

### **3. Genesis Place – Facility Use & Revenue Model**

#### *Background:*

During 2024 budget deliberations, Council questioned the theory of Genesis Place's facility access and admission model. Genesis Place was conceived and designed based on an expressed community need for a multi-use recreation facility. The foundational principle for facility user fee structure and passes at Genesis Place, was that an individual or family using the facility would pay one admission rate and have access to all the amenities.

At the outset of designing Genesis Place as a multi-use facility, Council and the community had identified that the facility (Phase I) would promote and encourage desirable community outcomes, such as increased participation in physical activity and wellness. To achieve this target, there was a conscious effort to structure user fees and pass admissions so that:

- a single admission fee provides access to all amenities – encouraging participation in a variety of activities and providing the customer optimal flexibility to use a variety of amenities; and
- passes would provide the best price value and encourage regular use.

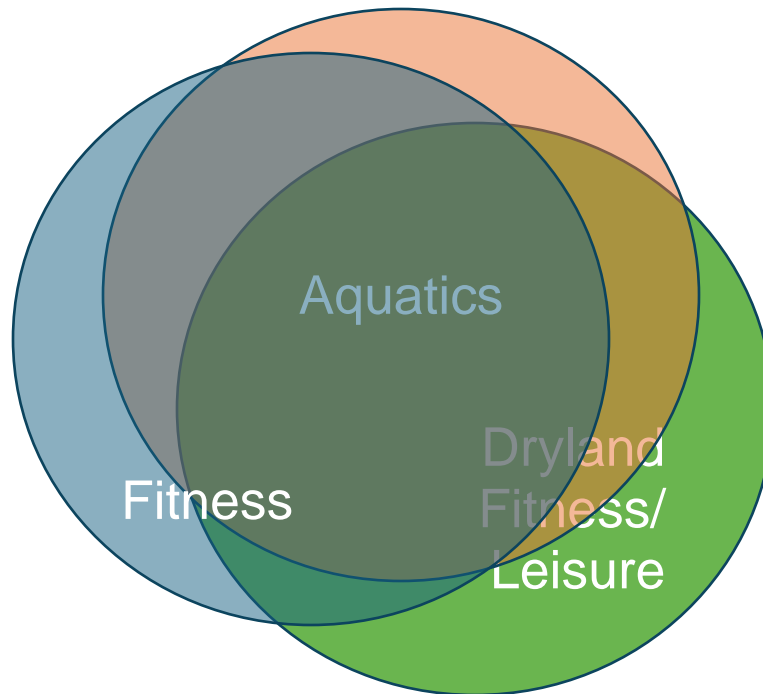
The operating model of Genesis Place was based on proven experience of other communities and facility operators that demonstrated that multi-use facilities cost less to operate than stand-alone and single-use recreation facilities. Providing more services and programs within one facility leads to increases in revenue generating opportunities and allows administration to streamline operating expenditures. Multi-use facilities also increase the exposure and inclusion of users to various healthy living activities, reducing the barriers of participation whereby users may have not been aware or been able to access more than one facility.

#### *Research on multi-use facilities and their user fee structures*

Administration reviewed all regional facilities including YMCA Calgary, Vivo, Repsol Centre, City of Calgary and Spray Lakes Sawmill Family Sports Centre, as well as most other municipally multi-use facilities across Alberta. Of all comparable facilities researched, none offer an amenity specific pass. In years past, Tri Leisure Centre in Spruce Grove and Spray Lakes Sawmill Family Sports Centre in Cochrane both offered split passes but have since discontinued. Some municipalities do offer tiered memberships for separate facilities, but not within one facility (e.g., City of Calgary offers tiers of memberships based on your interest in pass holding at a single amenity facility or a multi-use leisure centre). Airdrie recreation user fees continue to be positioned at the weighted market median of multi-use facilities in the Calgary region.

### *Utilization*

Presently, Genesis Place offers a one fee rate for multi-use participation. The one rate includes access to the fitness centre, pool facilities, drop-in fitness and aquatic classes, drop-in sports in the gymnasium and field houses and kids play centre. A facility needs assessment was conducted and it was found that 77% of pass holders utilize the aquatics amenities, 87% access the fitness centre and 34% attend a dryland fitness or leisure opportunity. Thus, there is a relatively small



*Figure 1: Overlap of pass holder use by amenity*

percentage of pass holders who do not cross access at least one other amenity or service within the facility (Figure 1).

The multi-use operating model also forms the utilization strategy of being a place for the entire family and person. Instead of competing with single use fitness and leisure businesses in the community, Genesis Place offers and encourages residents the opportunity to diversify their interests and usage. Aquatic opportunities are visible and accessible to fitness focused users. Gymnasium sports are visible and accessible to those with an aquatic motivation. The multi-use model allows for experimentation and testing of opportunities beyond the primary focuses of facility users.

It is also planned that the current 'Airdrie Recreation' pass would give unlimited access to Genesis Place, the Francosud Gymnasium (2027), and the SW recreation facility (2028).

### *Revenue generation*

The current fee rate takes into consideration that Genesis Place is a multi-use facility and revenue from one area is intended to help offset the operating costs in another. The City of Airdrie taxbase already subsidizes recreation user fees by ~20% as total revenue does not offset entire

expenditures. Thus, all visits and uses of facilities are already discounted from what the true cost should be to offset operations required of that use. As outlined in the table below, if fitness or aquatic specific pass types were introduced the total revenue based on current pass holder numbers would be reduced further. With the total pass holder count now ~10,000, it is not expected there is capacity for growth with most spaces, classes, and activities all at capacity during prime time (being a top reason for non-renewals). The only way to mitigate this would be to either increase fees overall (which would void any benefit a multi-tiered pass/admission was attempting to introduce) or to further increase the amount needed to be supported through Airdrie's tax base.

	<b>Current – All Access</b>	<b><u>Scenario 1</u></b> <ul style="list-style-type: none"> <li>• 25% Fitness Only and 10% Aquatic Only (25% discount from current rate)</li> <li>• 65% Combined (current rate)</li> </ul>	<b><u>Scenario 2</u></b> <ul style="list-style-type: none"> <li>• 30% Fitness Only and 20% Aquatic Only (25% discount from current rate)</li> <li>• 50% Combined (current rate)</li> </ul>
Fitness Only	N/A	\$670,875	\$805,050
Aquatic Only	N/A	\$268,350	\$536,700
Combined	\$3,578,000	\$2,325,700	\$1,789,000
<b>TOTAL REVENUE</b>	<b>\$3,578,000</b> <i>2025 budget</i>	<b>\$3,264,925</b> <i>~9% drop</i>	<b>\$3,130,750</b> <i>~13% drop</i>

A fitness only pass would also compete with many other private operators within the Airdrie landscape. It may be demanded from users to review the fee further against like comparables if positioning a single use amenity fee type is desired.

It is worth noting that the City of Airdrie does provide further subsidy to those who qualify through the Airdrie Fair Access program. In 2025, it is expected the annual amount provided could reach nearly \$500,000 which could approach nearly 10% of total revenue, doubling from 2023.

#### *Implications to operations*

Currently, all drop-in and spontaneous opportunities are included in the all access pass/admission. As some amenities are not behind a control desk, patrons are given a colored daily wristband for activities in the dance studio, kids play place, gymnasium and field houses. All these areas would fall outside the scope of a fitness or aquatic specific pass/admission. Administration would then have to determine if additional pass/admission streams should be created to address the dryland and leisure drop-in opportunities, or if they would be better suited as an add-on and look at whether the current recreation software could be configured to that demand. Additionally, it would take a great deal of customer education and training to identify the areas of the facility which they have access to and which they do not.

An administrative challenge identified would be training both staff and patrons on the pass that best suits their needs and lifestyle. The Marketing and Sales Manager at Spray Lakes Sawmill Family Sports Centre in Cochrane, noted at their facility it was extremely hard for their staff to understand the over 30 different pass combinations and to explain the pros and cons of each of the options. This process was time consuming from a staffing perspective and overwhelming from a customer decision making perspective. They also found their clients were constantly upgrading and downgrading their pass which demanded a great deal of administration time. It is also found that members within one family had a variety of usage preferences and further dissection of the pass structure was requested for the adult who only wanted fitness access while dependents wanted access to other amenities. For these reasons their split pass option was discontinued a few years ago.

#### *Value for a leisure experience*

Affordability is continually at the centre of conversations within our community. Inflation and economic uncertainty continue over these past number of years and many families are having to make tough decisions on where to spend their discretionary dollars. It is worth displaying how the cost of a recreation centre visit compares against many other leisure opportunities. Although not spoken to or benchmarked during the user fee research, it is important to consider when examining the value of a family centred leisure experience.

<b>Leisure Experience (family of 4)</b>	<b>Cost (single visit)</b>
Library Visit	Free
Genesis Place Swim + Play Place + Badminton + Soccer + Fitness +.....	\$32 (positioned at market median rate of multi-use facilities in Calgary region)
Movie Theatre Viewing	\$56.50
Calgary Zoo	\$118.80
Science Centre	\$114
Inflatable Fun Park	\$40
Trampoline Park	\$76
Climbing Centre	\$81
Petting Zoo	\$70
Winsport	\$224

While \$32 is a significant amount for many families, a family visit to Genesis Place is among the most economical of recreation opportunities. And as mentioned previously in this report, those with demonstrated need can apply for a further subsidy through the AFA program.

## **7. Not-for-Profit Support – City of Airdrie Facilities**

### *Issue:*

At the Airdrie City Council strategy session, information was requested of Administration to define how the municipality supports not-for-profit organizations.

### *Background:*

Registered with the Province of Alberta, there are currently 493 not-for-profit organizations who function within the City of Airdrie. These organizations range from sporting organizations to faith groups to service clubs and charities. Many access City of Airdrie facilities and services while many do not. Specifically to City of Airdrie facilities, provided below are some high-level numbers in regards to not-for-profit % of total utilization:

<b>FACILITY</b>	<b>NFP REPRESENTATION WITHIN TOTAL BOOKINGS (%)</b>
Arenas	98%
Fieldhouses / Gymnasium	99%
Meeting Rooms	98%
Town & Country Centre	25%
Bert Church Theatre	41%

It is important to note that all groups who utilize the above facilities are already subsidized by the general taxbase as the user fees collected do not fully cover the operational costs. At Genesis Place every visit is subsidized by ~20%, while that number amounts to ~50% at the Town & Country Centre and ~45% at the Bert Church Theatre.

Additionally, the user fees researched for each amenity are benchmarked against other facilities that are also serving predominantly not-for-profit organizations. The utilization profiles at facilities in Calgary are extremely similar, whether that be at a YMCA, City of Calgary leisure centre, or community hall. Thus, the user fee research considers what other not-for-profit organizations within the region are paying for comparable space to what is available in Airdrie. Hockey clubs, soccer teams, and performing art groups should find the Airdrie user fee prices to be at a market median price.

Beyond the already subsidized, market median user fees that all groups within Airdrie pay for space within a civically owned facility, the City of Airdrie also provides fee waivers for groups who qualify under Council's policy. Event fees are waived for groups who host events enhancing community spirit, pride and provides a direct benefit to the community as a whole. Provided below is a summary of the waivers provided in 2024.

<b>FACILITY</b>	<b>NFP GROUPS REPRESENTED</b>	<b>TOTAL VALUE</b>
Genesis Place	Airdrie Chamber of Commerce, Airdrie & District Hospice Society, Prospect Human Services, Airdrie Legion.	~\$33,000
Town & Country Centre	Airdrie Rotary Club, Airdrie Food Bank, Airdrie 1 <sup>st</sup> Club, Sober Friends Society, Airdrie Abilities Centre, Airdrie Special Olympics, Boots on the Ground, Airdrie Pro Rodeo, Calgary & District Pregnancy Care Centre, Bengali Association, Indian Society of Airdrie, Airdrie Health Foundation, Tails to Tell Animal Rescue, Girl Guides of Airdrie, Meals on Wheels, Prospect Human Services.	~\$34,309

Bert Church Theatre	Airdrie Chamber of Commerce, Volunteer Airdrie, Airdrie Arts & Culture Council, Child Advocacy Centre, Windwood Music Festival.	~\$11,100
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