

**BY EMAIL**

April 24, 2020

Dan McKinnon
General Manager, Public Works Department
City of Hamilton
77 James Street North, Suite 320
Hamilton, ON
L8R 2K3

Re: 2020 Operating season of Wild Waterworks during COVID-19 Pandemic

Dear Mr. McKinnon,

We, at the HRCA, after careful consideration and extensive deliberation believe it would be best to leave the Wild Waterworks closed for the 2020 season given the current pandemic situation we find ourselves in and the financial impact we believe this will have on operations.

Under Section 15 subsection 3 of the Confederation Beach Park Management Agreement (the "Agreement") between the City of Hamilton and Hamilton Region Conservation Authority (HCRA) it is required of the HRCA to:

"immediately advise the Contract Administrator as soon as it becomes aware that the Park faces a reasonable risk of running an operating deficit in any one year in which case the City and the HRCA shall jointly and promptly identify the reasons for, and implement measures to mitigate, this deficit."

This step was taken last Friday April 17, 2020, when we met through conference call with several City staff including the Contract Administrator. At that time, we outlined the multiple concerns we have for this coming year to operate during a pandemic, which we will now outline for your benefit.

Impact of Pandemic on Attendance and Opening:

- 1) In a normal year, the facility operates from mid-June until Labour Day. There is pre-summer attendance between two to six thousand driven by school programs and public attendance on June weekends. We anticipate a very low probability of schools returning for this academic year and project little if any, pre-summer activity this year.
- 2) Further to point 1), with the emergency regulations in place until May 12th, it will be questionable if the park can be made ready any earlier than the weekend before Canada Day, as it takes six weeks of preparation to open the facility. This would leave an operating season of just 74 days from first entry to Labour Day closing.
- 3) Provincial and Public Health directives in regard to gatherings of people could greatly impact the number of visitors permitted in the facility at any one time. Earlier this year, in mid-March, gatherings were restricted to 250 people. The typical capacity at Wild Waterworks is comparable to that of a special event as the facility sees two to four thousand patrons on fair weather days.
- 4) Physical and social distancing concerns by the public could impact attendance and operations as well with 2 metre spacing being a challenge in a wave pool where the wave action brings patrons in contact and could prohibit attractions such as the 2-person body slides. Current recommendations from the Centre of Disease Control (CDC) advise not to visit waterparks. The CDC notes:
 - *“They are often crowded and could easily exceed recommended [guidance for gatherings](#).*
 - *It can be challenging to keep surfaces [clean and disinfected](#).*
 - *The virus can spread when people touch surfaces and then touch their unwashed hands to their eyes, nose, or mouth.”*

<https://www.cdc.gov/coronavirus/2019-ncov/daily-life-coping/visitors.html>

Costs to Operate:

- 1) Bringing in and training in excess of 100 students from at best May 12th to June 26th will be a challenge and if the group restrictions of only 5 people maximum are extended, even more so.
- 2) Extra staffing may be required at the entrance to move people through faster and reduce lineups that push people together.

3) At this time, we do not know what new sanitation procedures will be mandated but do know they will not be less than current and most likely considerably more. Consider railings on stairs, shower rooms, lockers, and concession areas.

4) Wiping down tube slides, life jackets, tubes for the water slides and wave park and any other common items that get multiple use will increase costs.

5) KEY POINT ON COST. To open on any given day all slides, pools and concessions, etc. must be staffed, whether 100 people show or a 1,000 people show. The costs are essentially a fixed cost and do not vary with attendance. This is similar to a golf course which can't only cut 13 out of 18 fairways because it may be a slow day.

Revenues:

1) Revenue required under normal circumstances needs to be in the \$2.5 million range and to get to that level requires 100,000 people. (Actual revenue in 2019 - \$2.507 million; attendance 103,223). A 74-day season would therefore require an average 1,400 visitors per day.

2) A reduction in attendance of 10,000 people equates to \$250,000 reduction in cash flow. 10,000 people would be the average attendance in a week using the 1,400 daily attendance figure in the previous point. Therefore, each week the facility would be delayed in opening in July, or lost to weather, results in the \$250,000 reduction in cash flow.

3) Before now, the single largest variable was weather and that still is a consideration. Without a pandemic we experienced the range of a low of 88,000 visitors to a high of 145,000. As a potential worst-case scenario, if the maximum size of gatherings of people are limited to 250 people, that would equate to attendance of 18,500 for a 74-day operating period and a loss in the magnitude of over \$2,000,000.

These are the reasons we identify as the likely cause of a deficit.

We also are obligated to jointly implement measures to mitigate this deficit.

It is our recommendation to keep the waterpark closed and complete all required Hamilton Public Health Department upgrades. The small children's area, Squirtworks, requires resurfacing before any opening in 2020; the lock down may cause issues for this as access for the contractor is restricted. The easy river requires a full repainting before opening in 2021. The river repair project would be done more economically if completed in the summer period rather than broken up between this Fall and next Spring.

We truly believe the costs of suspending the facility for a season during the COVID-19 pandemic will be less than if it were opened and the needed repairs provide a legitimate reason to have the facility closed, even if it is a good summer.

Our understanding of the process as per Section 26.7(b) in the Agreement:

“The Park Management Review Team (PMRT) shall (b) review, and approve before presentation to City Council, all proposed business plans, capital and operating budgets, and any revisions thereto”.

As this is a major revision this would have to go to Council in some form.

We would ask that you, as Chair of Park Management Review Team (Section 26 2(a)), convene a PMRT meeting to this end. We would ideally like to have the decision confirmed by the first week of May as should the decision be made to go forward to operate despite the considerable financial risk due to the pandemic, we would need to expedite the hiring of seasonal staff.

This is a difficult letter to write and we are sure, equally difficult to receive and we believe is the first such instance in our operating history that began in 1990, of making such a recommendation. We are proud to operate this facility on behalf of and under the overall direction of the City of Hamilton.

Regards,



Lisa Burnside
Chief Administrative Officer
Hamilton Conservation Authority



Councillor Lloyd Ferguson
Chairman
Hamilton Conservation Authority

Cc: Andrea Holland, City Clerk - City of Hamilton (by e-mail)