
CITY OF KELOWNA

MEMORANDUM

Date: May 1, 2008
File No.: 2240-20
To: City Manager
From: Director of Recreation, Parks and Cultural Services
Subject: YMCA-YWCA Proposal to Expand the Kelowna Family 'Y'

RECOMMENDATION:

That City Council approve in principle an expansion of the Kelowna Family 'Y' to include a gymnasium, multi-purpose rooms, a walking/running track, and a youth activity space;

AND THAT City Council endorse the efforts of the YMCA-YWCA of the Central Okanagan to raise the required capital funds by seeking grants from other funding bodies and by seeking donations from the business community and local citizens;

AND THAT City Council consider including a capital contribution toward the project in the City's Ten Year Capital Plan and 2009 Financial Plan;

AND FURTHER THAT staff be instructed to work with the representatives of the 'Y' to determine the appropriate timing, level, and mechanism for City funding.

BACKGROUND:

The YMCA-YWCA of the Central Okanagan operates the Kelowna Family 'Y' under a long term management and operating agreement with the City that began in 2001 and ends in 2031. The City of Kelowna owns the land and the building.

In 2001, the facility was renovated and expanded by the addition of fitness and program spaces. The 'Y' contributed \$1.8 million and the City \$1 million to cover the \$2.8 million expansion cost. A gymnasium was included in the original expansion plan but was not integrated into the final design due to budget limitations.

The Agreement allows for additional future expansion and any such additions made to the building in the future will also be owned by the City and can be managed by the 'Y' under the existing agreements, subject to updating that may be required to reflect the addition.

94

Since the recent expansion and renovation of the facility in 2001, the 'Y' has completely met its financial commitments to the City, and the levels of participation and revenue have exceeded the original targets.

The community served by this facility continues to experience significant growth. The results of a Market Study commissioned by the 'Y' in 2006 indicates that community demand for additional spaces for programs and recreational activity is well established and exceeds existing capacity. The 'Y' has experienced a significant increase in families using the facility and does not have sufficient program spaces to accommodate the need and demand for active programs for children and youth.

The proposed addition will allow considerable expansion of the services offered by the 'Y', allow for more family-oriented and activity-based programming, and increase the overall community benefits derived through our partnership. The proposed additional spaces will not require any increase in the City's annual operating grants to the 'Y'. Please review further details on the project in the attachment provided by the 'Y'.

The 'Y' has embarked on a Capital Campaign Feasibility Study to assess its potential success to raise funds through corporate donations, private donations, foundations, other funding agencies and other levels of government. The results of this study will be known by the end of June, this year. With regard to funding from other levels of government, the 'Y' has requested that this project be a priority in the City's 2009 capital funding application under the 'Building Canada' infrastructure program.

Concurrently with the 'Y's' fund raising feasibility study, it is recommended that City staff work with representatives of the 'Y' to determine an appropriate level of civic funding, and the timing and method of providing the funding. In staff's preliminary review of this project, we have noted that civic funding could be structured in a number and combination of different ways. These could include direct capital contributions spread over one or more years, interest free loans to the 'Y', re-structuring of the 'Y's' current obligations to the City, and/or changes to the City's stream of payments to the 'Y'. The amount of debt that can be reasonably carried by the 'Y' for this expansion project also needs to be carefully considered.

This facility expansion is not within the City's Ten Year Capital Plan. If City Council wishes to make a capital contribution, it will require delaying other projects currently within the capital plan or raising additional funding through taxation. The 'Y's' preliminary estimates are for a \$4.8 million project requiring a \$2 million capital contribution from the City. This amount could fluctuate depending on the fund raising and debt servicing capacity of the 'Y'. For reference purposes only, the tax implication of a \$2 million capital contribution to this project by the City would be approximately 0.2%.

INTERNAL CIRCULATION TO: Director of Financial Services, Sport and Recreation Manager, Civic Properties Manager

LEGAL/STATUTORY AUTHORITY: Should the City decide to provide debt financing to the project, a public approval process will be required.

FINANCIAL/BUDGETARY CONSIDERATIONS: The current Ten Year Capital Plan does not include this project. Providing funding will limit the City's ability to fund other unfunded projects. Using funds already allocated in the Ten Year Capital Plan will defer needed planned projects. This project is worth considering because a significant portion of the capital will come from other sources and additional operating costs are the responsibility of the 'Y' and fully recoverable through revenues.

Considerations that were not applicable to this report:

LEGAL/STATUTORY PROCEDURAL REQUIREMENTS

EXISTING POLICY

PERSONNEL IMPLICATIONS

TECHNICAL REQUIREMENTS

EXTERNAL AGENCY/PUBLIC COMMENTS

COMMUNICATIONS CONSIDERATIONS

ALTERNATIVE RECOMMENDATION

Submitted by:



David Graham
Director of Recreation, Parks and Cultural Services

Attachment

Cc: Director of Financial Services
Civic Properties Manager
Sport and Recreation Manager



Building on Our Momentum

KELOWNA FAMILY Y EXPANSION

The YMCA-YWCA of the Central Okanagan is very excited to submit our proposal to expand the Kelowna Family Y, embarking on the next phase in our partnership with the City of Kelowna to meet the needs and expectations of our growing community. For over 25 years the Y has been a trusted partner organization in the delivery of quality programs, excellent customer service, community development and health promotion, as well as organizational and financial performance.

Our Vision for the Kelowna Family Y, as outlined within this proposal, details the next level of facility expansion and improvement needed in order to continue to serve our community. This, coupled with high quality programs and services, will ensure the most successful outcomes for the City of Kelowna, the YMCA-YWCA of the Central Okanagan, and most importantly, the local community.

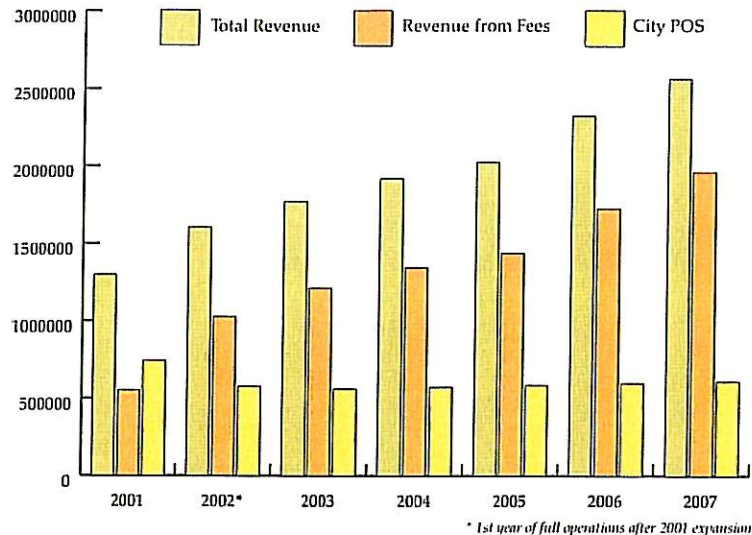
Achievement of this vision will require investments from the YMCA-YWCA, the City of Kelowna, the corporate community and the general public. A total capital investment of \$2,000,000 is requested from the City of Kelowna on this \$4.8 million project. With growing need, and ever escalating construction costs, the time to expand this facility is now.



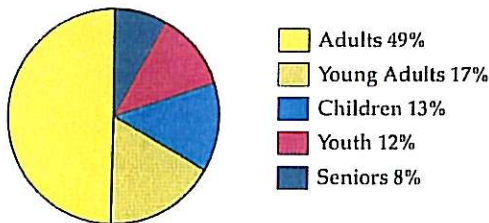
Gathering Momentum

We're moving in a positive direction focused on strengthening our community.

Since the expansion of the Kelowna Family Y facility in 2001, both participation and revenues have doubled.



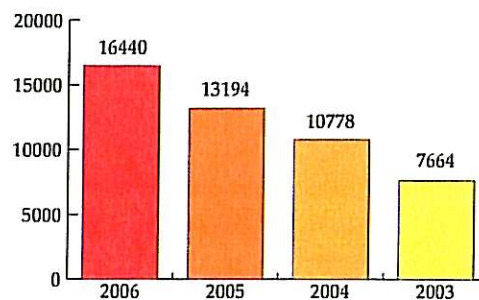
Ages served by the YMCA-YWCA



With the addition of spaces for dry programming such as fitness, indoor playtime, youth leadership and targeted health programs in 2001, the Kelowna Family Y experienced a significant shift in the demographics of its participants. More families and adults of all ages began using this facility to improve their health and wellness.

People served by the YMCA-YWCA

Each year, the YMCA-YWCA develops more programs and services offered both within the Kelowna Family Y and in other facilities throughout the Central Okanagan resulting in significant annual growth in the people served.



Community Health is the Reason Y

*Responding with vital programs
and services for everyone.*

According to the latest Statistics Canada Census, the Kelowna Family Y's service area now includes 34,000 households, comprised mostly of middle and low income families. As the Kelowna area with the highest projected growth rate over the next 10 years, the well-being of these residents have a great impact on the Central Okanagan.

20% by 2010

With only 58% of Central Okanagan residents reporting regular physical activity levels, it's important to make being active as convenient as possible. Providing opportunities for family members to be active together – engaged in the same or different activities at the same time in the same place – is one way to accomplish this. Canadian Y facilities that include a gym and several multi-purpose spaces report serving a much higher percentage of families than are currently served at the Kelowna Family Y.

Positive Influences for Youth

As Kelowna grows as a city, more opportunities to engage and support youth must be created in order to deter their participation in at-risk activities. Kelowna Family Y user demographics show a significant gap in the Y's ability to serve youth, especially males between the ages of 12-29.

More Active Seniors

By 2015, the population of seniors will outnumber that of people under the age of 15 years. Seniors are diverse and want a variety of active programs, rehabilitative programs and an overall connection to community. Spaces that encourage safe moderate activity and promote social interaction are in demand.

Healthier, More Active Children

More and more, lifestyles reflect poor nutrition and inactivity leading to obesity in children and youth who are being diagnosed with adult diseases such as Type II diabetes, high blood pressure and hypertension. Children need access to safe indoor places to play – spaces that offer indoor sports and unstructured play for various age ranges and abilities with an emphasis on fun and participation rather than competition.

New Ways to Address Chronic Disease Management

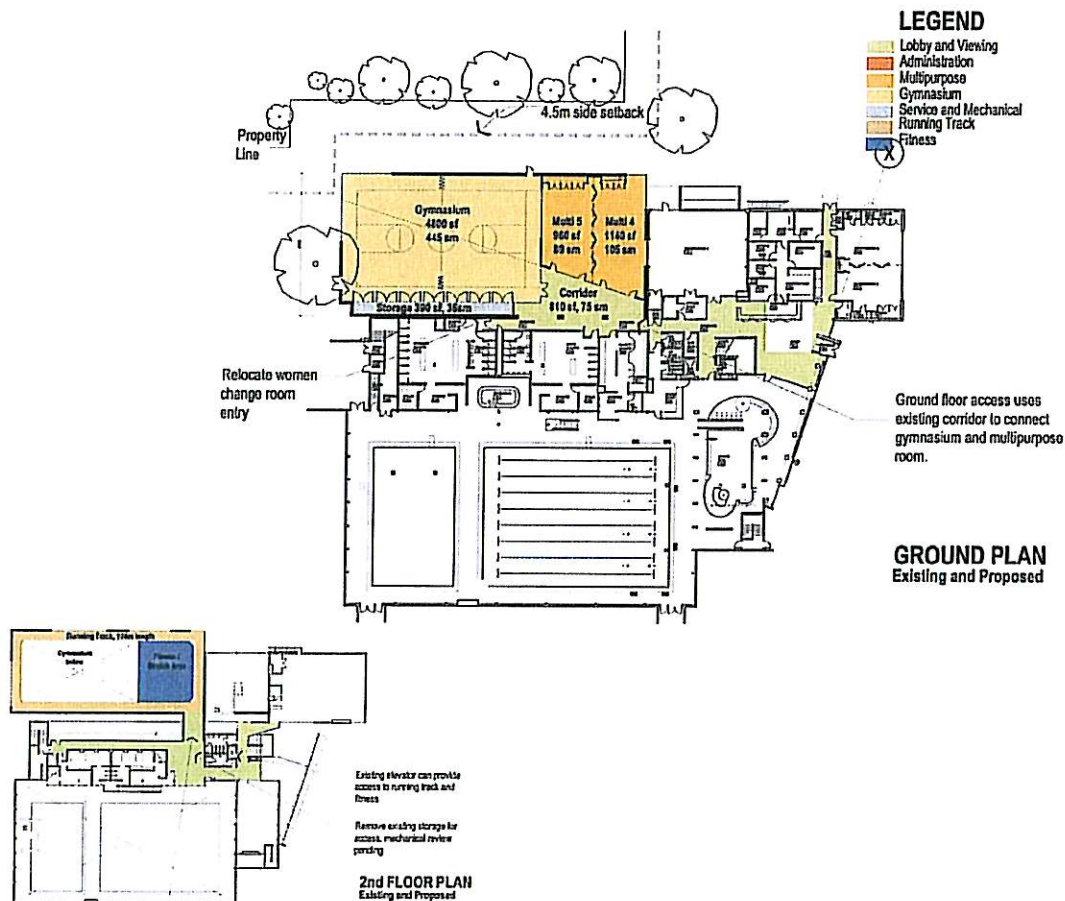
Helping individuals make significant changes to their lifestyles after being diagnosed with chronic diseases such as diabetes, osteoporosis and heart disease is integral to rehabilitation but cannot be achieved within the medical system alone. Programs that combine activity, education and socialization have shown excellent results in helping people achieve success.

Achieving the Vision

*Positive growth means exciting opportunities
are just around the corner.*

Building on the success of the past several years, the Kelowna Family Y must retain and continue to meet the expectations of its existing users as well as attract new members and program participants.

The YMCA-YWCA of the Central Okanagan is finalizing plans, preparations and approvals to build a 12,960 square-foot addition that features a gymnasium dividable into two spaces for structured and unstructured play and sports (5110 sq.ft.), two multipurpose rooms for child and youth activities and targeted health programs (2148 sq.ft.), a walking/running track providing safe moderate activity and social interaction for seniors, new moms and previously inactive individuals (2415 sq.ft.), an open-concept youth activity centre with the latest in interactive equipment that promotes activity and socialization (1136 sq.ft.) and 2nd floor expanded fitness and conditioning room space (1635 sq.ft.).



Investing for Community Benefit

*Responding with vital programs
and services for everyone*

An expanded Kelowna Family Y will have the capacity to serve an additional 4000 regular users or a possible 400,000 more visits per year, ensuring that this facility will meet the needs of the Rutland and area community well into the future.

The results of a professional Market Study conducted in the fall of 2006 clearly showed the need and support for non-aquatic, multi-age, sports oriented and simultaneous programming as well as the demand for opportunities for spontaneous activities for all ages throughout the day.

Expected Outcomes

- 10% increase in user retention
- 20% increase in new participants
- 20% increase in youth involvement
- 10% increase in senior involvement
- 25% increase in program revenue
- 5 new health promotion/chronic disease management programs
- 5 new seniors' active living programs
- 1 new licensed afterschool care program
- Prime-time simultaneous family programming
- Organized and drop-in sports

The expanded Kelowna Family Y will offer a wide range of new programs including:

Sports Programming

- Both organized and drop-in sports for all ages
- Rental opportunities for organized leagues
- Multi-sport and learn-to-play programs for children

Youth Programming

- 'Youth in Action' leadership programs for ages 11 to 16 years
- Opportunities for the Y and other groups to offer programs such as martial arts, art classes, dance and creative movement
- A drop-in youth activity space with interactive equipment that encourages physical activity and socialization

Family Programming

- Indoor playground for parents and tots
- Family dances, community socials and family fitness classes
- Parenting programs for expectant, single, and young parents and parents of pre-teens that support, educate and encourage the development of healthy families
- New safe, flexible, and economical childcare options that integrate activity into daily programming
- Stroller-walking and strollercize for caregivers and babies

Children's Programming

- Unstructured play for various age ranges and abilities with an emphasis on fun and participation rather than competition
- Learn to play sports programs for pre-schoolers
- Early learning programs focused on the development of social skills and physical health and well-being to ensure that the most vulnerable children are reached

Seniors Programming

- An inter-generational approach to seniors programming where every age is welcome but with a focus on health promotion and injury prevention
- Land-based Building Better Bones and Gentle Joints programs
- Safe indoor walking programs year round for seniors who are mindful of safety and potential falls

Targeted Health Programming

- Nutrition, smoking cessation and other health education sessions
- A new exercise retention program, YMCA Coach Approach, designed to attract and encourage those who are inactive
- Expanded targeted health programs with a focus on diabetes, osteoporosis, and heart disease

Growing Stronger

To benefit future generations.

Kelowna Family Y Expansion

Total Capital Cost

\$4,800,000

It is anticipated that the following capital funding sources will be used to complete the \$4.8 million expansion project.

Capital Campaign	\$1,000,000
YMCA-YWCA Capital Reserves	\$ 500,000
City of Kelowna	\$2,000,000
Borrowing	\$1,300,000

The Capital Campaign

The YMCA-YWCA of the Central Okanagan is planning a Capital Campaign to raise funds in support of this project. As a charitable organization, the Y's future depends on philanthropy, membership fees and the efforts of volunteers to fulfill our mission. However, we believe we must proceed carefully and with as much information as possible in order to improve our capacity to achieve this goal. A critical next step to assess the project and our ability to raise funds is a Feasibility Study, which is planned for May 2008.

Common Values = Community Benefit

The YMCA-YWCA of the Central Okanagan and the City of Kelowna share common values in serving the community in which we work. The Y is excited and looks forward to collaborating with the City in an effort to offer high quality affordable programs and services to more people, providing access for all the community, from this facility.

Thank you for the opportunity to discuss and present our expansion proposal.