CITY OF **VANCOUVER**

MEMORANDUM

June 17, 2004

TO: Mayor and Council

COPY: Park Board Commissioners
City Manager
City Clerk
Hastings Park/PNE Steering Committee

FROM: Project Manager, Hastings Park/PNE

SUBJECT: Hastings Park/PNE - Four Approaches to the Future
(RTS#4351 Memo 2 of 2)

As requested, this memo provides information on:

- Site area within the racetrack lease area; and
- "Midway" operations: temporary vs. permanent infrastructure
- Playland rides: Approach 3 vs. Approach 4.

Site area:
The following chart summarises the total site area proposed for park area (excluding parking and buildings) in each of the four approaches and compares it to the 1997 Hastings Park Restoration Plan. The Restoration Plan included 95 acres of park land, 45 acres of racetrack, 6 acres of buildings including the Coliseum, Agrodome, Garden Auditorium, Forum and Rollerland, and approximately 16 acres of surface parking.

	1	2	3	4
Total park area (acres)	95	94	77	75
Restoration Plan park area (acres)	95	95	95	95
Variance (acres)	0	-1	-18	-20
Variance (%)	0%	-1%	-19%	-21%

Total park area in Approach 1 is the same as the Restoration Plan. Approach 4 has 20 fewer acres of park area, or 21% less than the Restoration Plan.

The following chart shows the total amount of park and green space if the Racetrack oval were accessible for public use.

	1	2	3	4
Total park area (acres)	95	94	77	75
Plus Oval as green space	18	18	18	18
Total (acres)	113	112	94	93
Restoration Plan park area (acres)	95	95	95	95
Variance (acres)	+18	+17	-1	-2
Variance (%)	+19%	+18%	-1%	-3%

Total park area in Approach 1 would increase by 18 acres, or 19% more than the Restoration Plan. Approach 4 would have 2 fewer acres, or 3% less than the Restoration Plan.

453 W. 12th Ave Vancouver, BC V5Y 1V4 ☎ 604.873.7011 fax: 604.873.7100 www.city.vancouver.bc.ca

The following chart shows the total park and green space if the racetrack barns were moved into the Oval and/or northwest corner of the site and, the area currently occupied by the barns was converted to park area. It should be noted that while this is currently being explored by the racetrack operators' landscape architects, it has not yet been proven viable.

	1	2	3	4
Total park area (acres)	95	94	77	75
Move barns to oval; Convert to green space (acres)	16	16	16	16
Total (acres)	111	110	92	90
Restoration Plan park area (acres)	95	95	95	95
Variance (acres)	+16	+15	-3	-5
Variance as %	+16%	+15%	-3%	-5%

Total park and green space in Approach 1 would increase by 16 acres, or 16% more than the Restoration Plan. Approach 4 would have 5 acres, or 5% less than the Restoration Plan.

Midway operations: temporary vs. permanent infrastructure:
All fairs contain some form of midway with rides, games and concessions. Most fairs do not own them but partner with a private company generally under the following arrangements:

- the midway operator has access to the site and fair attendees in exchange for providing the midway infrastructure - rides, games and concessions;
- the midway operator staffs and maintains the infrastructure with most employees moving from one fair to another;
- the midway operator collects all revenues and retains all but a small percentage which it pays to the fair association.
- the midway operator pays for all capital and operating cost of the infrastructure.

There are three operators currently active in Canada. They each have a fixed schedule of fairs and events with 2-18 days at each location.

The number and type of rides trucked in depends on the size of the fair grounds and the length of the fair. Generally rides are smaller than permanent ones, have a lower capacity (# of people per hour) and therefore generate less revenue than larger permanent rides. Most transient rides are designed to fit on 1 to 3 tractor trailers although there is a large travelling rollercoaster in Canada which requires 28 tractor trailers to move. It is approximately one-third the size of the PNE wooden rollercoaster.

Multiple tractor trailer trucks are the norm for travelling midways. For example, the ten-day Klondike Days Fair in Edmonton, with an annual audience of 750,000, trucks in 125 tractor trailers of midway rides, games and concessions.

The movement, siting and temporary storage of travelling midways can have a significant impact on the site. A temporary midway requires a large area of paved surface and access to site infrastructure (power, water, etc.). In addition, space needs to be provided for temporary truck parking and for the midway operator's support trailers which house their staff and administration for the duration of the fair.

Staff could find no examples of fair associations having purchased rides for fair use alone. The capital cost of the infrastructure is viable only when they can be amortized over a longer operating period beyond a ten or 20-day fair, such as a seasonal amusement park like Playland.

Amusement park operators own and operate permanent rides, games and concessions. Most amusement parks are seasonal (i.e. operate spring through fall) although in warmer climates they operate year round.

Amusement park operators are responsible for all capital and operating costs including staffing and maintenance. They also retain all revenues which can be a significant revenue source.

Permanent rides tend to be larger than temporary rides. Larger rides generally have a larger capacity (# rides per hour) and/or command a higher price per ride than smaller temporary rides. Permanent rides are designed into a comprehensive site plan. Amusement parks tend to be designed with both hard and soft landscaping taking into account high volume traffic patterns. Once installed, there is no need for tractor trailer access to each ride although service routes and pedestrian pathways are required.

There are no examples of amusement parks which operate with temporary rides. It is not cost effective for either the private midway operator or the amusement park. The private operator would not tie up their ride inventory for the full summer season and the amusement park operator would not forgo their primary revenue stream.

The PNE and Playland are an unusual combination of fair and amusement park. Playland has 30 permanent rides as well as permanent games and concessions which are supplemented with 15 temporary rides brought in by a private operator for the 17-day annual PNE summer fair.

Staff compared the PNE method of operations with that of the Canadian National Exhibition (CNE) in Toronto. The CNE operates an 18-day fair at Exhibition Place. It contracts all of its midway operations, including 65 temporary rides, to a private company, The Conklin Group. Ontario Place, with an amusement park component is next to the CNE site and operated by a separate entity.

In 2003 the CNE earned $5.2 million from its percentage of midway revenues (rides, games and concessions). The PNE grossed $12.9 million from the midway over the 17 days of the fair in 2003 (this is in addition to revenues from Playland seasonal operations). The PNE net contribution from the midway during the fair, after deducting the direct operating costs and financing costs was $6.65 million in 2003.

Approach 3 vs. Approach 4:
Approach 3 in the May 10, 2004 staff report on the future of Hastings Park and the PNE describes an operating model for Playland which calls for the removal of all but 5 major rides at the end of the operating season (October). These rides could be owned by the PNE or provided by a private operator. It is assumed that the PNE would need to sell 25 of their current permanent rides and purchase smaller, demountable temporary rides. Total number of rides would be as it currently is 30 - with 25 temporary and 5 permanent rides.

In addition to the one-time capital cost of purchasing new rides, the technical fair consultants estimated an additional annual operating cost of $1 million to take down and put up the rides. It is assumed that the rides would be stored on site or in a City works yard. Paved truck access would need to be maintained to all rides to facilitate

set up and tear down. Once the rides are removed, it is assumed that the remaining 5 major rides would be fenced and the public would have access to the balance of the Playland site during the off season.

In Approach 4 there would be 32 permanent rides - 2 more than currently exist. The operating season would be the same as Approach 3 (and the same as the current Playland season), although the site area would be slightly smaller than the current 15 acres site. It assumes that the existing PNE rides or new rides of a similar scale would be sited within soft and hard landscaped areas with service and pedestrian paths to each ride. Because the rides are permanent, ride capacity, attendance and ticket prices area higher with higher net revenue projected than in Approach 3. It also assumes no additional $1 million cost to set up and tear down beyond regular and annual maintenance schedules. It assumes that public access would be designed into the site configuration by way of a public plaza which would be accessible year round. Access to the balance of the site off season could be achieved with a combination of operational solutions (smart cards) and/or purpose designed fencing.

The following chart summarises the operational and financial differences between Playland as described in Approaches 3 and 4 and provides the current operations by way of context (note this does NOT include Playland statistics during the 17-day annual fair):

	Current Operations*	Approach 3	Approach 4 (revised by staff)
# days of operation	121	115	115
Site area (acres)	15	12.23	14.2
# rides	30	30 (5 permanent/ 25 temporary)	32
Annual attendance	322,725	225,000	350,000
Annual Gross revenues	$7.4 million	$5.3 million	$9.9 million
Annual Net contribution*	$2.2 million	($.9 million)	$2.8 million

* excluding PNE overhead (management, administration and financing)

If you have any additional question, please call me at (604) 871-6001.

Sue Harvey
Project Manager
SH/ne