840
Monthly Fee Recovery	31	39	55

The study quantifies a minimum number of new users that a fitness centre would attract, based on several standardized ratios below.

- i. 15% of residents are likely to engage in using a recreation complex (3,000 users of our current population)
- ii. 25-30% would use this specific complex, while the remainder make use of private operators (800 total monthly facility users)

- iii. 20% of total facility users would subscribe specifically to a fitness centre within the complex (160 fitness centre monthly users)

For modelling purposes, the expected minimum is utilized to be as conservative as possible, however, various scenarios are presented in the report. Many municipal fitness centres and YMCA's report significantly higher usage than these planning figures (ie. Closer to 8,000 total facility users and 1,200 fitness centre users).

Based on the expected minimum-use scenario, a 2,000 square foot fitness centre is recommended to have a manageable and sustainable operating model and the study presents several options for cost-recovery. At this size, the space can accommodate up to 30 users as per the National Building Code of Canada (2020).

ANALYSIS

The results of available data to date point to three (3) specific intentions for the inclusion of a dedicated fitness centre within the RRC:

- a) Serve residents who would not otherwise engage in this type of activity at a private sector offering through enhancing regional capacity.
- b) Provide opportunities that support team conditioning and compliment the facility's other components.
- c) Enhance the facility's long term operational sustainability through improved cost-recovery by adding a comparatively low-cost capital asset (as compared to any other suggested components).

Below are key considerations that Council may wish to consider, categorized by intent:

Serve Residents

- *Health & Wellness* - Strength training helps manage or lose weight, increases metabolism, and enhances quality of life, while improving one's ability to do everyday activities.
- *Recreation Trends* – over the last 20 years, there is a societal trend toward individualized and passive recreation (at one's own pace), that has been further driven by the COVID-19 pandemic. Fitness centres have continued to become more popular over the years, giving rise to private sector offerings to fill gaps.
- *Complete workouts* – the RRC's primary components, including the walking track, swimming pool and field house provide users with a cardio-driven workout, where this added component delivers on strength training one can't get from swimming or walking/running.
- *Audience* – fitness centres are known to attract a diverse age range, including those currently under-served by the Town's programming (ie. young adults, adults). Weight training continues to be a popular pass time for youth and could enhance programming in this area. It is expected that this space would also cater to guardians of participants using the facility (ie. Parent wanted to use the facility while child participates in swimming lessons).

- *Team Participation* – facilities that host team sports almost always include a dedicated fitness centre for team conditioning (ie. soccer team, swim team, etc.). The proposed space has been sized according to this consideration, supporting a team of up to 25 comfortably.

Provide Opportunities

- *Complex Profile* – the addition of a facility component creates an actual and/or perceived benefit for rate payers, further enhancing offerings and the facility’s profile and expected use (ie. further supports the objective of ‘something for everyone’).
- *Capital Cost* – the estimated capital costs for the addition are approximately 2.5% of the total expected project costs, but increase available facility features from 4 to 5 components. The stand-alone costs of a municipally-run fitness centre would not be feasible.
- *Local Business* – the space generates further opportunities for partnerships, including personal training services, aerobic fitness classes and leasing of fitness equipment. These opportunities may not fully counter the actual or perceived threat of a municipally run space, however, projected user pricing and demographic review identify a unique target audience for the RRC compared to private operators.
- *Future Flexibility* – spaces of this nature are built as a multipurpose room, with equipment overlaid in the space. This creates versatility for future demands should the community’s needs shift in the future (ie. 2,000 sq. ft finished at this stage can be converted easily to another use).
- *Fundraising* – currently, the capital fundraising campaign has each space in the facility assigned through a donor recognition program, ranging from \$100,000-\$250,000 per component. There is a possibility that this addition could create another opportunity for donor recognition and associated funds.
- *Expected Usage* – there is always a future possibility that the use of a space of this size changes with population demographics and may under-service or over-service the target audience (too busy, or under utilized). In both instances, there are mitigation strategies that could be implemented including reconfiguring equipment or the space entirely for an alternate purpose.

Enhance Operations

- *Operational Recovery* – incorporating the most conservative figures suggested by the recent study, the facility’s cost-recovery changes from 52% to 58%. Based on the facilities ability to subscribe to multiple users or interests, similar regional facilities identify revenue opportunities far beyond the recent study (from \$175,000 up to \$800,000 annually). As an example, a pool user may pay a drop in fee, but would consider a monthly membership if other offerings existed.
- *Maintenance* – in the context of a recreation facility, weight rooms are considered a more passive asset, requiring significantly less expenses from a staffing, programming, operating and lifecycle maintenance perspective. Equipment can be purchased or leased, moving some risk and general maintainability to a service contracts.
- *Facility Resources* – the facility has several staff positions that can oversee this added component as part of their job responsibilities, however, a constant presence or programming is not contained in the current operating forecasts.

- *Risk Management* – the addition of any recreation asset creates both a liability and an opportunity. Space of this nature carries similar risk to other facility components.

Based on the available data, review and discussion items, Council may wish to consider any of the following options:

- a) Addition of a fitness centre of 2,000 square feet to the current schematic design planning. This would be brought back to Council for final approval in late 2022, once Class estimates are obtained and the design brief is completed.
- b) Do not add a fitness centre to the schematic design planning. This decision could be revisited through the design development, however, it is likely to generate additional expenses through on the architect's contract, as well as additional time to this project phase.
- c) Prescribe modifications to the proposed scope, which could include a smaller or larger fitness centre or other offering. Sizing in this case has been selected using the most conservative estimate to ensure sustainable operational modelling.
- d) Request additional research or data to support future decision making. This matter could then be brought back before Council once new information is obtained, alongside the schematic design report.

CONSIDERATIONS

Legal: N/A

Financial: up to a 2.5% increase in project capital expenses; 3.4% increase in operating expenses; 8.5% increase in operating revenues.

Policy: N/A

Stakeholders: Council, Local Businesses, Town of Riverview Staff, Residents,

Strategic Plan: Thriving Community, Active & Engaged Community, Service Excellence

Interdepartmental Consultation: N/A

Communication Plan: N/A

Recommendation of Staff: That the Town of Riverview incorporate a 2,000 square foot fitness centre into the schematic design planning for the Riverview Recreation Complex.