

2020 Operating Season of Wild Waterworks during COVID-19 Pandemic



City of Hamilton
Committee of the Whole Meeting

May 13, 2020



A Healthy Watershed for Everyone

Confederation Beach Park

- ▶ Confederation Beach Park is the City of Hamilton's four-kilometre linear waterfront park located along the south shores of Lake Ontario
- ▶ The Hamilton Conservation Authority operates Confederation Beach Park under a management agreement with the City
- ▶ Confederation Beach Park is made up of several components
 - ▶ Wild Waterworks waterpark
 - ▶ Tenants (Hutch's, Barangas, Adventure Village, Lakeland Kartway go carts, Sandbox beach volleyball, Ball hockey, Lakeland banquet hall)
 - ▶ Lakeland pool
 - ▶ Passive green space with picnic tables, pavilions, and beach area
 - ▶ Breezeway trail used by 500,000+ walkers, joggers, cyclists
- ▶ The City of Hamilton has also officially begun transforming sections of Confederation Beach Park to a new multi-use sports and recreation facility at the east end of the park

City of Hamilton and Hamilton Conservation Authority (HCA) Management Agreement

- ▶ HCA and the City of Hamilton have a long history of collaboration in regard to Confederation Beach Park, dating back to 1983
- ▶ An operating agreement have been in existence since 1990 to manage Confederation Beach Park
- ▶ City of Hamilton is responsible for the overall direction and HCA is responsible to operate and prepare annual budget
- ▶ Agreement requires that HCA advise the City as soon as it becomes aware that the Park faces a risk of running an operating deficit and jointly identify the reason and implement measures to mitigate the deficit
- ▶ COVID-19 pandemic has been identified as a major impact to the operations at Wild Waterworks with a recommendation not to operate for the 2020 season

Wild Waterworks Operations

- ▶ In a normal year, Wild Waterworks operates from mid-June until Labour Day
- ▶ Requires over 100,000 patrons during that time to generate enough revenue to cover costs
- ▶ Facility requires six weeks of preparation to open to the public for staff training, inspecting and maintaining all the attractions, scheduling and passing all required inspections from Technical Standards & Safety Association and Public Health prior to opening
- ▶ Given current restrictions in place due to the COVID-19 pandemic, and assuming that restrictions will ease to permit the facility to open at some point, the operating season has already been reduced as it will not be ready for mid-June and new opening target would be July 1
- ▶ Each additional week delay beyond July 1 results in a further loss of \$250,000

Wild Waterworks Maximum Risk Scenario

- ▶ A reduced operating season beginning July 1, with a 250 person maximum gathering size with additional costs for cleaning is projected to result in a loss in the magnitude of over \$2 million
- ▶ Closure would reduce the loss to \$425,000
- ▶ Closure costs impact both organizations as HCA would lose revenues for its operating budget from the management fee as noted in the management agreement
- ▶ HCA receives a management fee equal to 15% of expenses and closure would result in a decrease in operating costs and an anticipated loss of approximately \$300,000 for HCA which will be covered through HCA operating reserves
- ▶ Closure of Wild Waterworks does not impact the remaining aspects of Confederation Beach Park, including the opening of Lakeland pool, and other areas would remain open and operating subject to provincial and public health guidelines

Pandemic Operating Risks

- ▶ Before the pandemic, weather was the single largest variable in meeting attendance target at Wild Waterworks to cover expenses
- ▶ Recent history has shown attendance variation of 88,000 to 145,000
- ▶ In 2020, the COVID-19 pandemic adds the additional following risks that will impact attendance and/or expenses:
 - ▶ Mandated maximum size of gatherings of people
 - ▶ Physical distancing requirements
 - ▶ Public support and confidence in returning to a waterpark
 - ▶ Discretionary income to spend on recreation may be limited
 - ▶ Costs of new sanitation requirements for tubes, washrooms, life jackets, and high touch surfaces to keep them clean and disinfected
 - ▶ Costs of personal protective equipment and plexi-glass barriers for staff
 - ▶ Staff absences related to potential COVID-19 symptoms
- ▶ Each 10,000 drop in visitor attendance due to weather and/or pandemic concerns results in a further loss of \$250,000

2020 Opportunity

- ▶ Closure of Wild Waterworks for the 2020 operating season provides an opportunity to address all required Hamilton Public Health Department upgrades
- ▶ The small children's area, Squirtworks and the Easy River both require a full resurfacing before opening in 2021 as per an order requirement from public health (Squirtworks is mandated for 2020)
- ▶ The river repair project would be done more economically if completed in the summer period and when then the weather would be more conducive for this work rather than broken up between this fall and next spring
- ▶ Additional maintenance and capital projects could also be undertaken such as painting, point of sale system upgrade, upgrading freezers and other general maintenance for an enhanced 2021 operating season