

The Purdy Crawford Chair

In Aboriginal Business Studies

Case Studies in Aboriginal Business

Membertou Sports and Wellness Centre

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The Purdy Crawford Chair in Aboriginal Business Studies was established at Cape Breton University in 2010 in response to Aboriginal community leaders' expression of the need for entrepreneurship, business investment, and corporate skills training for the purpose of creating a model of self-reliance.

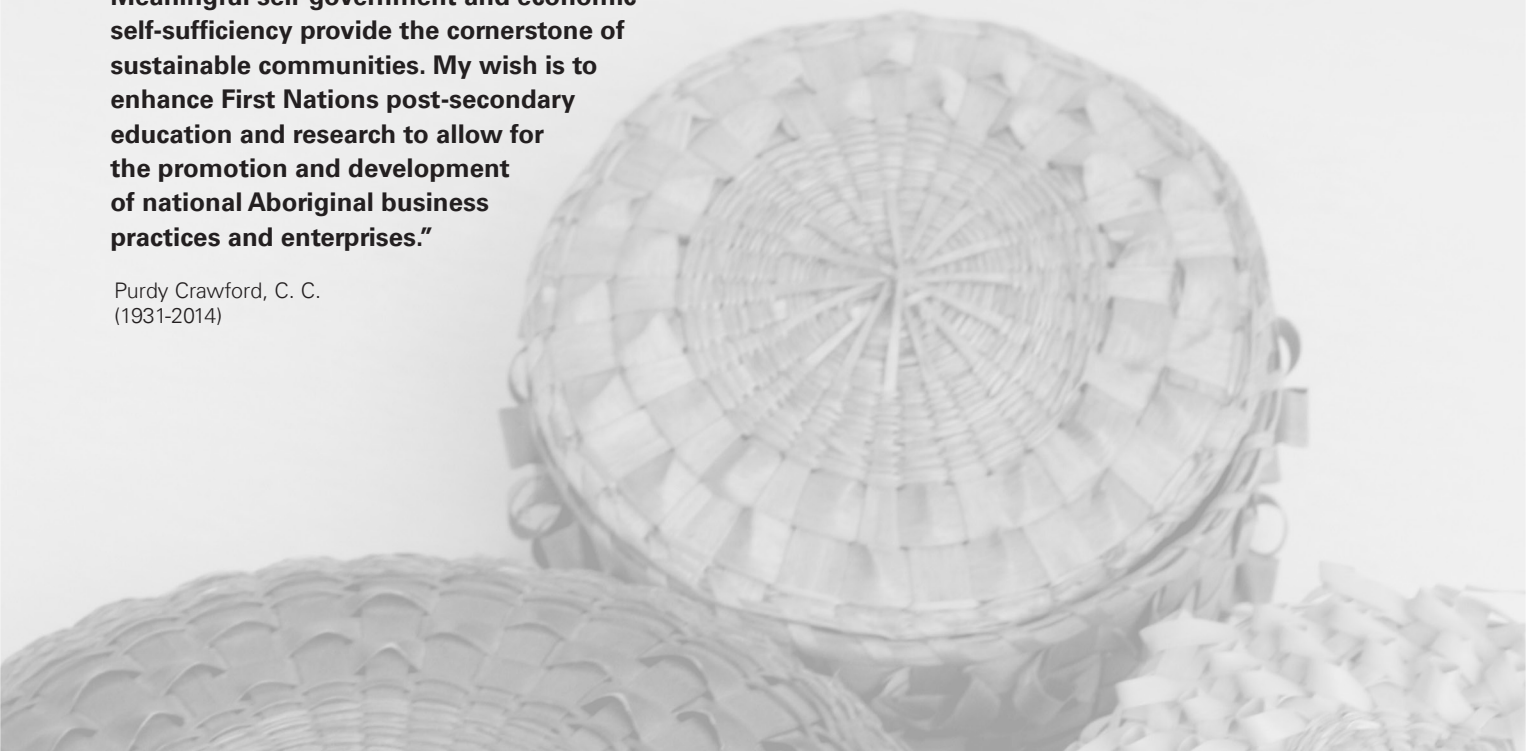
Named in honour of Canadian lawyer and corporate boardroom leader, the late Mr. Purdy Crawford, the Chair aims to promote interest among Canada's Aboriginal people in the study of business at the post-secondary level.

The Purdy Crawford Chair in Aboriginal Business Studies focuses its work in four areas:

- Research on what "drives" success in Aboriginal Business
- National student recruitment in the area of post-secondary Aboriginal business education
- Enhancement of the post-secondary Aboriginal business curriculum
- Mentorship at high school and post-secondary levels

"Meaningful self-government and economic self-sufficiency provide the cornerstone of sustainable communities. My wish is to enhance First Nations post-secondary education and research to allow for the promotion and development of national Aboriginal business practices and enterprises."

Purdy Crawford, C. C.
(1931-2014)



MEMBERTOU SPORTS AND WELLNESS CENTRE

Membertou's Business Development Committee had conducted facility research, commissioned feasibility studies, and held community meetings around the possibility of building a sports and wellness facility in Membertou. After reviewing the data, in 2011, the Business Development Committee needed to decide whether and how to proceed with the project.

BACKGROUND

Membertou is an urban reserve located alongside Sydney, Nova Scotia in the Cape Breton Regional Municipality (CBRM). It has a total population of 1400 people, with approximately 800 living on reserve. In recent years, Membertou has experienced major achievements in economic development, with the construction of the Membertou Trade and Convention Centre, Membertou Market, gaming facilities, and an entertainment centre.

Membertou has a strong commitment to conservation, sustainability of resources, and innovation. Additionally, Membertou is committed to their culture and its longevity can be seen in community development efforts. The community promotes its culture and heritage through various events, such as community gatherings and powwows, and infrastructure such as the Membertou Heritage Park. Additionally, Membertou seeks to promote education within the community.

MEMBERTOU'S BUSINESS DEVELOPMENT COMMITTEE

Membertou Corporate Division has been operating since 2000 with the goal of making Membertou more self-sufficient and less dependent on federal subsidies. Membertou established itself as a credible business partner when it became the first Aboriginal government to become International Organization of Standards (ISO) 9001 certified in 2002.

Membertou's Business Development Committee forms partnerships in economic development initiatives and oversees these ongoing projects. Since its establishment, successful partnerships with private industry sectors in engineering, mining, energy, construction, geographic information system (GIS), information technology (IT), business management, consulting services, insurance, commercial fisheries, and real estate have been formed. The Business Development Committee consists of the band chief, the chief executive officer, a senior advisor, the chief operating officer, the chief financial officer, the special projects coordinator, the two senior business development officers of Membertou Corporate Division, and the director of marketing and

information technology. From time to time, additional staff in senior management positions may be included in the committee to help achieve strategic priorities.

THE FACILITY

Discussion around a modern sports and wellness facility in Membertou began in 2005. The Membertou community, chief and council, and councilors of the CBRM were all on board; however, the financial estimates for the new facility exceeded what the community was willing to spend at that time.

In 2011, Membertou and the CBRM restarted the discussion and formed a partnership to investigate the feasibility of building the new modern sports and wellness facility. The proposed facility was to be built on fee simple land adjacent to the Membertou Trade and Convention Centre and the soon to open Hampton Inn. The development had a goal of increasing economic activity in the area with the construction of a two-pad arena with year-round ice that could host summer hockey schools.

For Membertou, specifically, the facility would promote health and community involvement in sport. In addition to economic development goals, the vision for the Membertou Sports and Wellness Centre would also include community and health promotion goals with the addition of the community daycare, indoor walking track, community meeting rooms, and a fitness facility.

The Business Development Committee evaluated a number of modern arenas in Eastern Canada to determine possible approaches and efficient options that could be used in the facility. Membertou also hosted community meetings, which allowed members of the community to provide input and feedback on the potential new facility. Lastly, several feasibility studies were conducted by consultants.

This process of research and consultation identified key issues related to the feasibility of developing the facility in the CBRM. The Business Development Committee was faced with a number of considerations to weigh before deciding whether to move forward with the construction of the Membertou Sport and Wellness Centre.

Population

The Cape Breton Regional Municipality (CBRM) is not growing. Between 1961 and 2001, the population of the CBRM dropped by 17% as the coal and steel industries declined and eventually closed. Between 2001 and 2006, there was an additional 3.5% population drop and the population is expected to decline further occur over the next 15 years. The populations of Membertou and nearby Eskasoni First Nation (located 40km

from Membertou) are stable currently. They represent 4.5% of the Cape Breton population.

Other Ice Surfaces

Each community in the CBRM (Sydney, Glace Bay, New Waterford, Whitney Pier, Dominion, Sydney Mines, and North Sydney) developed arenas over the years, particularly at the peaks of community development and population growth at the height of the steel and coal industries in Cape Breton, both of which went into decline in the 1980s. Consequently, there are 10 single-pad arenas within a 32km radius.

With the ongoing and predicted population decrease, there is no need for additional ice surfaces in the CBRM. The existing arenas in the CBRM are operating well below capacity and most, if not all, are losing money. Outside the hockey season, these facilities house flea markets, farmer's markets, craft fairs, and other small events, or remain empty. None of the arenas has ice during the summer. They are also aging and most of them have met their life expectancies. Consequently, there is a high probability that some of these facilities will close in the future due to their age and the ongoing decline in population. With the potential closure of some of these facilities, there are opportunities for the CBRM to redevelop them for alternative and diversified activities. For example, there currently is no recreational space within the CBRM for lacrosse or ball hockey.

Hockey in Cape Breton

With the aging facilities in the CBRM, issues have arisen when hosting upper-level hockey tournaments. For example, the Vince Ryan Memorial Scholarship Hockey Tournament is hosted annually in the CBRM and attracts approximately 150 adult recreational hockey teams from Canada and the United States. It generates \$5.1 million for the Cape Breton economy annually. All ten rinks in the CBRM are used during this tournament and, in recent years, the tournament has been forced to turn teams away because there aren't enough ice surfaces available to accommodate the growing interest in the tournament.

In the early stages of planning, Membertou spoke with organizers of upper-level hockey tournaments, such as the Vince Ryan tournament, and they were very interested in the possibility of hosting tournaments at the proposed new facility. If the facility were constructed with two ice surfaces, tournaments would be able to host multiple games at one time within the space and decrease the time lost traveling to other arenas. This was attractive. Additionally, tournaments would also benefit from the facility being located in Membertou's commercial area, as participants could stay at the soon to open

Hampton Inn and would not need to travel as far or as much for accommodations, restaurants, and ice time.

Community Pride

Participation in hockey is an intergenerational tradition in Membertou. In the past, Membertou had its own hockey team known as the Membertou Thunderbirds. In the 1970s and 1980s, this team was coached by Wally Bernard, a past band councilor for Membertou who had a passion for hockey and the lessons it can instill in youth. Hockey teams from local Mi'kmaw communities gather annually to compete in the Wally Bernard Memorial Native Youth Hockey Tournament (previously the Indian Juvenile Invitational Tournament), which was co-founded by Wally Bernard, Joe B. Marshall of Eskasoni, and Russell Marshall of Potlotek.

First held in 1974, the tournament seeks to create an environment of sportsmanship and foster teamwork and discipline. The tournament has become a major event for Aboriginal youth in Atlantic Canada and is the second longest running Aboriginal hockey tournament in Canada. It attracts Mi'kmaw youth from all age groups – including novice, atom, peewee, bantam and midget – and gathers them together in competition. It is meant to foster a lifelong love of hockey through the generations.

Young hockey players in Membertou also play on teams in the Cape Breton County Minor Hockey Association or the Sydney Minor Hockey Association. Although these associations and associated teams may move to Membertou in the event the arena is built, having ice in Membertou would specifically benefit Membertou youth. The arena would provide young hockey players with an arena, and perhaps a team, to call their own and instill feelings of pride.

A Cape Breton Hockey School

The closest hockey school that local players can attend is located in Antigonish, Nova Scotia, approximately 190km away. Sending young players to it required a significant commitment of time and money from families. There were no hockey schools in the CBRM because none of the arenas had summer ice. If a new facility was constructed that was capable of having year-round ice, there would be the possibility of developing a hockey school in Cape Breton.

Membertou was considering the possibility of hosting a hockey school in their new facility, either by entering into a partnership or establishing their own school. This would allow the community to host a number of off-island and out-of-province participants in addition to local players. It would increase the demand for ice time and the likelihood that both surfaces would be in use during the summer. Additionally, if

Membertou decided to run their own hockey school in the facility, it would generate additional profit and feed other businesses in the area. It would increase the overall traffic to Membertou, and could potentially develop sports tourism.

Health and Wellness

Compared to the general Canadian population, First Nations people have higher rates of chronic illness and have overall shorter life expectancies. First Nations people are 1.5 times more likely to have heart disease and 3-5 times more likely to develop type 2 diabetes.¹ Some of these health problems can be managed, reduced, or eliminated through physical activity.

In a report published by the Tripartite Forum in 2008, Membertou youth identified physical activity and recreation as health priorities. They noted physical inactivity, lack of activities, and lack of sports teams as potential problems for health promotion in the community. The Membertou Sports and Wellness Centre would promote mental and physical health within the community, responding to this identified need.

The facility would aim to attract all members of the Membertou community, not just hockey players, and provide benefits to health and wellness. It is anticipated that, if built, the facility would improve some health and social issues, such as diabetes, heart disease, mental health, smoking, alcohol misuse, and obesity. Although the ice surfaces aim to create space for youth and ice sports, the community wants the facility to be accessible to all members, young and old, and hopes the additional amenities, such as the walking track and meeting rooms, will attract the older population to the space.

Refrigeration Systems and Long-Term Operating Costs

Most arenas across Canada employed conventional refrigeration systems operated with ammonia or carbon dioxide. These systems were used exclusively to generate ice and resulted in an overall imbalance between heating and refrigeration loads. The majority of arenas in the CBRM operate using conventional refrigeration systems. These systems are not considered efficient or sustainable in long-term operation and often result in financial losses over time.

Staying true to Membertou's commitment to sustainability, conservation, and innovation, the Business Development Committee weighed a number of efficient and sustainable options that would decrease the long term operating costs of the the Membertou Sports and Wellness Centre. Members of the committee conducted research at a number of modern facilities, including two arenas in the CBRM, that use efficient and sustainable options such as light-emitting diode (LED) lighting and

geothermal refrigeration systems. Installing LED lighting throughout most of the facility, including the ice surface and walking track, would decrease the overall operating costs.

Geothermal refrigeration systems use the earth as a source of solar energy. These systems are designed not only to produce ice, but also to heat facilities. The installation of a geothermal system in the Membertou Sport and Wellness Centre would result in a greater initial investment, but decreased future operating costs as they offer low energy consumption rates and low maintenance costs. Geothermal systems consume approximately 60% less energy than a conventional system.

The choice of refrigeration system was not the only one to impact the financial feasibility of the new facility. Membertou also had to consider whether their facility should include one or two ice surfaces. According to the consultants' reports, if Membertou installed a two-pad arena, they would be more likely to operate at break-even or make a profit from the facility, even though this would require a greater initial investment. Operating at break-even or making a profit is less likely in the case of a one-pad arena. The cost of operating a single ice surface would have to be offset by revenues from that single ice surface. Operating two ice surfaces only increases costs by 50%, but provides revenues from two ice surfaces to offset those costs.

CONCLUSION

Membertou's Business Development Committee was tasked with determining the feasibility of constructing the Membertou Sport and Wellness Centre in 2011. Following facility research, community meetings, and feasibility studies, the committee had to weigh a number of considerations to determine whether or not they should build the modern sports facility.

¹ Health Canada. 2014. "First Nations and Inuit Health: Diseases and Health Conditions." *Health Canada*. <http://www.hc-sc.gc.ca/fniah-spnia/diseases-maladies/index-eng.php>, accessed 16 September 2015.

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