



STAFF REPORT ACTION REQUIRED

Etobicoke Olympium Anchor Sport Clubs: Hardship and Loss from Toronto 2015 Upgrade Closure – Follow-up Report

Date:	June 8, 2015
To:	Community Development and Recreation Committee
From:	General Manager, Parks, Forestry and Recreation
Wards:	Ward 3 – Etobicoke Centre
Reference Number:	P:\2015\Cluster A\PFR\CD05-062415-AFS#21321

SUMMARY

This report responds to requests from three additional Etobicoke Olympium (EO) anchor sport clubs for relief related to financial hardship incurred as a result of the 16-month closure of the Etobicoke Olympium for Toronto 2015 Pan Am/Parapan Am Games facility upgrades. To prepare for the use of the Etobicoke Olympium as a practice facility for the 2015 Pan Am/Parapan Am Games, numerous renovations and upgrades were undertaken. The Etobicoke Olympium closed in July 2013 and re-opened in fall 2014. The loss of the Etobicoke Olympium as a training facility had a financial operating impact on the EO anchor clubs leading into an important training season for the 2015 Pan Am/Para Pan Am Games themselves.

An initial report responding to requests from the Etobicoke Swim Club, the Etobicoke Diving Club and the Olympium Synchronized Swimming Club was adopted by City Council in May 2014. Anchor clubs are development clubs that have some exclusive use of the space, may have leased space (office/storage) and who host a range of programming and competitions. Permit holders are considered individuals or groups that access space through an allocation and/or itinerant schedule.

The Mavericks Water Polo Club (the Mavericks), the Olympium Rhythmic Gymnastics Club (ORGC), and the Etobicoke Gymnastics Club (EGC) have come forward making a request for similar consideration as has been extended to the other anchor clubs at the EO. Each has had membership attrition, limited fundraising opportunities, and incurred additional expenses related to training and events as a result of the closure. Financial

statements from the clubs confirm that each experienced an operating deficit in the fiscal year related to the closure.

This report was informed by consultations with representatives from each of the anchor clubs, as well as a review of financial and membership data submitted by each organization.

RECOMMENDATIONS

The General Manager of Parks, Forestry and Recreation recommends that:

1. City Council authorize the General Manager of Parks, Forestry and Recreation to provide \$0.024 million in permit credits at the Etobicoke Olympium as follows:
 - a. Mavericks Water Polo Club - \$20,600
 - b. Olympium Rhythmic Gymnastics Club - \$2,500
 - c. Etobicoke Gymnastics Club - \$900.

Financial Impact

The net financial impact of \$0.024 million will be absorbed in 2015. This amount represents 1% of the Etobicoke Olympium's revenue budget for 2015.

The proposed amount is in addition to the \$0.181 million approved by City Council in May 2014 for use by the Etobicoke Swim Club, the Etobicoke Diving Club and the Olympium Synchronized Swim Club for a total of \$0.205 million in permit credits overall.

Permit credits will be applied to each of the clubs' accounts at the Etobicoke Olympium in 2015 and will remain available to the clubs until they are fully utilized. It is anticipated the credits will be utilized by the end of 2016.

The Deputy City Manager & Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

At its meeting of February 23 and 24, 2011, through item EX3.3, "2011 Capital Budget and 2012-2020 Capital Plan and Forecast," City Council approved the 2012-2020 Recommended Capital Plan for Parks, Forestry and Recreation including \$8.19 million dollars in funds allocated for the 2012-2014 Etobicoke Olympium retrofit in preparation for the 2015 Pan Am/Parapan Am Games.

Decision Document:

<http://app.toronto.ca/tmmis/viewPublishedReport.do?function=getCouncilDecisionDocumentReport&meetingId=4428>

At its meeting of May 6, 2014, City Council adopted item CD28.8, "Etobicoke Olympium Anchor Sport Clubs: Hardship and Loss from Toronto 2015 Upgrade Closure," which authorized permit credits for three aquatic anchor clubs: the Etobicoke Swimming Club, Etobicoke Diving Club and the Olympium Synchronized Swimming Club.

Decision Document:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.CD28.8>

ISSUE BACKGROUND

The Etobicoke Olympium is a high-performance training and competition facility which opened in 1976, in time for the Canadian Olympic trials of that year. Since that time, it has remained an integral training facility for athletes in Toronto and the Greater Toronto Area, where high-performance athletes and Olympians in various sports are developed. Community members, young learners and high-performance athletes have benefited from the facilities available at the EO.

The Mavericks, the ORGC and the EGC are long-standing anchor clubs at the Etobicoke Olympium. They are volunteer-driven, self-sustaining and non-profit clubs. The clubs form an important part of athlete development in Toronto, offering programs that Parks, Forestry and Recreation (PFR) does not. Specifically, the anchor clubs offer introductory, developmental and competitive instruction and high-performance training in their respective sports, including programs for children and youth. The clubs also host major competitions and events out of the EO.

The use of the EO as a training facility for the 2015 Pan Am/Para Pan Am Games was announced in 2009 and resulted in the closure of the facility from July 2013 through the fall of 2014 to undergo major renovations. The City assisted clubs in finding alternate training facilities wherever possible, through PFR and other facilities, before the closure in 2013.

In 2012, representatives from three of the four aquatic anchor clubs submitted separate, unsolicited written requests to the City for financial relief related to the closure of the EO, given the impacts a closure would have on their capacity to operate out of their "home" facility.

COMMENTS

In 2014, the Mavericks and the Olympium Rhythmic Gymnastics Club submitted separate requests for financial assistance related to the closure. As part of their review, staff also engaged the Etobicoke Gymnastics Club to investigate the financial impacts related to the EO closure.

City staff applied review criteria to assess financial hardship which included:

- a review of financial statements
- a review of year over year membership attrition
- a review of fundraising losses and related expenses incurred.

The criteria used for the three remaining anchor clubs were the same that was applied to inform the permit credits approved by City Council in 2014. Staff can confirm that the three remaining clubs sustained an operating deficit because they experienced membership attrition, revenues declined, they did not have the ability to fundraise, and incurred additional expenses related to their operation.

Based on the evaluation of each club's financial statements and in accordance with the criteria noted above, staff have proposed appropriate relief to each club in the form of permit credits. The proposed credits have been reviewed with the clubs.

Anchor clubs are required to pay permit fees for the use of space at the Etobicoke Olympium. All three clubs offer instructional and developmental programming to the community and host a range of competitions and fundraising events. These are programs that optimize the facility and are not programs the city would offer directly.

Mavericks Water Polo Club

The Mavericks Water Polo Club lost 28% of its members in the closure year. Because water polo is a team sport, the loss of young developmental athletes can lead to a long-term impact on the club.

The Mavericks were also impacted financially by not being able to host fundraising events and meets during the closure. Water Polo Canada regulations require a host facility for club events. Because the Mavericks' "home" facility was not available, their hosting events had to be moved to Kingston, Ontario resulting in additional costs to participate in National Premier Development League events. This requirement also led to higher league, travel and accommodation costs for the club.

Based on a review of the Mavericks Water Polo Club's financial statements it is recommended that the City provide a total of \$20,600 in permit credits to the club's account at the EO to mitigate the club's operating deficit.

Olympium Rhythmic Gymnastics Club

The Olympium Rhythmic Gymnastics Club lost 10% of its members in the closure year. Additionally, the club was unable to host their large fundraising events in an alternate location. Specifically, the ORGC was unable to secure an adequate location for fundraising events as facilities with sufficient ceiling height to accommodate various apparatus were not available.

With the large EO space unavailable, the ORGC had to rent multiple facilities to accommodate training for their full team. This permit duplication required additional coaches as many permits were on the same days and times.

Based on a review of the Olympium Rhythmic Gymnastics Club's financial statements it is recommended that the City provide a total of \$2,500 in permit credits to the club's account at the EO.

Etobicoke Gymnastics Club

The Etobicoke Gymnastic Club lost 19% of its members in the closure year. Additionally, the club had to relocate their training programs to their alternate training facility. Specifically, moving the trampoline program that usually trained exclusively out of the EO to the club's alternate training facility required some retrofitting and investments to accommodate the program. The EGC was also unable to host their regular fundraising event at the EO during the time of closure.

Based on a review of the Etobicoke Gymnastics Club's financial statements, it is recommended that the City provide a total of \$900 in permit credits to the club's account at the Etobicoke Olympium.

Continuing Support

In addition to the permit credits listed, staff will work with anchor clubs to identify opportunities to promote club programs and the Etobicoke Olympium through community events, fundraising opportunities and advertising opportunities in the FUN Guide.

CONCLUSION

The 16-month closure of the Etobicoke Olympium had a significant impact on the anchor clubs operating out of that location. This report responds to separate written requests from three anchor clubs operating out of the Etobicoke Olympium (EO), requesting relief for financial hardship incurred as a result of the closure for Toronto 2015 Pan Am/Parapan Am Games facility upgrades. The clubs have demonstrated membership attrition, the loss of fundraising opportunities, and incurred additional expenses related to training and events as a result of the closure.

It is recommended that the anchor clubs receive \$0.024 in permit credits. The Mavericks would receive a \$20,600 credit, the ORGC would receive a \$2,500 credit and the EGC

would receive a \$900 credit toward future permits with the City of Toronto. The funds for the allocation of permit credits will be offset within the Parks, Forestry and Recreation operating budget. Additionally, staff will work with the clubs to identify opportunities to promote both the clubs and the Etobicoke Olympium.

CONTACT

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SIGNATURE

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