

**The Corporation of the City of Kawartha Lakes
Agenda
Cultural Centre Feasibility Task Force Meeting**

CCFTF2024-01

Wednesday, February 21, 2024

12:00 P.M.

Council Chambers

City Hall

26 Francis Street, Lindsay, Ontario K9V 5R8

Members:

Councillor Tracy Richardson

Councillor Eric Smeaton

Christina Charpentier

Laurie Dillon-Schalk

Lisa Graves

Darcie Kennedy

David Morrison

Patrick Murphy

Tim Wisener

Please visit the City of Kawartha Lakes YouTube Channel at <https://www.youtube.com/c/CityofKawarthaLakes> to view the proceedings electronically.

Accessible formats and communication supports are available upon request. The City of Kawartha Lakes is committed to accessibility for persons with disabilities. Please contact AgendaItems@kawarthalakes.ca if you have an accessible accommodation request.

1. **Call to Order**
2. **Adoption of Agenda**

That the Cultural Centre Feasibility Task Force agenda of February 21, 2024 be adopted as circulated.
3. **Declaration of Pecuniary Interest**
4. **Adoption of Minutes from Previous Meeting** 3 - 7

Cultural Centre Feasibility Task Force Meeting, December 13, 2023

That the minutes of the Cultural Centre Feasibility Task Force meeting held on December 13, 2023 be adopted as circulated.
5. **Deputations**
6. **Correspondence**
7. **New Business** 8 - 22
- 7.1 CCFTF2024-01.7.1

Workshop for Group Consultation of Task Force Members
Natalia Holeska, Nordicity Consulting
Mitchell May, Giaimo Architecture Inc.
8. **Next Meeting**
9. **Adjournment**

That the Cultural Centre Feasibility Task Force Meeting adjourn at ___p.m.

The Corporation of the City of Kawartha Lakes
Minutes
Cultural Centre Feasibility Task Force Meeting

Wednesday, December 13, 2023
1:00 P.M.
Council Chambers
City Hall
26 Francis Street, Lindsay, Ontario K9V 5R8

Members:
Deputy Mayor Tracy Richardson
Councillor Eric Smeaton
Christina Charpentier
Laurie Dillon-Schalk
Lisa Graves
Darcie Kennedy
David Morrison
Patrick Murphy
Tim Wisener

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1. Call to Order

Chair David Morrison called the meeting to order at 1:00 p.m.

Deputy Mayor Tracy Richardson, Councillor Eric Smeaton, Christina Charpentier, Laurie Dillon-Schalk, Lisa Graves, David Morrison, Patrick Murphy, Tim Wisener were in attendance.

Absent: Darcie Kennedy was not in attendance.

2. Adoption of Agenda

CCFTF2023-006

Moved By Deputy Mayor Richardson

Seconded By Councillor Smeaton

That the Cultural Centre Feasibility Task Force agenda of December 13, 2023 be adopted as circulated.

Carried

3. Declaration of Pecuniary Interest

There were no declarations of pecuniary interest disclosed.

4. Adoption of Minutes from Previous Meeting

Cultural Centre Feasibility Task Force Meeting, October 25, 2023

CCFTF2023-007

Moved By L. Dillon-Schalk

Seconded By T. Wisener

That the minutes of the Cultural Centre Feasibility Task Force meeting held on October 25, 2023, be adopted as circulated.

Carried

5. Deputations

6. Correspondence

7. New Business

7.1 CCFTF2023-03.7.1

Municipal Land Acquisition and Procurement Process Presentation, Ron Taylor, CAO, City of Kawartha Lakes. R. Taylor shared that the work the task force is completing will inform Phase 3. The big questions of: What is going to be built; Where it is going to be built and How its going to operate, will take the project from concept stage to real costs stage. The implementation of the Task Force's Terms of Reference will lay the ground work for Council to direct Phase 3 activities.

CCFTF2023-008

Moved By T. Wisener

Seconded By P. Murphy

That the presentation by Ron Taylor, CAO City of Kawartha Lakes, regarding Municipal Land Acquisition and Procurement, be received.

Carried

7.2 CCFTF2023-03.7.2

Research and Engagement Plan, Stephanie Mah, Giaimo Architecture Inc. and Peter Lyman, Nordicity Consulting. The team walked Task Force members through the Research and Engagement plan, confirmed its direction with the members and outlined the timeline for meetings and interviews. The work is focused on refining Phase 1 findings and solidifying next steps.

CCFTF2023-009

Moved By Deputy Mayor Richardson

Seconded By L. Dillon-Schalk

That the presentation by Stephanie Mah, Giaimo Architecture Inc and Peter Lyman, Nordicity Consulting, regarding Research and Engagement Plan, be received.

Carried

7.3 CCFTF2023-03.7.3

2024-2027 City of Kawartha Lakes Strategic Planning process, Donna Goodwin, Economic Development Officer - Arts and Culture

Donna Goodwin, Recording Secretary, walked Task Force Members through the strategic brainstorming session to garner the Task Force's top three strategic priorities. The Task Force brought forth two priorities:

- Recognize culture as part of Economic Development and that investment in culture has a direct return in the community
- Building a cultural centre for those who are here and those who are coming – with programming and activities that are accessible and inclusive

these priorities will be shared with the Office of Strategic Management for inclusion in the corporate strategic plan discussions.

CCFTF2023-010

Moved By T. Wisener

Seconded By Deputy Mayor Richardson

That background provided for the **Strategic Plan Brainstorming** process, be received; and

That the Committee's top 2 priorities be forwarded to Strategy Management Staff through correspondence from the Chair.

Carried

7.4 CCFTF2023-03.7.4

Overview of Comparable Municipal Cultural Facilities Study Tour, Donna Goodwin, Economic Development Officer - Arts and Culture

The Task Force discussed comparable cultural facilities toured during our December 6, 2023 Study tour event.

8. Next Meeting

The next meeting will be held on February 21, 2024 in the Council Chambers at Kawartha Lakes City Hall.

9. Adjournment

CCFTF2023-011

Moved By T. Wisener

Seconded By L. Dillon-Schalk

That the Cultural Centre Feasibility Task Force Meeting adjourn at 3:20 p.m.

Carried

Feasibility Study for a Culture Centre in Kawartha Lakes – Phase 2

Taskforce Group Consultation

Agenda and Preparatory Materials

February 21st, 2024.

1. Agenda

Contextual materials have been provided in the appendices for review in advance. Consider the questions below within this context.

12:00pm – 12:10pm Introduction

- Process and approach
 - Purpose of today's session
 - Overview of the context

12:10pm – 12:50pm Group Discussion – Design & Demand

- Discuss the following questions from the perspective of the sector(s) you're active in:
 - What kind of facility best reflects the needs of the Kawartha Lakes community from your perspective?
 - What spaces are needed by organizations/groups in the sectors you work in?
 - What sizing/design do you think is sufficient for each space?
 - Are there any spaces which can/should be designed for multiple uses (e.g., art exhibition spaces and event spaces, dance rehearsal rooms and fitness rooms)?
 - Would you propose any changes to the categorization of potential features and amenities? Why or why not.
 - Based on your knowledge of the residents/organizations in Kawartha Lakes and its neighbouring municipalities, what do you think the facility's main audience/market would likely be?
 - What price ranges for both spaces and services would be attractive?
 - How far would you expect people to drive in to use the facility regularly?

12:50pm – 1:30pm Group Discussion - Governance, Finance & Fundraising

- Discuss the following questions:
 - What final facility design, governance structure, and operation can you see the community investing in?
 - What investment and revenue sources do you expect this facility to leverage? Consider the options provided in the operating model from phase 1 as well as others.
 - What should a fundraising campaign look like for this type of facility?
 - Are the annual private donors and sponsorship revenue estimates provided in the financial model from phase 1 realistic in your perspective?

- How much does the operational and/or governance structure of an organization impact its anticipated success in fundraising?

Appendix A. Phase 2 Context

The City of Kawartha Lakes engaged Nordicity and Giaimo Architects in late 2021 to assess the feasibility of developing a cultural centre, or various culture centres through a hub and spoke model, in the municipality. The final Phase 1 report determined a single cultural facility would be feasible and put forth two size/scope options for consideration on the facility's design. With much of the design still up in the air, no sites were shortlisted at this time.

In September 2023, The City of Kawartha Lakes re-engaged Nordicity and Giaimo Architects to undertake a formal Phase 2 of this process and carry out 4/5 recommended next steps from Phase 1:

1. Socialize the report within the community to receive feedback on its key elements and push forward decision-making for site selection, operations, and governance.
2. Undertake further site exploration, selection and feasibility analysis.
3. Refine operating and capital cost estimates presented in this report.
4. Identify/initiate a fundraising and financing strategy.

Appendix B. Nordicity's Role

Nordicity's research objective is to narrow in on the appropriate size and scope of facility. Our research themes include:

- **Needs Validation** – assessing the desired uses and space, features and amenities in the Kawartha Lakes Culture Centre to ensure it meets current and future projected market/community needs.
- **Demand and Usage** – understanding the types of rentals, users and visitors the facility will attract, at what times of year, and at what price points.
- **Governance Models** – identifying what does or doesn't work in terms of governance at comparable facilities, and narrowing in on an appropriate framework for Kawartha Lakes that resonates best with the communities served.
- **Operations** – exploring the appropriate staffing and service structures, programming and business models for the facility.
- **Financing** – exploring funding sources and fundraising opportunities and precedents for this development project.

Nordicity will be conducting secondary research and holding some consultations with:

- City of Kawartha Lakes Staff
- Members of the Kawartha Lakes Cultural Centre Feasibility Task Force
- Members of the local arts and culture sector
- Leaders of comparable cultural facilities across Canada
- Advisors in cultural facility design, management, operations, governance, and fundraising.

This research will help to further develop the assumptions made in Phase 1 around sector needs, projected demand usage, effective programming, operating, governance structures, and financing as it relates to the Kawartha Lakes Culture Centre.

Appendix C. Facility Design

The Kawartha Lakes Culture Centre will be a place to preserve, present, and share local art, culture, and community through a thoughtfully designed mix of spaces that enable community gathering alongside artistic expression. The design will likely consist of some mix of multipurpose and purpose-built spaces, which were categorized in Phase 1 according to the results of research and analysis.

Table 1: Elements of the Kawartha Lakes Cultural Centre(s)

Must Have (Core Elements/Features)
<ul style="list-style-type: none"> ▪ Archive/Storage and Preservation facilities for current and future acquisitions of all sizes (including lighting, climate control for state-of-the-art archive needs) ▪ Shared Exhibition Space/Displays (physical and digital) ▪ Workstations for public & researcher access to collections ▪ Education spaces e.g., for workshops and special presentations ▪ Related office/admin space for City staff/curatorial office ▪ Ventilation to accommodate, for example, ceremonial usage
Should Have (Important/Add Value)
<ul style="list-style-type: none"> ▪ Rehearsal space for live performance e.g., black box space, music studio ▪ Studio space(s) to create and design art ▪ Flexible event space to host large and small gatherings including community festivals ▪ Projection capacity for screenings ▪ Incorporation of Indigenous languages into signage ▪ Natural elements to “bring the outside in”
Could Have (Nice to Have)
<ul style="list-style-type: none"> ▪ Specialized maker/creator spaces: e.g., spinning wheels and dyeing capacity (textiles) ▪ A café

- **Flexible space to accommodate multiple community uses** e.g., kitchen facilities, daycare
- **Additional community stakeholder offices/tenant space/co-working space** e.g., other not-for-profit organizations

- Will Not Have
(Not a Priority)**
- **Will not permanently displace other cultural and heritage organizations** or their purpose(s)
 - **Will not have a facility in all communities**

Since beginning Phase 2, the following purpose-built spaces have been mentioned as potential additions to the “must have” list:

- Purpose built craft and textile art studios
- Soundproof rooms for rehearsals with music
- Kitchen facilities to accommodate event catering

The Kawartha Lakes Culture Centre will collaborate with the city’s many vibrant culture and community organizations and facilities to promote and support culture in Kawartha Lakes. This might materialize in collaborative marketing strategies, events, programming, storage, etc. once the centre is in full operation.

Appendix D. Facility Size

The Kawartha Lakes Culture Centre is likely to be larger than comparable facilities in the municipality. Two general size ranges are being explored as described in Table 2 below. For a visual, take a look at the following culture facilities:

- **Small Scale** – [Greater Vernon Cultural Centre](#) (31,000 sq ft) and [Midland Culture Centre](#) (30,000 sq ft)
- **Medium Scale** – [THEMUSEUM](#) (38,000 sq ft – though the facility is looking to expand) and [Eltuek Centre](#) (40, 000 sq ft)
- **Large Scale** – [Aurora Cultural Centre](#) (46,470 sq ft – though the facility is looking to expand by 30,000 sq ft) and [Artscape Youngplace](#) (75,000 sq ft)

Table 2: Size Options for the Kawartha Lakes Culture Centre

	Medium (25,000 sq. ft. – 45,600 sq.ft.)	Large (37,100 sq. ft. – 65,700 sq. ft.)
Programming	Sq.Ft.	Sq. Ft.
"Must Have" Spaces	25000-35000 sq. ft.	37100-49100 sq. ft.

Shared Exhibition Space/Displays/Rehearsal Space	3000-3400 sq. ft.	4500-6500 sq. ft.
Art Gallery	Part of Exhibition Space, integrated into design	1000-1500 sq. ft.
Ceremonial Space with Ventilation	Part of Exhibition Space, integrated into design	Part of Exhibition Space, integrated into design
Office/Admin Spaces	700-1000 sq. ft.	1000-1200 sq. ft.
Education Spaces	Part of Exhibition Space	700-900 sq. ft.
Archive/Storage	11000-16000 sq. ft.	15000-20000 sq. ft.
Research Room for Archive	300-600 sq. ft.	600-1000 sq. ft.
Services/Circulation	10000-12000 sq. ft.	15000-18000 sq. ft.
Parking Spaces	40-85 stalls	80-120 stalls
+ "Should Have" Spaces	28000-40000 sq. ft.	45000-57600 sq. ft.
Rehearsal Support Space	800 sq. ft.	2800-3000 sq. ft.
Studios/Classrooms	1000-1500 sq. ft.	2300-2500 sq. ft.
Flexible Event Space (50 people)	2000 sq. ft.	2800 sq. ft.
+ "Could Have" Spaces	31300-45600 sq. ft.	50800-65700 sq. ft.
Specialized Maker/Creator Spaces	300-500 sq. ft.	500-700 sq. ft.
Café	300-500 sq. ft.	500-900 sq. ft.
Flexible Space (kitchen facilities, daycare...)	800-1500 sq. ft.	1300-1500 sq. ft.
Additional Offices/Tenant Spaces	400-600 sq. ft.	500-1000 sq. ft.
Co-working Space	1500-2500 sq. ft.	3000-4000 sq. ft.

Appendix E. Collaboration

The concept of a hub and spoke we interpret as collaborative relationships between the new arts centre and organizations/facilities in other regions of the municipality to promote the development of the arts, culture, and heritage sectors in Kawartha Lakes. This might materialize in collaborative marketing strategies, shared storage, shared exhibition spaces, collaborative programming, etc.

Appendix F. Usage and Demand

The Kawartha Lakes Culture Centre will likely be home to long-term tenants in culture and other complimentary sectors, as well as many short-term rentals from these and wider community groups. Initial assumptions are that the centre will be located in Lindsay. Based on consultations, it is expected that the primary rental users of the facility would be located within Lindsay or within an hour's drive of it. Residents and visitors to Kawartha Lakes will all be able to engage in the programming the Centre offers.

Appendix G. Financing & Operations

As a reminder, CKL facility programming/amenities were organized into three tiers of priority in Table 2 – must have, should have, and could have; furthermore, the physical facility was organized into two size options – medium and large. So together, there were six build scenarios:

1. Medium size, must have amenities
2. Medium size, must have + should have amenities
3. Medium size, must have + should have + could have amenities
4. Large size, must have amenities
5. Large size, must have + should have amenities
6. Large size, must have + should have + could have amenities

Two operating models were created to show the range between the smallest facility (Scenario 1 in the list above) and the largest, most comprehensive facility (Scenario 6 in the list above) to get a sense of the different scales of development/operation the City would be looking at.

Operating Model – Medium, Must-Have Amenities

The following table provides an overview of the financial and numeric assumptions made for the purposes of creating the operating model for a medium scale Cultural Centre with only the “must-have” amenities.

Table 3: Financial estimates, medium-scale and “must-have” features

	Year 1	Year 2	Year 3	Year 4	Year 5
Facility Rentals – shared space					
Hourly rental price	\$53	\$53	\$53	\$53	\$53
Occupancy rate	20%	20%	20%	20%	20%
Rental hours	584	584	584	584	584
Rental revenue	\$30,660	\$30,660	\$30,660	\$30,660	\$30,660
Gallery - membership					
Number of members (5% CAGR)	100	105	110	116	122
Annual price	\$32.50	\$32.50	\$32.50	\$32.50	\$32.50
Frequency of member visits	3	3	3	3	3
Membership revenue	\$3,250.00	\$3,412.50	\$3,583.13	\$3,762.28	\$3,950.40
Member visits	300	315	331	347	365
Gallery - admissions					
Annual non-member visits (5% CAGR)	8200	8610	9041	9493	9967
Admission price	\$3.50	\$3.50	\$3.50	\$3.50	\$3.50
Admission revenue	\$28,700.00	\$30,135.00	\$31,641.75	\$33,223.84	\$34,885.03

	Year 1	Year 2	Year 3	Year 4	Year 5
Gallery - tours					
Tour price	\$40	\$40	\$40	\$40	\$40
Percentage of visitors that take tour	2%	2%	2%	2%	2%
Average group size	4	4	4	4	4
Tour groups	31	32	34	36	37

**Numbers may not sum due to rounding*

The following table is a high-level income statement that provides an overview of revenues (including potential revenues from other sources outside of the revenue-generating programming outlined above), and projected expenses associated with running the medium scale Centre with “must-have” amenities.

Table 4: High-level income statement - medium scale, “must-have” features

Line Item	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue – earned					
Facility rentals	30,660.00	30,660.00	30,660.00	30,660.00	30,660.00
Gallery Membership	3,250.00	3,412.50	3,583.13	3,762.28	3,950.40
Gallery Admission	28,700.00	30,135.00	31,641.75	33,223.84	34,885.03
Gallery Tour revenue	1,230.00	1,291.50	1,356.08	1,423.88	1,495.07
Revenue – other					
Sponsorships	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00
Donations/fundraising	75,000.00	75,000.00	75,000.00	75,000.00	75,000.00
Heritage Organization Development Grant	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Total Revenue	154,840	156,499	158,241	160,070	161,990
Expenses – fixed					
Facility maintenance	39,833.13	39,833.13	39,833.13	39,833.13	39,833.13
Utilities	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00
Custodial services	50,000	50,000	50,000	50,000	50,000
Building Admin staff	155,000.00	155,000.00	155,000.00	155,000.00	155,000.00
Archive staff	165,000.00	165,000.00	165,000.00	165,000.00	165,000.00
Gallery staff	75,000.00	75,000.00	75,000.00	75,000.00	75,000.00
Curatorial	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00
Office operations, marketing	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00
Fundraising expenses	18,750.00	18,750.00	18,750.00	18,750.00	18,750.00
Insurance	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00
Total Expenses	623,583	623,583	623,583	623,583	623,583
Net Income	-468,743	-467,084	-465,342	-463,513	-461,593

**Numbers may not sum due to rounding*

Operating Model – Large, All Amenities

The following table provides an overview of the financial and numeric assumptions made for the purposes of creating the operating model for a large-scale Cultural Centre with all amenities: “must-have,” “should-have,” and “could-have.”

Table 5: Financial estimates, large-scale and “must + should + could have” features

Line item	Year 1	Year 2	Year 3	Year 4	Year 5
Auxiliary revenue assumptions					
Visitor spending, gift shop (avg daily spend per non-member visit)	2.00	2.00	2.00	2.00	2.00
Visitor spending, café (avg daily spend per facility visit)	1.75	1.75	1.75	1.75	1.75
Gallery - membership					
Number of members (5% CAGR)	100	105	110	116	122
Annual price	32.50	32.50	32.50	32.50	32.50
Frequency of member visits (annually)	3.0	3.0	3.0	3.0	3.0
Duration of member visits (hours)	0.8	0.8	0.8	0.8	0.8
Membership revenue	3,250.0	3,412.5	3,583.1	3,762.3	3,950.4
Member visits	300	315	331	347	365
Member visit-days	28	30	31	33	34
Café revenue	70.31	73.83	77.52	81.40	85.47
Gallery - admissions					
Annual non-member visits (5% CAGR)	8,200	8,610	9,041	9,493	9,967
Admission price	3.50	3.50	3.50	3.50	3.50
Duration of non-member visits (hours)	0.8	0.8	0.8	0.8	0.8
Admission revenue	28,700.00	30,135.00	31,641.75	33,223.84	34,885.03
Non-member visit-days	769	807	848	890	934
Gift shop revenue	16,400.00	17,220.00	18,081.00	18,985.05	19,934.30
Café revenue	1,345.31	1,412.58	1,483.21	1,557.37	1,635.24
Gallery - tours					
Tour price	40.00	40.00	40.00	40.00	40.00
Percentage of visitors that take tour	2%	2%	2%	2%	2%
Average group size	4	4	4	4	4
Tour groups	31	32	34	36	37
Tour revenue	1,230.00	1,292.00	1,356.00	1,424.00	1,495.0
Facility rentals - rehearsal space					
Hourly rental price	53.00	53.00	53.00	53.00	53.00
Occupancy rate	50%	50%	50%	50%	50%
Average group size	10	10	10	10	10
Rental hours	1460	1460	1460	1460	1460
Rental revenue	76,650	76,650	76,650	76,650	76,650
Rehearsal visit-days	1,825	1,825	1,825	1,825	1,825
Café revenue	3,194	3,194	3,194	3,194	3,194
Facility rentals - studios/classrooms					
Hourly rental price	70.00	70.00	70.00	70.00	70.00
Occupancy rate	50%	50%	50%	50%	50%
Average group size	10	10	10	10	10
Rental hours	1460	1460	1460	1460	1460

Line item	Year 1	Year 2	Year 3	Year 4	Year 5
Rental revenue	102,200	102,200	102,200	102,200	102,200
Rehearsal visit-days	1,825	1,825	1,825	1,825	1,825
Café revenue	3,194.00	3,194.00	3,194.00	3,194.00	3,194.00
Facility rentals - flex space					
Hourly rental price	90.00	90.00	90.00	90.00	90.00
Occupancy rate	38%	38%	38%	38%	38%
Average group size	18	18	18	18	18
Rental hours	1095	1095	1095	1095	1095
Rental revenue	98,550.00	98,550.00	98,550.00	98,550.00	98,550.00
Rehearsal visit-days	2,395	2,395	2,395	2,395	2,395
Café revenue	4,191.80	4,191.80	4,191.80	4,191.80	4,191.80
Office/co-working - anchor tenant					
Monthly rent	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00
Rental revenue	24,000	24,000	24,000	24,000	24,000
Office/co-working - desk space/memberships					
Monthly price	275.00	275.00	275.00	275.00	275.00
Number of desks	50	50	50	50	50
Occupancy	37.5%	37.5%	37.5%	37.5%	37.5%
Frequency of use	25	25	25	25	25
Desk-hours per week	750	750	750	750	750
Active members	30	30	30	30	30
Membership revenue	8,250.00	8,250.00	8,250.00	8,250.00	8,250.00
Café revenue	8,531.25	8,531.25	8,531.25	8,531.25	8,531.25
Office/co-working - maker space					
Hourly rental price	15	15	15	15	15
Occupancy rate	15.0%	15.0%	15.0%	15.0%	15.0%
Rental revenue	32,850.00	32,850.00	32,850.00	32,850.00	32,850.00
Office/co-working - board room					
Hourly rental price	37.50	37.50	37.50	37.50	37.50
Occupancy rate	20.0%	20.0%	20.0%	20.0%	20.0%
Rental revenue	109,500.00	109,500.00	109,500.00	109,500.00	109,500.00

**Numbers may not sum due to rounding*

The following table is a high-level income statement that provides an overview of revenues (including potential revenues from other sources outside of the revenue-generating programming outlined above), and projected expenses associated with running the large-scale Centre with all amenities.

Table 6: High-level income statement, large-scale and “must + should + could have” features

	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue - earned, Gallery					
Membership revenue	3,250.00	3,412.50	3,583.13	3,762.28	3,950.40
Admission revenue	28,700.00	30,135.00	31,641.75	33,223.84	34,885.03
Tour revenue	1,230.00	1,291.50	1,356.08	1,423.88	1,495.07

	Year 1	Year 2	Year 3	Year 4	Year 5
Gift shop revenue	16,400.00	17,220.00	18,081.00	18,985.05	19,934.30
Café revenue	1,415.63	1,486.41	1,560.73	1,638.76	1,720.70
Revenue - earned, Facility Rentals					
Rental revenue	277,400.00	277,400.00	277,400.00	277,400.00	277,400.00
Café revenue	10,579.30	10,579.30	10,579.30	10,579.30	10,579.30
Revenue - earned, Office/co-working					
Membership revenue	8,250.00	8,250.00	8,250.00	8,250.00	8,250.00
Rental revenue	166,350.00	166,350.00	166,350.00	166,350.00	166,350.00
Café revenue	8,531.25	8,531.25	8,531.25	8,531.25	8,531.25
Revenue - other					
Sponsorships	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00
Donations/fundraising	150,000.00	150,000.00	150,000.00	150,000.00	150,000.00
Heritage Organization Development Grant	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Total Revenue	703,036	705,582	708,256	711,063	714,011
Expenses - variable					
Café COGS and labour	9,614	9,646	9,679	9,714	9,751
Gift shop COGS and labour	7,380	7,749	8,136	8,543	8,970
Expenses - fixed					
Facility maintenance	105,156.36	105,156.36	105,156.36	105,156.36	105,156.36
Utilities	40,000.00	40,000.00	40,000.00	40,000.00	40,000.00
Custodial services	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00
Building Administrative staff	215,000.00	215,000.00	215,000.00	215,000.00	215,000.00
Archive staff	165,000.00	165,000.00	165,000.00	165,000.00	165,000.00
Gallery staff	75,000.00	75,000.00	75,000.00	75,000.00	75,000.00
Curatorial	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00
Office operations, marketing	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00
Fundraising expenses	37,500.00	37,500.00	37,500.00	37,500.00	37,500.00
Insurance	35,000.00	35,000.00	35,000.00	35,000.00	35,000.00
Total Expenses	839,651	840,051	840,472	840,914	841,377
Net Income	-136,615	-134,469	-132,216	-129,851	-127,367

*Numbers may not sum due to rounding

Appendix H. Financial Forecast Assumptions

Other Revenue – Assumptions and Notes

- Sponsorships – Based on available data from similar facilities in Ontario, it is estimated that sponsorable events, activities, and activations (including but not limited to naming campaigns, flagship programs, and community events) can bring in \$15,000 per year in revenue; with a larger facility, this figure can double to \$30,000 because of the increased amount of sponsorable programming offered.
- Donations/fundraising – similar to sponsorships above, based on available data from similar facilities in Ontario, it is estimated that a smaller facility could bring in \$75,000 in donations from either private citizens of the area or from local businesses. Donation and fundraising possibilities significantly increase the more space and programming is offered, because more can be added to the donation narrative; donors see more reasons to donate.
- Heritage Organization Development Grant - An annual, statutory-based operating grant that provides local historical societies, smaller community museums, and other heritage associations with a portion of their annual operating support. The maximum grant allowance is \$1545. For the purposes of this project, we estimated that \$1000 could be received each year.

Earned Revenue – Assumptions and Notes

- Gallery - The City of Kawartha Lakes 2020-2030 Culture Master Plan indicates that the gallery receives approximately 8500 visitors per year, which we use to guide our forecasted visits and associated revenue. The annual cost of membership is \$32.50, and members are assumed to visit an average of 3 times per year. 100 members are forecasted for Year 1 of the Centre, and this is projected to grow at a compound annual growth rate of 5%. 8200 non-members are forecasted to visit in Year 1, and this is also forecasted to grow at a CAGR of 5%. Private tours cost \$40 and 2% of visitors are assumed to take a tour.
- Facility rentals:
 - For the purposes of this model, the hourly rental rate for the Centre’s rehearsal space is \$45-\$60 per hour (averaging to \$52.50 per hour), based on industry benchmarks.
 - Occupancy rates for this space are estimated to be 25%-75%, averaging to 50% occupancy, in the larger facility. Occupancy rates are estimated to be only 15%-25%, averaging to 20%, in the medium facility because the space is shared with (and thus likely heavily used by) the gallery.
 - For the purposes of this model, the hourly rental rate for the Centre’s classroom and studio space is \$60-\$80 per hour (averaging to \$70 per hour), based on

industry benchmarks. Occupancy rates for these spaces are estimated to be 25%-75%, averaging to 50% occupancy.

- For the purposes of this model, the hourly rental rate for the flexible event space is \$70-\$110 per hour, based on local industry benchmarks. Occupancy rates are estimated to be 25%-50%, averaging to 38% occupancy. We chose to assume a lower occupancy rate for this space because of the number of existing flexible event spaces available in the Kawartha Lakes region.
- Office and co-working space:
 - We are assuming that one anchor tenant will rent office space in the Centre. Average level office space in Lindsay ranges in price from \$15 per square foot per month to \$25 per square foot per month, depending on the type of office. Therefore, a fair price for an anchor tenant to rent office space would be \$1500 to \$2500 per month, averaging to \$2000 per month.
 - Desk space memberships range from \$150 to \$400 per month based on other local co-working space fees, which average to \$275 per month. 50 desks are included in the facility plan, and occupancy is expected to range from 25% to 50%, averaging to 25%.
 - Other makerspaces in Lindsay are available to the public for free, so hourly rental rates for a makerspace at the Centre were kept quite low for the purposes of this model, averaging to \$15 per hour. Because other spaces offer facilities and services for free, occupancy is also expected to be low at an average of 15%.
 - Board room hourly rental prices range from \$25 per hour to \$50 per hour, averaging \$37.50 per hour. Occupancy is estimated to be 10% to 30%, averaging to 20%.
- Gift Shop – Assuming an average spend of \$10-\$30 per gift shop purchase, with 10% of Centre visitors making a purchase. Thus, \$1-\$3 per visitor. Revenue for the gift shop is calculated based on the number of visitors to the facility.
- Café – Assuming an average spend of \$3.00-\$7.50 per café purchase (based on food and beverage prices of other Kawartha Lakes-based cafés and coffee shops), with one-third of Centre visitors making a purchase. Thus, \$1.00-\$2.50 per visitor. Revenue for the café is calculated based on the number of visitors to the facility and the duration of their visit.

Expenses – Assumptions and Notes

- Facility maintenance – research performed by Nordicity on similar past projects indicates that a fair assessment of maintenance costs for a facility are \$1.25-\$1.75 per square foot per year, depending on the size of the facility and the interior amenities. For the purposes of this project, we assumed \$1.25 per square foot for the medium-scale facility, and \$1.75 per square foot for the larger facility.

- Utilities – costs are estimated based on financial data available from comparable facilities in Ontario.
- Custodial services – one full time employee plus supplies
- Building administrative staff – for the larger facility, we have budgeted for three full time employees and one part time employee. Executive Director, \$70,000; Finance and Admin, \$60,000; Operations, \$60,000; Development and Fundraising, \$25,000. For the smaller facility, we have budgeted for two full-time employees and one part-time employee. Executive Director- FT, 70000; Operations and Finance - FT, 60000; Fundraising and Development - PT, 25000.
- Archive staff – 3 full time employees averaging \$55,000 per year each.
- Gallery staff – 4 part time employees. Executive Director, \$30,000; Administrator, \$20,000; Bookkeeper, \$15,000; Admin Assistant, \$10,000.
- Curatorial – based on a recent job posting for a digital curator position at the Kawartha Art Gallery.
- Office operations and marketing – based on data available from similar facilities in Ontario, we estimate that office operations (including phone, supplies, equipment, banking, etc.) and marketing and promotion (including signage, digital marketing campaigns, digital asset management including website, etc.) will be roughly \$25,000 for a medium-scale facility with only must-have amenities, and roughly \$50,000 for a large-scale facility with all amenities.
- Fundraising expenses – Assuming fundraising expenses are 25% of the fundraising revenue. The Canada Revenue Agency has a framework for evaluating fundraising expenses based on the percentage of fundraising costs to fundraising revenue. 25% falls within the “generally acceptable” range.
- Insurance – estimated based on previous Nordicity projects as well as available data from comparable facilities in Ontario.
- Café COGS and labour – According to Industry Canada’s financial performance data for limited-service eating places, the cost of goods sold and labour expenses for the café would be 47% of the revenue it generates.
- Gift shop COGS and labour – According to Industry Canada’s financial performance data for office supply, stationery and gift stores, the cost of goods sold and labour expenses for the gift shop would be 45% of the revenue it generates.