

2021 Operating Season of Wild Waterworks during COVID-19 Pandemic



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Confederation Beach Park

- 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, 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 and partnership 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 and promptly identify the reasons for and implement measures to mitigate the deficit
- Prior to the pandemic, the City, through the department of Public works, had been providing \$670,000 to cover the costs of maintaining the park property while the combination of commercial tenant lease income and operation of the waterpark was sufficient to break even and in fact in most of the recent years, generated a surplus
- Generally, if weather conditions co-operated and attendance at the waterpark met or exceeded 100,000 patrons, it would break even or a surplus would result

2020 Operating Season for Wild Waterworks

- With the declaration of the pandemic in 2020, extensive consultation took place with the City Project Management Review Team
- Assuming that Provincial regulations would even permit waterparks to open in some modified capacity in 2020, for safety reasons and financial deficit implications, a recommendation to leave Wild Waterworks closed for the 2020 season was presented to and was endorsed by City council
- Any operating option considered exceeded the deficit of leaving the facility closed
- Closure provided the opportunity to undertake required Hamilton Public Health painting and resurfacing requirements of Little Squirt works and the Lazy River
- Provincial regulations ultimately did not permit the reopening of water or amusement parks in 2020

2021 Operation of Wild Waterworks

- Given the ongoing COVID pandemic in 2021, a decision once again needs to be made in regard to the operation of the WWW facility as it is not foreseeable that waterparks will be permitted to open to a return of regular operations and full capacity
- Currently, Provincial regulations do not permit the opening of water parks and there is no indication of when their reopening may be considered
- It is anticipated that flat water pools will be permitted to reopen and the City of Hamilton is planning on opening its outdoor pools in 2021 similar to 2020 with limited capacity
- It is possible waterparks will be permitted to open for the summer with coinciding capacity and/or other restrictions
- It is possible to operate the WWW facility as a flat water pool as an operational consideration
- These two scenarios carry with them significant revenue/expense implications and not to be forgotten, prior to the pandemic, weather was the single largest variable in meeting attendance targets to cover expenses
- Also, public confidence to return to such a facility will also impact attendance

Usual Wild Waterworks Operations

- In a normal year, Wild Waterworks operates from mid-June until Labour Day; approximate 80 day operating season
- Requires over 100,000 patrons during that time to generate enough revenue, combined with tenants from Confederation Beach Park, to cover costs
- Weather is the single biggest impact with past attendance varying from 88,000 to a high of over 140,000 visitors
- In 2019, revenue of \$2.5M and attendance of 103,223
- There is pre-summer attendance between two to six thousand driven by school programs and public attendance on June weekends
- Facility requires minimum six to eight 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
- To open on any given day the facility must be staffed, regardless of the number of patrons that come; the costs are essentially fixed and do not vary with attendance

2021 Operating of Wild Waterworks

- Do not foresee schools returning to class trips for this academic year and no pre-summer activity
- In a normal year, the robust recruitment for the 125 staff is already well underway beginning in February so that training can begin in May; with closure of the facility in 2020, there will likely be less returning staff from 2019
- Consequently at this point, with no Provincial indication of when/if re-opening may be permitted, coupled with no pre-summer activity and taking into consideration recruitment, training and all inspection and approvals required, the new opening target would be July 1 for a 73 day operating season
- Reasonable to further reduce operating days to 66 days when a 10% factor incorporated for poor weather days (historical average)

Options to Consider

Option #1

Assume Provincial regulations permit waterparks to reopen and operate based on average 25% in-water capacity
Deficit of \$865,000

Option #2

Operate the facility as a flat water pool based on average 25% in-water capacity that the City of Hamilton uses for its pools
Deficit of \$1,458 M

Option #3

Leave Wild Waterworks closed for the 2021 Operating season
Deficit of \$294,000

Option #1 – Waterpark at Reduced Capacity

- An approved operating plan will be required through Hamilton Public Health that will require additional costs for screening, line spacing, sanitation etc. so there is no projected decrease in expenses and in fact, higher expenses
- Physical distancing in the wave pool where wave action pushes people together and on slide towers will be challenging
- Both the Lifesaving Society and World Waterpark Association recommend waterparks operate with reduced in water capacity based on challenges to maintain physical distancing and recognizing size and design challenges to keep surfaces disinfected
- 25% average in-water capacity equates to 1,000 patrons; assuming full daily attendance, this equates to 66,000 visitors
- Staff have reviewed operations to project 2021 deficit of \$865,000 for Confederation Beach Park

Option #2 – Operate as Flat Water Pool

- As a flat water pool, wave action and water slides are not available and are the usual attractions of the waterpark; flat water attraction consist of the pool, lazy river and little squirt works
- No dry land attractions exist within the facility; therefore no justification for full price admission
- Consequently, admission rates need to be reduced by 50%
- Affordability for a flat water attraction may also impact attendance as a family of 4 will cost \$54.99 compared to Lakeland at \$24.86 and family rate for City of Hamilton pools is \$10.61
- City of Hamilton operates outdoor pools at average 25% in-water capacity which is how Lakeland was also operated
- 25% average in-water capacity equates to 1,000 patrons; assuming full daily attendance this equates to 66,000 patrons
- An approved operating plan will be required through Hamilton Public Health that will require additional costs for screening, line spacing, sanitation etc. so only small projected decrease in expenses
- Staff have reviewed operations to project 2021 deficit of \$1.458 million for Confederation Beach Park

Key Points on Operating Options

- Revenue assumptions are based on meeting full daily attendance of 1,000 patrons and opening by July 1
 - In the past two operating years, over 25% of days had fewer than 1,000 patrons and in cool summer weather of 2017, there were 47 days out of the operating season with fewer than 1,000 patrons
 - City pools did not meet their operating capacities in 2020 even with their reduced numbers
 - Outdoor beaches are what the public flocked to in 2020
 - And now, given current stay at home decree until at least May 6, the target opening date of July 1 may need to be pushed out another week for the required 6 to 8 weeks of opening preparations
- A 4-hour reservation time slot was considered to increase daily attendance, however given logistical constraints with the front entrance layout to process a high volume of patrons in a timely manner and a lower admission fee that would be required for a time limited experience, it was not feasible
- Additionally, if Hamilton Public Health considers the 25% in-water capacity of Wild Waterworks of 1,000 visitors to be an organized gathering or event, lower maximum daily numbers may apply based on maximum gathering numbers for outdoor events
- Even with optimistic mass vaccination rollout, the age group coming to WWW (children and teenagers) will not likely be vaccinated until end of summer

Option #3 – Closure for 2021 season

- With minimal operational and maintenance requirements along with security and upkeep of physical grounds staff project a deficit of \$294,000 for Confederation Beach Park
- The closure of Wild Waterworks for the 2021 operating season does impact the operating results for HCA as it would result in a decrease in management fees and an anticipated loss of approximately \$300,000
- This potential impact was noted to our Board of Directors during the approval of the 2021 operating budget and also noted during January budget presentation to the City of Hamilton

Deficit Mitigation

- The only scenario under which Confederation Beach Park can approach break even is if the Province permits waterparks to reopen by July 1 with full attractions and capacity, along with full public confidence to return to the facility
- This also requires a sunny and warm operating season and must also absorb some additional expenses for enhanced cleaning/disinfection and other public health protocols
- Unless the City wishes HCA to operate the Wild Waterworks facility as a public service to be funded, the costs of suspending the Wild Waterworks facility for the season will be less than if it were opened in the two options that were reviewed

HCA + PMRT Recommendation

- Given the proceeding analysis, from a financial perspective, the HCA Staff recommendation was presented to the Park Management Review Team on March 4, 2021 for Wild Waterworks to remain closed for the 2021 operating season
- Under our shared duty in the management agreement to implement measures to mitigate operating deficits, the 4 voting city staff members and 3 voting HCA members endorsed that recommendation
- Outdoor waterparks have a short operating season and any further loss of operating days and/or reduced capacity limits, coupled with increased expenses related to COVID safety measures has a substantial impact
- We recognize there may be other issues that affect this decision and HCA staff are prepared to operate at the direction of the City of Hamilton

Opportunities during Closure

- Resurfacing and painting the faded tube slides visible from the QEW



- Additional maintenance enhancements and projects have been identified including:
 - Overseeing replacement of worn pool tiles down the length of the wave pool with rubber rock for visual impact similar to the shallow entry
 - Upgrading point of sale system for 2022 as the current system is over a decade old and is in need of modern hardware and a software system to integrate online transactions and efficient payment processing for visitors