

GSDC Funding for Science North Go Deeper 2.0 Project

Presented To:	City Council
Meeting Date:	November 12, 2024
Type:	Managers' Reports
Prepared by:	Meredith Armstrong Economic Development
Recommended by:	Chief Administrative Officer

Report Summary

This report provides a recommendation regarding the funding contribution for Science North for the Go Deeper 2.0 expansion project, approved by the Greater Sudbury Development Corporation, for Council's authorization.

Resolution

THAT the City of Greater Sudbury authorize the contribution of \$1,000,000 (\$750,000 in 2024 and \$250,000 in 2025) from the City of Greater Sudbury Community Development Corporation (operating as the GSDC) to support Science North's Go Deeper project as outlined in the report entitled "GSDC Funding for Science North Go Deeper 2.0 Project" from the Chief Administrative Officer presented at the City Council meeting on November 12, 2024.

Relationship to the Strategic Plan, Health Impact Assessment and Climate Action Plans

Science North's *Go Deeper 2.0* project aligns with the City's Strategic Plan 2019-2027 objectives including Economic Capacity and Investment Readiness as well as Community Vibrancy. By showcasing modern mining and the future of the industry, the project fosters economic growth and highlights Greater Sudbury's role in innovation and technology within the mining sector. This investment provides important expansion for one of the region's top tourism attractions and enhances the community's ability to attract further investment and support sustainable economic development.

Financial Implications

The City of Greater Sudbury Community Development Corporation, operating as the Greater Sudbury Development Corporation (GSDC), has approved funding in the amount of \$1 million for Science North's Go Deeper 2.0 project from the Tourism Development Fund, which allocates proceeds from the Municipal Accommodation Tax (MAT). As outlined in the Operating Agreement between the City and the GSDC, when the GSDC's funding approvals exceed \$250,000, Council authorization is required. There is no impact on the tax levy as a result of this process.

Background

Earlier in 2024, Science North submitted a request for funding through the GSDC's Tourism Development Fund (TDF), which allocates proceeds of the Municipal Accommodation Tax to projects that attract out of town visitors, increase hotel room-nights and build Greater Sudbury's tourism sector. As part of the process, Economic Development staff receive and review proposals and provide due diligence for each project. The GSDC Board of Directors provides approvals for TDF funding requests that have been reviewed and recommended by the Tourism Development Committee, a subcommittee of the Board.

The Tourism Development Committee reviewed Science North's *Go Deeper 2.0* project proposal and provided a recommendation to the GSDC recommending support from the MAT-funded Tourism Development Fund in the amount of \$1 million over two years.

On February 14, 2024, the GSDC Board passed Board Resolution 2024-017 (included below) approving this support, which is being presented to Council for approval, given the level of the funding request and in line with the Operating Agreement in place.

Science North is seeking this funding to complete the Go Deeper project and leverage additional public and private sector funding. With the \$1 million contribution from the GSDC and successful funding committed from other funders, listed below, this project is 95% funded as of this report and the remaining 5% of the funding is currently being finalized with private sector partners. Science North has emphasized that the GSDC contribution is crucial to leveraging the additional support of the provincial and federal government as well as private sector partners for completion of the project.

The Go Deeper 2.0 expansion project will play a significant role increasing economic impact in the City of Greater Sudbury with an estimated \$8.5 million in direct and value added benefits and 34 FTE jobs during the implementation of the project (as measured using the provincial tourism economic impact model TREIM).

Previous City and GSDC Project Support

In 2018, the City of Greater Sudbury and the Greater Sudbury Development Corporation (GSDC) committed \$1.5 million to support Science North's "Big Change, Big Impact" visitor experience renewal projects, which included \$500,000 towards the "Go Deeper" initiative.

Previous funding for Science North's Go Deeper project includes municipal and GSDC contributions:

- In 2021 the GSDC approved (Motion 2021-064) to support the investment of up to \$180,000 over three years (\$60,000 in 2021, \$60,000 in 2022 and up to \$60,000 in 2023) to cover costs related to the expansion of Dynamic Earth through its Go Deeper project.
- In 2022, the City of Greater Sudbury Council approved a contribution of \$320,000 with the first contribution of \$190,000 passed by By-law 2022-23 and the second installment of \$130,000 passed by By-law 2023-50. At that time, Council finalized this funding upon confirmation that additional funding had been secured from the GSDC to total the \$500,000 requested from Science North.

- These contributions total \$500,000 from the City of Greater Sudbury and the Greater Sudbury Development Corporation for the first phase of the Go Deeper project, as originally presented within Science North's "Big Change, Big Impact" initiative.

Since then, the global pandemic caused significant disruptions to this initiative, and the initial budget of \$5 million for the project became unrealistic to cover the project costs related to materials and construction. As a result, the original budget first developed in 2018 fell short of the revised requirements.

Subsequently, Science North approached the GSDC for additional funding as required to complete the Go Deeper project.

Provincial Audit

In 2023, Science North, alongside the Ontario Science Centre and the Ministry of Tourism, Culture and Gaming, was reviewed as part of the Auditor General of Ontario's Value for Money audit, which evaluated the organization's financial sustainability, educational programming, exhibits, and capital projects. The audit found that the Go Deeper project experienced delays and cost overruns due to multiple factors including the COVID-19 pandemic, inflation, site remediation needs, waste removal, and winter excavation, which affected municipal permit approvals.

Developed pre-pandemic, the project's original \$5 million budget also did not account for additional elements such as permanent interactive exhibits in eight Northern Ontario communities, portable exhibits for festivals, Indigenous community programs and other components including education kits and digital tools.

With the release of the provincial audit results and as part of the due diligence of the GSDC funding request, Economic Development staff requested additional information from Science North on behalf of the GSDC Board and the Tourism Development Committee, in response to the published findings.

As part of the review process, Science North's CEO presented the project to the Tourism Development Committee and subsequently met with the full GSDC Board to discuss the initiative, the previous challenges, and the updated approach.

Science North confirmed that the project is now operating with a balanced cash flow, with a professionally vetted budget reflecting the revised scope and impact.

- Science North also confirmed that the Provincial Audit covered the time period of 2022-2023, which covers a period prior to the updating and implementation of the *Go Deeper* project itself;
- Science North also confirms that they operate using a Balanced Budget approach, and project spending only takes place as dollars are secured, with no dollars spent before funding is in place.
- Science North also confirmed their approach has been in alignment with public sector procurement directives.

Over the past year, Science North has strengthened its project management team by adding staff with expertise in capital projects and has secured significant sponsorships and additional funding,

with the project approaching full financial support.

The Tourism Development Committee (TDC) reviewed Science North's application and discussed this application at length. Their discussions highlighted the GSDC's and the City's previous commitment to the project in 2018, the continued success and value that the Science Centre provides and the opportunity to continue to create awareness on a national and international level sharing the future of modern mining. The Committee agreed that this work results in new experiences, increased tourism and longer length of stays supporting all criteria for the purpose of the Tourism Development Fund.

The GSDC Board subsequently accepted the recommendation of the Tourism Development Committee and approved the funding from the Tourism Development Fund.

Project Components

Science North's *Go Deeper* project at Dynamic Earth aims to upgrade and renew the visitor experience, offering a deeper understanding of Greater Sudbury's mining legacy and its role in shaping a modern, sustainable, and innovative future.

The GSDC sees value in this project as it aligns with strategic objectives for tourism including generating more and longer out-of-town visits and hotel stays, while also providing innovative promotional opportunities for Greater Sudbury's global mining expertise.

- Key components of the project include the development of a new multi-purpose theatre and programming space, alongside underground modern mining drifts.
- The construction of a new event space within Dynamic Earth will enhance the city's capacity to host conferences, international delegations, and special events, especially given the unique setting of the space. This expansion will include new immersive experiences that will appeal to all ages and highlight education and mining career exploration.
- Additionally, the project encompasses the creation of a new multimedia experience, a signature greening film for the Epiroc Theatre, and a new immersive show for the Vale Chasm elevator experience.
- In attendance projections for new and repeat visitation, Dynamic Earth projects an increase in attendance and revenue of 10%, increase in membership revenue by 10% and growing school attendance by 5%.

Science North continues to report on project deliverables and progress on meeting these objectives.

Project Funding

The total project cost for the *Go Deeper* initiative is \$15,100,000. Science North has emphasized that the GSDC contribution of \$1 million from the Tourism Development Fund is crucial to leveraging the additional support of the provincial and federal government as well as private sector partners for completion of the project.

This funding from the GSDC will bring the total contribution from the City and the GSDC to \$2 million. Other funding includes \$3.1 million from the federal government, \$4.77 million from the province and over \$5 million from private sector and other partners. The remaining 5% of funding (about \$755,000) is being sought from private sector partners.

Conclusion

Economic Development administers the funding agreement and the GSDC provides oversight for review of project deliverables and release of each funding allocation over the funding period. Throughout the project and aligning with the contribution timelines, the funder will provide two interim reports, one final report and a post project report.

Science North and Dynamic Earth are northern Ontario's largest attractions, serving both Greater Sudbury residents and visitors over the past 40 years. The organization is an active tourism partner, promoting Greater Sudbury as a destination and securing in longer visitor stays. The Go Deeper 2.0 expansion project will play a significant role increasing economic impact in the City of Greater Sudbury with an estimated \$8.5 million in direct and value-added benefits with 34 FTE jobs during the implementation of the project (as measured using the provincial tourism economic impact model TREIM). High quality jobs in the mining sector and creative industries will be created and maintained in the development, engineering, fabrication, production, and installation of the Go Deeper 2.0 projects.

Resources Cited

1. By-law of the City of Greater Sudbury to Authorize a Grant to Science North in Support of the 'Science North Go Deeper Project' – By-law 2022-23 <https://pub-greatersudbury.escribemeetings.com/FileStream.ashx?DocumentId=43266>
2. A By-law of the City of Greater Sudbury to Authorize a Grant to Science North in Support of the 'Science North Go Deeper Project' – By-law 2023-50 <https://pub-greatersudbury.escribemeetings.com/FileStream.ashx?DocumentId=49036>
3. GSDC Board Resolution 2024-017 (included below)



CITY OF GREATER SUDBURY COMMUNITY DEVELOPMENT CORPORATION
GSDC Regular Meeting of February 14, 2023
Motion 2024 – 017

Moved by: _____ T. Lee _____

Seconded by: _____ C. Blaseg _____

WHEREAS the Tourism Development Committee (TDC) provides advice and recommendations as a subcommittee of the Greater Sudbury Development Corporation (GSDC) Board for investments to strengthen and support the city's tourism sector and increase visitation and occupancy; and

WHEREAS the investment into Science North's Go Deeper project will support Dynamic Earth's renewal and expansion and will enable the centre to showcase modern mining and the future of mining, including the equipment, technology, innovation and new opportunities in the industry, as part of a new underground multi-purpose theatre, programming space and modern mining drifts;

WHEREAS that due in part to delays caused by the COVID-19 pandemic and increased project costs, Science North requires additional funding to complete the project originally presented in 2020; and

WHEREAS the City and the GSDC, through the TDC, have previously supported Science North's Go Deeper project with investments totalling \$500,000 (including contributions of \$320,000 from the City of Greater Sudbury and \$180,000 from the GSDC in 2020) that have been used to advance the project to this point;

THEREFORE BE IT RESOLVED THAT the GSDC approves the TDC's recommendation to support the investment of up to \$1,000,000 (one million dollars) over two years (\$750,000 in 2024 and \$250,000 in 2025) to support increased costs related to the Go Deeper project; and

FINALLY, THAT as part of the funding agreement Science North will provide appropriate opportunities to recognize this contribution including media events and placement of both the Resourceful City and City of Greater Sudbury logos on all communication, marketing materials, and websites.

J. Portelance
Chair of the Meeting