

Request for Decision

Library / Art Gallery and Convention and Performance Centre

Presented To:	City Council
Presented:	Tuesday, Jul 10, 2018
Report Date	Wednesday, Jun 27, 2018
Type:	Presentations

Resolution

Resolution One:

THAT the City of Greater Sudbury approves the business plans for the Greater Sudbury Library and Art Gallery of Sudbury, and the Greater Sudbury Convention and Performance Centre, as attached to the report entitled "Library/Art Gallery and Convention and Performance Centre", from the Chief Administrative Officer, presented at the City Council meeting on July 10, 2018, subject to a final review based on details associated with the completed Conceptual Design and Financial Plan for The Junction project.

Resolution Two:

THAT the City of Greater Sudbury directs staff to finalize plans for a governance model for the library/art gallery and conference centre facilities that anticipates the following:

1. Responsibility for the overall operation, maintenance and asset renewal of the facilities rest with a municipal services corporation and responsibility for the operations of the Greater Sudbury Public Library and Art Gallery of Sudbury rest with their respective boards as tenants within the Junction;
2. The creation of a Board of Directors with appropriate subject matter expertise suitable for meeting Council's performance objectives;
3. The development of an agreement between the municipal services corporation and the City of Greater Sudbury that outlines the roles and responsibilities of both entities and clearly identifies decisions that should remain with Council for approval.

Resolution Three:

THAT the City of Greater Sudbury endorses the Integrated Site Design for The Junction project as the basis for the development of the final Conceptual Design, and directs staff to move forward with a refinement of the design and capital costs estimates as outlined in the report entitled "Library/Art Gallery and Convention

Signed By

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Financial Implications

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Chief Administrative Officer
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and Performance Centre, from the Chief Administrative Officer, presented at the City Council meeting on July 10, 2018.

Resolution Four:

THAT the City of Greater Sudbury directs staff to prepare a Business Case for the capital financing for The Junction, including both the Library / Art Gallery and Convention / Performance Centre for consideration in the 2019 budget process.

Resolution Five:

THAT the City of Greater authorizes an additional allocation of \$175,000 to advance the work associated with The Junction project with funds to come from the Tax Rate Stabilization Reserve.

Relationship to the Strategic Plan / Health Impact Assessment

This report refers to the Large Projects as identified in the Growth and Economic Develop Pillar in Council's Strategic Plan, *Greater Together*. These projects will address the goals identified under the Quality of Life and Place Pillar in the same document.

Report Summary

This report provides City Council with a comprehensive update on the Library / Art Gallery and the Convention and Performance Centre Projects. As directed by Council in resolutions CC2017-188 and CC2017-189 the report provides a detailed business plan, operational model, financial plan and conceptual designs for both projects and makes recommendations for next steps to continue the implementation of these projects, including the allocation of additional financial resources for this work.

Financial Implications

If approved as presented, the recommendations authorize the expenditure of approximately \$175,000 that will be funded from the Tax Rate Stabilization Reserve. A business case will be developed for the capital financing for The Junction, including both the Library / Art Gallery and Convention / Performance Centre for consideration in the 2019 budget process.

THE JUNCTION

The Library / Art Gallery and Convention / Performance Centre

EXECUTIVE SUMMARY

As outlined in the Downtown Master Plan, Council's Strategic Plan, *Greater Together*, and Greater Sudbury's economic development strategic plan, *From the Ground Up*, the City of Greater Sudbury is committed to delivering game changing, transformational spaces in the downtown core. The proposed Library / Art Gallery and the Convention / Performance Centre will be a realization of this commitment.

The Greater Sudbury Convention and Performance Centre (GSCPC)

The GSCPC will feature a community auditorium worthy of its place as the centrepiece arts and meeting venue of the Capital of Northeastern Ontario. It's 950 seat main hall will feature symphony concerts, public lectures and touring stage productions and, in less than an hour, convert to a flat floor ballroom that can host 850 conference delegates. This innovative approach will address community needs that were first identified almost three decades ago and put Greater Sudbury on the next level for public performances and convention business.

Dating back to the early 1970s, the former City of Sudbury and the City of Greater Sudbury have undertaken no fewer than four feasibility studies and business plans that proposed constructing large performing arts and convention/trade facilities. In all cases, these single purpose buildings were not deemed to be financially sustainable. As a result, the development of local performing arts product in Sudbury has played out mostly in small venues, while meetings/conventions and banquets have been hosted at local hotels and other venues with other core functions. These venues have proven to be constraining for product growth and development, as well as the City's ability to attract larger conventions and other live performance talent.

The project will be a unique, multi-purpose "tier three" convention and live performance facility in downtown Sudbury. It will be a 60,500 sq. ft. building that includes 19,500 sq. ft of rentable space, with a 13,000 sq. ft. main plenary / live performance hall featuring 950 theatre-style soft seats. The GSCPC will be the largest, most state of the art flexible meeting and performance space in northern Ontario.

As outlined in the business plan prepared by CBRE Limited, the GSCPC will become a significant new demand generator by increasing meeting and convention business by 25% over what is currently available. It will bring approximately \$3 Million in new money into the community through increased tourism visitation and related spending and the direct economic impact of its annual operations, estimated at \$2 Million per year. As a result of the capital investment of \$65.5 Million, the project will create new jobs with an estimated \$15 million in salaries and

wages will be generated to support 174 direct jobs in Greater Sudbury. Furthermore, Greater Sudbury can expect 37 annual jobs from operations & visitor spending.

The Greater Sudbury Main Library and the Art Gallery of Sudbury

Like the award-winning library developments in Halifax, Calgary and Ottawa, the new Greater Sudbury Main Library will be a next generation community information and activity hub, an inviting, contemporary, people-oriented space for connecting citizens to a world of information and technology as well as to each other.

In its new venue provided by the City of Greater Sudbury, the Art Gallery of Sudbury (AGS) will transform into the Franklin Carmichael Art Gallery, becoming an anchor institution for our community, able to attract visitors to see one of the largest public community art collections in Canada, and strengthening arts education and experience for a broad spectrum of our citizens.

Both institutions are focused on community service and both have long outgrown their current deficient facilities—the 1907 Bell Mansion that has been the home of the AGS since 1967 and the Greater Sudbury Public Library Main Branch, which was constructed in 1952. Furthermore, since the AGS has a Category A designation under the Canadian Cultural Property Export and Import Act, it is required to meet specific legal, collections management and environmental requirements to properly care for, preserve and make publicly accessible, objects or collections that are of “outstanding significance and national importance”. Due to storage and exhibition space challenges the AGS does not meet all the requirements and therefore becomes at risk of losing its designation. Also, the need for a new AGS facility relates to an offer by the grandchildren of famed Group of Seven artist, Franklin Carmichael, to donate 30 works of art valued at \$3.5 million plus, \$100,000 in cash to the AGS assuming it has a new facility. The Library / Art Gallery shared facility will be a 92,700 sq. ft. building of which 27,000 sq. ft. is dedicated space for the Art Gallery of Sudbury. This co-location was identified as a way to reduce capital and operating costs relative to separate facilities and thereby increasing the likelihood of implementation of needed new facilities.

The Library / Art Gallery will create a cultural hub in the city’s historic downtown and contribute to an arts and culture district giving both organizations more space to better serve the community as a resource for information, a catalyst for ideas and imagination. More space will also provide greater access to Greater Sudbury’s important collection of archival materials and regional art. As the “living room” of our community the new facility will foster a climate of lifelong learning and creativity.

Community Supported Approach

Through the Working Groups for both projects CGS staff has worked on each of the deliverables outlined in the June 2017 resolution, namely a business plan, organizational structure, financial plan and conceptual design. Progress has been made as follows:

- Authority delegated to the Director of Economic Development, establishing a single point of accountability and enabling effective, timely coordination with consultants and stakeholders;
- Completed a site selection process that evaluated sites, specifically in the downtown with Council approving shared site development on the existing Sudbury Community Arena Site;
- An RFP issued and awarded to Centreline Design Architectural Studio to develop an integrated site design for what is now being referred to as The Junction;
- Following site selection, a 5-week community engagement plan was completed to inform the integrated site design;
- Lord Cultural Resources has completed the co-location facility and business plan report for the Library / Art Gallery;
- CBRE Ltd. has completed the business plan for the Greater Sudbury Convention and Performance Centre;
- Organizational / governance models have been explored resulting in a staff recommendation to pursue a Municipal Services Corporation; and
- A recommended site design option, including high level building design elements, has been developed. The recommendation includes the development of a new library/art gallery complex to replace the existing arena, with the convention centre and associated hotel developed on the Minto east parking lot.

In order to sustain the momentum for moving the projects forward staff is recommending the following next steps:

1. Site Investigation: The site investigation will include designated substances analysis, geotechnical analysis and property survey.
 - a. A designated substance analysis will inform the necessary steps associated with decommissioning the existing arena building and related costs.
 - b. A geotechnical investigation will assess the physical properties of soil and rock around the site in order to inform the necessary foundation requirements as the project moves into the detailed design stage.
 - c. This work will inform the cost estimate and detailed design.
2. Refining Project Design and Capital Costs: A request for proposal for detailed design for the Library / Art Gallery and the Convention / Performance Centre will be issued. This will be a two phase proposal that includes refining capital costs in phase one and detailed design in phase two.
 - a. Phase one will include:
 - i. Detailed room data sheets. These documents examine every space within the facility and outline items such as: preferred adjacencies, room finishes, mechanical and electrical requirements, door types, fixture types, square footage, etc.
 - ii. The current business plans, although they address space sharing, do not describe exactly how that will happen. For example, the lobby in the

Library / Art Gallery project can be further explored as to how it will be used by both the groups when and what it will look like.

- iii. The feasibility of sharing other spaces such as loading docks or exterior spaces needs to be assessed in greater detail.
 - iv. Refining capital cost estimates based on the selected site design option.
 - b. Phase two will be detailed design and engineering which will include architectural design, detailed diagrams and drawings for construction, civil works, control systems, electrical facilities, tender documents, etc. This phase of the design work will not be triggered until Council approves the final design and financial plan.
 - c. A parking needs analysis will be undertaken in conjunction with CGS Planning, Transit and Facilities divisions
3. Selection of Key Suppliers: A request for pre-qualification for critical equipment suppliers will be issued. This will include selection of the supplier for environmental controls and HVAC for the Library / Art Gallery and, in a separate process, selection of the supplier for the transformative seating for the Convention / Performance Centre.
- a. Undertaking this work at this stage will reduce the time lines associated with procurement when the project goes forward to final design and construction.
 - b. This will also allow these critical suppliers to participate in the detailed design process.
4. Municipal Services Corporation: Staff will explore the steps necessary to establish a Municipal Services Corporation for the purpose of overseeing the operation and programming for the facilities that will make up the Junction. Recommendations for board composition and draft terms of reference will be developed, as well as a draft operating agreement between the CGS and this new entity.
5. Hotel Developer Attraction: Staff will initiate a process to attract a private sector partner to develop the hotel opportunity associated with the Convention and Performance Centre. Identification of this strategic partner prior to completion of detailed design is an important consideration.
6. Business Case for Financial Plan for 2019 Budget: Staff will continue to refine the details of the financial plan and present it as part of the 2019 Municipal Budget, for consideration by the new Council at that time.
7. Request for Additional Financial Resources: Staff is requesting a further allocation of \$175,000 to advance this work over the next six to eight months. Regular reports will continue at council meetings and a comprehensive update will be provided in Q1-2019.

BACKGROUND

As priorities of Council the Library / Art Gallery and the Convention / Performance Centre has been before Council to request a decision, provide an update or deliver a presentation several times as can be seen in the Reference Section of this report since it initiated the Large Projects process in November 2015.

At that time, Council invited citizens to bring forward Large Projects that would be transformational for Greater Sudbury. At a Special Meeting of Council, 22 projects were presented for CGS Council's consideration. It was at this meeting that Council heard the Greater Sudbury Library Board present a case for a new Main Branch facility, the Art Gallery of Sudbury shared their vision of new art gallery facility for the community and the Sudbury Synergy Centre Citizen Group shared their vision for a new conference and performing arts centre.

In April 2016, Council prioritized and distilled the 22 projects to four large projects that they wanted to move forward including: The Event Centre, Place des Art, Convention / Performance Centre and a co-located Library/Art Gallery. It was Council's leadership that encouraged the Library / Art Gallery to explore the possibility of collocating.

At its meeting of June 28, 2017 Council reviewed an update on the Library Art Gallery and the Synergy Conference Centre, and directed staff to undertake site selection for these two projects – including potential for shared site development. In addition, staff was directed to finalize a business plan, operational model, financial plan and conceptual design for the Library / Art Gallery and the Convention / Performance Centre. Furthermore, staff was directed to continue working with the Working Groups to achieve these deliverables (CC2017-188 or CC2017-189).

The Working Group for the Library / Art Gallery project is co-chaired by Michael Bellmore (Greater Sudbury Public Library Board-GSPL) and Josée Forest-Neising (Art Gallery of Sudbury Board-AGS). They are supported by the following members: Steven Townend (GSPL), Cindy Derrenbacker (GSPL), Ann Susuki (AGS), Demetra Christakos (AGS), Christina Beaudry (GSPL)

The Working Group for the Convention / Performance Centre is co-chaired by Wendy Watson (Greater Sudbury Development Corporation-GSDC) and John Caruso (Synergy Centre Citizen Group-SCCG). They are supported by the following members: Alex Freedman (Laurentian University), Brenda Tremblay (Science North), Brian Tremblay (SCCG), Debbi Nicholson (Greater Sudbury Chamber of Commerce), Erin Danyliw (GSDC), Jean LeBlanc (SCCG), Rhonda Watson (Health Sciences North), Scott Overton (SCCG), Carmen Simmons (SCCG), Viviane Lapointe (Community Champion)

In September 2017, City Council approved the site selection criteria and also delegated authority to the Director of Economic Development to approve documentation, negotiate terms and execute agreements that support the projects successful on-time completion. This delegated

authority matches the delegated authority Council provided the General Manager of Community Development for the Event Centre Project.

At the November 22, 2017 meeting of Council, CGS staff presented the results of the site selection process including a recommendation for shared site development on the existing Sudbury Community Arena site. At this time Council provided direction to staff to report back to Council on January 9, 2018 with more details associated with the site selection process, specifically related to one of the site options.

At their January 9, 2018 meeting, City Council selected 240 Elgin Street, the Sudbury Community Arena site, as the preferred site to construct the Library / Art Gallery shared facility and the Convention / Performance Centre, as this site received the highest overall rating across twelve criteria approved by Council.

It is important to keep in mind that this will be one site and two projects. One of the similarities of these projects is that both are striving to be gathering places. The Working Groups for the Library / Art Gallery and the Convention/ Performance Centre have decided to create a unified identity for the site and they have chosen "The Junction" for the following reasons:

- Definition is "a point where two or more things converge"
- It speaks to what the projects are striving for
- It is broad enough to capture the activities of the site
- Junction Creek runs just north of the site
- The streets Elgin, Minto and Van Horne create an intersection or junction
- The Sudbury Junction (1883), the original name of the Canadian Pacific train station that is across the street from the selected site <http://www.cpr.ca/en/community/canada-150/sudbury>.

Through the Working Groups for both projects CGS staff has worked on each of the deliverables outlined in the June 2017 resolution noted above and this report presents the result of this work.

BUSINESS PLAN(S)

The business plans for both projects have been revisited and finalized. Staff is recommending that Council approve the business plans for the Library / Art Gallery, and the Convention and Performance Centre, as presented.

A business plan is a guide—a road map, that outlines goals and details how to achieve those goals. It is a useful way of managing risk. In this example, the business plan helps manage the risk that objectives won't be achieved. As such it is meant to be a "living document" that will evolve as new opportunities and realities present themselves. With this in mind, CGS staff will continue to refine each plan as decisions are made and more definition becomes available.

Library / Art Gallery Business Plan Highlights

(See Attached: Greater Sudbury Public Library and Art Gallery of Sudbury Co-Location Facility and Business Plan Final Report.)

Both the Greater Sudbury Public Library and the Art Gallery of Sudbury are focused on community service and both have long outgrown their current deficient facilities—the 1907 Bell Mansion that has been the home of the AGS since 1967 and the Greater Sudbury Public Library Main Branch, which was constructed in 1952. Furthermore, since the AGS has a Category A designation under the Canadian Cultural Property Export and Import Act, it is required to meet specific legal, collections management and environmental requirements to properly care for, preserve and make publicly accessible, objects or collections that are of “outstanding significance and national importance”. Due to storage and exhibition space challenges the AGS does not meet all the requirements and therefore becomes at risk of losing its designation. Also, the need for a new AGS facility relates to an offer by the grandchildren of famed Group of Seven artist, Franklin Carmichael, to donate 30 works of art valued at \$3.5 million plus, \$100,000 in cash to the AGS assuming it has a new facility.

As described by Robin Mazumder, Urban Scientist “As a physical space, libraries embody what we should aspire toward when we are talking about healthy places. They are inviting spaces where people from all backgrounds come together in the spirit of learning—perhaps about topics of interest to them, but also, maybe more importantly, learning about each other. In a sense, libraries are the living rooms of our communities...Libraries aren’t just warehouses for books. Libraries are constantly evolving to meet the needs of an ever-changing society...As our cities continue to grow at a rapid rate; libraries will serve as think tanks for urban transformation and will play a vital role in our collective effort to make cities healthy, happy and inclusive places” (<https://robinmazumder.com>).

While the above quote speaks specifically about the role of libraries, the inclusion of an art gallery further bolsters and enhances the creativity and innovation that will lead to community resilience, including community, economic, environmental and social sustainability.

Benefits of the Library / Art Gallery

- Creates a cultural hub in downtown and contributes to an arts and culture district
- Both organizations would have more space to better serve the community as a resource for information, a catalyst for ideas and imagination
- Providing greater access to Greater Sudbury’s important collection of archival materials and regional art
- Fostering a climate of lifelong learning and creativity
- Co-location will result in less space than would be required in two separate facilities resulting in lower unit capital and operating costs, including sharing of some spaces

Following Council’s direction, in April 2016, to combine the Library and Art Gallery projects, the Boards of both institutions determined that they could work together. A working group was created and the services of Lord Cultural Resources were secured to assist in developing a joint business plan.

Early in this process, the consultant identified that the best approach, to ensure long term success for this project, is for the City to build and own the facility and provide space to the Art Gallery at nominal cost. In return, the Art Gallery will bring its valuable collections to the project and its presence will allow access to additional capital support from other agencies than would otherwise be the case. In accordance with this approach, the *Greater Sudbury Public Library and Art Gallery of Sudbury Co-Location Facility and Business Plan Final Report* has been written with the assumption that the Art Gallery of Sudbury will be a tenant of the Library building.

The Strategic Business Plan prepared for the City of Greater Sudbury was received on December 31, 2017 from Lord Cultural Resources in partnership with Susan Kent Consulting and Altus Group Ltd. The consultant's report identifies the concept of co-location of the GSPL and AGS as a way to reduce capital and operating costs compared to operating separate facilities. Co-location is also intended to achieve potential synergies and additional benefits for both institutions, the City of Greater Sudbury and the surrounding region. The benefits to the two institutions include crossover visits and joint programming initiatives to help create a community hub.

The size of the proposed building is assumed to be 61,800 net sq. ft. of program area of which 18,000 net sq. ft. is dedicated space for the AGS, plus access to some spaces of the Library. (The 2010 study for an independent Art Gallery of Sudbury assumed 33,000 net sq. ft. for the AGS while an internal study for the GSPL estimated 57,000 net sq. ft.). The combined program area for the building is 61,800 net sq. ft. with an estimated total gross building area of 92,700 sq. ft.

Based on the report's projections, the capital costs associated with a new build on the Sudbury Community Arena site are approximately \$42 Million for the construction and related costs of the co-located facility plus \$4.5 Million for decommissioning and demolishing the existing building, for a total of \$46.5 Million.

As a tenant of the building and partner of the project the space will be leased by the City to the Art Gallery of Sudbury on a long term basis at one dollar per year. At \$30.50 per square foot, which includes: rent, Common Area Maintenance Charges (CAMs) and utilities the in-kind contribution would have an annual value of \$549,000 / year. It is recommended that lobby rental income taking place from Friday to Sunday evening when the Library is closed to the public will go to the Art Gallery of Sudbury. This is projected at approximately \$25,000/year. With the above recommendations / assumptions in mind CGS will be providing the Art Gallery of Sudbury with an annual subsidy has a value of \$774,000 / year.

As a partner of the project the Art Gallery of Sudbury will offer the value achieved by receiving the art works of the Mastin Collection of Franklin Carmichael, which may provide the opportunity to leverage capital dollars. The value of this collection is estimated at \$3.5 Million. The Art Gallery of Sudbury anticipates being able to contribute to the capital cost through independent fundraising efforts in the amount of \$1.5 Million. As a result, the Art Gallery of Sudbury will contribute a value of \$5 Million towards the capital financial plan.

Greater Together, Council's Strategic Plan identifies priority of Quality of Life and Place: Strengthen the high quality of life we already know and love; and priority of Growth and Economic Development: Grow the economy and Attract Investment as two of the four priorities to grow our community. We know that access to the arts enhances quality of life, cultural identity, social wellbeing and economic prosperity for our community.

- Art gallery visits are associated with better health and higher volunteer rates¹
- 97% of Ontario residents agree that engaging children in the arts strengthens their overall development²
- The GDP of cultural industries (\$27.7 Billion) is larger than the value of agriculture, forestry, fishing and hunting combined (\$5.9 billion)³
- A thriving arts and culture scene attracts and retains highly sought after professionals⁴
- Social Cohesion-The arts reflect diversity. 91% of Ontario residents agree that art improves our understanding of other cultures.⁵

There is overwhelming proof that arts, culture and heritage provide value to communities in the form of quality of life, downtown revitalization, sense of community, attraction and retention of creative professionals, economic development and tourism. By fostering an environment that supports cultural pursuits and creative individuals will benefit in these areas. Quality of place is a powerful driver in attracting and retaining talent in the global world. Creativity and culture impact the economy in many ways, from directly employing people to being a component of almost any employment sector. There has been increasing recognition of the powerful role creativity and culture play in economic restructuring and generating wealth in our community.⁶

¹ Hill Strategies Research (2013). *The Arts and Individual Well-being in Canada*.

² Nanos Research (2017). *Impressions of the Impact of the Arts on Quality of Life and Well-Being in Ontario: Ontario Arts Council Survey Findings*. Report prepared for the Ontario Arts Council

³ *Provincial and Territorial Indicators, 2010 to 2014*. (2016). Statistics Canada.

⁴ Business from the Arts and Nanos Research (2016). *Culture for Competitiveness: How Vibrant Culture Attracts Top Talent*

⁵ Nanos Research (2017). *Impressions of the Impact of the Arts on Quality of Life and Well-Being in Ontario: Ontario Arts Council Survey Findings*. Report prepared for the Ontario Arts Council.

⁶ Greater Sudbury Development Corporation (2015). *From the Ground Up 2015-2025. A Community Economic Development Strategic Plan*.

Convention / Performance Centre Business Plan Highlights

(See Attached: Business Plan for Greater Sudbury Convention and Performance Centre)

The Greater Sudbury Convention / Performance Centre is proposed to be the largest, most flexible and economically viable meeting and performance facility in northern Ontario. It will be primarily focused on attracting large scale meeting and convention business that is not currently being hosted in Sudbury. The secondary focus of providing a larger scale live performance space gives the venue a unique position in the market. The multi-purpose function of the Centre will help in its objective to achieve a higher number of event days and revenue streams to lessen its dependency on municipal subsidies.

Benefits of the Convention / Performance Centre

- No other facility in the community has the potential to comfortably house more than one convention of more than 300 delegates
- Creates a right-sized community auditorium space with 300 more seats than the Laurentian University's Fraser Auditorium in a state of the art facility
- Builds a significant new demand generator, proposing to increase meeting and convention business by 25% over what is currently achieved
- Fills a long acknowledged gap in the community to both host large scale conferences and live performance shows not currently available
- Aids efforts to attract talent to the community
- Creates new jobs-overall the GSCPC is expected to support a total of 37 direct jobs in Greater Sudbury with salaries and wages of \$2.8 Million.
- Increases flow of new money into the community, most directly through increased tourism visitation and related spending (over \$83,000 per conference/convention and over \$23,000 per live performance in our community)
- Demonstrates commitment to downtown development and revitalization as outlined in the endorsed Downtown Master Plan

As outlined in the business plan, the GSCPC is a multi-use convention centre and performing arts facility to be located in Downtown Sudbury. The recommended development program for the Greater Sudbury Convention / Performance Centre includes 19,500 square feet of rentable space, with a 13,000 square-foot main plenary/live performance hall featuring 950 theatre-style seats. At this size, the GSCPC could effectively compete with other Tier 3 Convention Centres and regional hotels and event venues for large convention groups in excess of 300 persons, with trade show capacity, banquets of up to 900 persons, and live performance events for up to 950 persons.

As outlined in the business plan prepared by CBRE using the Ministry of Tourism, Culture and Sport's Tourism Regional Economic Impact Model (TREIM), while the core business of the GSCPC will be to attract conventions, meetings and trade shows, having the capacity to convert the largest room into a mid-size live performance venue will both serve the need for performing arts growth in Sudbury, but also attract new sources of demand and revenue for the City. Market

and utilization forecasts show the GSCPC hosting 221 meeting & convention events and 274 event days, as well as 55 performing arts events over 70 event days by its stabilized year of operation (Year 5).

The value-added GDP impacts associated with the initial \$65.5 million in capital investment in the GSCPC have been estimated at \$26 million in direct and indirect impacts, with 93% (\$24 million) expected to directly benefit Greater Sudbury. Of this \$24 million in GDP, an estimated \$15 million in salaries and wages will be generated to support 174 direct jobs in Greater Sudbury.

The direct economic activity created by operating of the GSCPC in Greater Sudbury has been estimated at \$2.3 Million per year, with an additional \$1.8 million of GDP produced by indirect and induced sources. By 2023, the GSCPC is expected to contribute a combined \$7.6 Million in spending from both its operation and off-site visitor expenditures. At these demand levels, the GSCPC is projected to operate at an annual net loss of \$272,000 by Year 5. In comparison, Tier 3 Convention Centres in similar jurisdictions to Greater Sudbury across Canada operated at a net loss ranging from \$100,000 to over \$1 Million in 2015.

The new GSCPC has the potential to be a significant new demand generator. By 2023, the operation of the GSCPC represents a potential 25% increase in meeting/convention demand levels to the City compared to levels achieved today, which equates to about 8,000 room nights. In addition, the live entertainment and other events at the GSCPC will attract additional overnight accommodation demand into the downtown core. Additional convention visitors who previously did not utilize Sudbury as a convention location will be expected to induce new demand, thereby driving overnight demand levels higher in the City overall.

Preliminary capital costs for the project, as defined, have been estimated at approximately \$63 Million, with an additional \$2.5 Million estimated for Production and Operational Development, for a total of approximately \$65.5 Million. Given the multiple uses of this facility and its location in the Downtown core, the City will be in a good position to leverage available Provincial and Federal government funding opportunities, which may not be the case for other large-scale development projects.

OPERATIONAL MODEL AND ORGANIZATIONAL GOVERNANCE

It is important that an effective governance model be established to ensure the long-term sustainability of Library / Art Gallery and Convention Performance Centre – The Junction, its infrastructure and the partnerships. The success and strength of The Junction rests on the commitment of the partners and their collective contribution to providing programming that suits the community's objectives for the project and ensures the site is effectively maintained over the short and long-term.

Governance Options Library / Art Gallery

While, the concept of co-location of the GSPL and AGS has been identified as a way to reduce capital and operating costs relative to separate facilities, co-location must take into account that the GSPL is a department of the City of Greater Sudbury that offers free access whereas the AGS is an independent not-for-profit institution that has charged for admission, public programs and facility rentals. Each have different governance and funding structure that will need to be maintained.

With this in mind, it is recommended that a building will be constructed and owned by the City of Greater Sudbury on behalf of the Greater Sudbury Public Library to include space leased to the Art Gallery of Sudbury. The separate missions, governance and staffing structures and sources of operating revenues of the GSPL as a municipal public library and the AGS as an independent art gallery will continue. In other words, the AGS will retain its own independent governance as a long term tenant within the space, including its own Board and staff. Furthermore, the AGS will have its own clear identity within the Library building.

Governance Options Convention / Performance Centre

CGS staff explored a number of governance options including:

- Department of the City – under this model, the Convention / Performance Centre operation would function as a division within a department of the City or special purpose department reporting to the CAO.
- Third Party Operator – With this model, the GSCPC would be publically owned and assumes its operation and/or management would be contracted out to an independent third party operator.
- Independent Not-For-Profit – Under this model, a separate non-profit corporation would organize and deliver live performance programming and meetings and convention events under contract to the GSCPC operator of the City who would retain control of the building.

The table below provides a sample of governance models used in performing arts centres and convention centres in Canada.

Performing Arts Centre	Governance Model
Burlington Performing Arts Centre	Independent Board
Capital Centre (North Bay)	Independent Board
Centennial Hall (London)	3 rd Party – Don Jones Entertainment London Symphony Orchestra operates its own box office
CentrepoinTE Theatre (Ottawa)	City Department
FirstOntario Performing Arts Centre (St. Catharines)	City Department
Flato Markham Theatre	City Department
Oakville Centre for the Arts	City Department
Richmond Hill Centre for the Arts	City Department
River Run Centre (Guelph)	Independent Board

Tier 3 Convention Centres	Governance Model
Fredericton Convention Centre	Independent Board
London Convention Centre	Independent Board
Vancouver Island Conference Centre	3 rd Party – Global Spectrum
Blue Mountain Conference Centre	Private Operator- Blue Mountain Resorts
Prince George Conference & Civic Centre	City Department (Community Services)
Penticton Trade & Convention Centre	3 rd Party – Global Spectrum
Prince Edward Island Convention Centre	Owned by Charlottetown Area Development Corporation and Managed and operated by Marriott Canada (adjoins Delta Prince Edward Hotel)

Recommended Model

Since the City of Greater Sudbury will own both the site and the building(s) for The Junction, it will also be important to generate revenues that will off-set subsidies. As such, CGS staff is recommending that the City of Greater Sudbury establish a Municipal Services Corporation (MSC) to manage the facilities, bid on and host large scale conventions, organize and host meetings and deliver live performance programming. This model will rely on exceptional leadership, governing skill and financial management and requires municipal approval of its budget, in order to secure an annual operating grant.

The Municipal Services Corporation will be focused on achieving the success of The Junction and will be better able to act as a business, making timely decisions and allocating resources appropriately to meet its performance objectives.

Under this model, the services corporation will operate and manage the Convention / Performance centre and Library / Art Gallery facilities. The Library and the Art Gallery will be tenants with lease agreements with the services corporation. The services corporation in turn would be responsible for managing these leases. This approach, while not the same structure, is similar to the model currently employed by the Greater Sudbury Airport Development Corporation.

The advantages of the City establishing an MSC include:⁷

- The establishment of a corporation with a separate board and management permits the City to involve senior experienced members of the community through the board and engage experienced senior management for the corporation, where necessary, to create significant expertise in the intended area of endeavour of the company;
- It would enable the corporation to maintain a singular focus on its business objectives and ensure timely decisions were made to maximize the potential for achieving those objectives;
- City Council still retains ultimate control through its responsibility, as sole shareholder, for appointing the Board of the corporation. It could also amend the corporation's articles of incorporation to give Council final approval over specific matters, providing additional overall influence on the corporation;
- A company provides limited liability to the City. Thus, a Municipal Service Corporation provides the balance of having, a separate legal entity with a separate board and management to carry out objectives, while creating a structure to fulfill the City's objectives through the use of a unanimous shareholder's declaration;
- The City may also choose to appoint one or more City staff members (or members of Council) to the board of the corporation to "have a voice", on the board and to transmit in an effective manner, approaches deemed appropriate by Council and its senior staff;

⁷ Governance Model – Municipal Services Corporation.

<http://artshenkman.com/cs/groups/content/@webottawa/documents/pdf/mdaw/mdy1/~edisp/con053025.pdf>

FINANCIAL PLAN

CGS staff is recommending that Council direct staff to prepare a business case as part of the 2019 budget process. This approach is in line with existing policies associated with capital budget requests (See Appendix A: Potential Funding Opportunities).

In an effort to realize the deliverable of Council related to developing a financial plan for the Library / Art Gallery and Convention / Performance Centre projects, staff has had discussions with senior levels of government regarding funding opportunities. Through these discussions it has been recommended that it would be advantageous to present the Library / Art Gallery and Convention / Performance Centre as one funding request. Furthermore, any proposal submitted needs to clearly illustrate the strong business case for the senior levels of government to support the project, without reference to a particular funding program or envelope.

Public Art Accommodation

As directed by Council and as presented to the City's Finance and Administration Committee, staff reported on the elements of a Public Art Policy. Subsequently, a resolution was passed directing staff to finalize a Public Art Policy no later than September 2018 (FA2018-09).

Although the Public Art Policy has not yet been presented for Council's approval, in the report, CGS staff describes the approach used by the City of Toronto: *"The City of Toronto employs the "Percent for Public Art" principle. This is a common practice found within numerous public art programs throughout North America. The recommended minimum public art contribution for a development is based on one percent of the gross construction cost of that development. This 1% budget includes all of the various costs associated with the commission, administration, etc of acquiring public art."* (page 8)

<http://agendasonline.greatersudbury.ca/index.cfm?pg=feed&action=file&attachment=23326.pdf>.

With this in mind, an allocation of \$1,120,000 would be needed within the budget to accommodate this future policy.

CONCEPTUAL DESIGN

Significant work has been accomplished towards a final conceptual design. A recommended site design option, including high level building design elements, has been developed. The recommendation includes the development of a new library/art gallery complex to replace the existing arena, with the convention centre and associated hotel developed on the Minto east parking lot. Expanding The Junction onto the Minto east site allows for the functionality, programming and amenities identified through community consultation.

Although adaptive reuse was fully considered in this process, it was not possible to utilize the current structure in a meaningful and cost effective way. The recommended option does,

however, contemplate utilizing the existing arena excavation ("the bowl") for the purposes of parking for the new library and art gallery. Furthermore, staff continues to explore how elements of the Sudbury Community Arena can be integrated into the new build as a way of preserving historical character and reference.

As identified, staff will be pursuing additional steps to flesh out the projects' design to a point where it can be recommended to Council for final approval.

Integrated Site Design Community Engagement Campaign

(See Appendix B: Integrated Site Design Community Engagement Campaign)

As part of the site design strategy, it was important to engage the community to ensure that concerns and aspirations for the projects expressed by the citizens are directly reflected in the alternatives developed.

- Centreline Design was selected as the consultant to work with the project teams to prepare integrated site design
- Residents were invited to attend an Open House on April 16, 2018 to share ideas and vision for The Junction
- Launched online engagement utilizing "Over to You", the City's online engagement platform
- Library Drop-ins took place from April 17, 2018 to April 26, 2018 at all 13 Library sites with a permanent display set up at the Main Branch during the week of April 17, 2018
- staff also presented a regularly scheduled meeting including Community Action Networks which consisted of a presentation and facilitated discussion
- Informant interview were conducted with communities who have recently implemented similar projects from April 30, 2018 to May 11, 2018 in order provide insight into their experience and lessons learned.

Engagement Results

Attendees of the community engagement sessions provided valuable feedback to project staff and volunteers. All attendees were encouraged to provide their comments in-person at the Open House, Library Drop-Ins, Pop-Ups, and Community Hijacks, or in writing online at:

<https://overtoyou.greatersudbury.ca/>.

In-person engagements were successful, with comments received via the survey map and through conversations had at the various engagement sessions:

- Approximately 550 people engaged
- Over 900 comments received

On 'Over to You' Sudbury, residents were engaged, where both ideas and questions were received:

- 403 residents aware of the project
- 177 residents informed by visiting multiple project pages
- 22 ideas

- 11 questions

These comments were collected and assigned a theme based on the content of the comment. The following details the key themes extracted from comments by the public from April 16th to May 11th 2018 (In order of frequency):

1. Design
2. Parking
3. Location
4. Programs/Entertainment
5. Walking
6. Shops
7. Roadways
8. Sudbury History
9. Hotel
10. Transit/Shuttle

Informant Interviews

From April 30th, 2018 to May 11th, 2018 City Staff performed telephone informant interviews to project and community experts across Canada in order to collect information from a range of institutions with similar project objectives as the Library/Art Gallery and Convention / Performance Centre projects— a newly built or remodeled Library, Art Gallery, Convention Centre, Performance Centre, or Library/Art Gallery. The purpose of these interviews is to provide insight to project staff as the projects move forward, gather information about challenges or issues throughout the project lifecycle that they experienced, and discuss recommendations and advice they might have.

Highlights from these interviews included:

- Ensure a robust community engagement program and build for the future
- Design the space according to the population the facility will serve.
- Create spaces that are both fully functional and have the ability to be used in a variety of ways - Greater flexibility will result in greater sustainability.
- Determine staffing requirements prior to designing the space to ensure enough office space to support the number of staff in the new facility.
- Design decisions have an impact on the day-to-day budget of running a facility, e.g. high ceilings results in higher heating/cooling costs.

Integrated Site Design Workshop

On May 15th, 2018, CentreLine Design and Cumulus Architects Inc. facilitated a design workshop for integrated site design of The Junction. Here, City Staff, Working Group members, Board members from the Greater Sudbury Public Library Board and Art Gallery of Sudbury Board, and key staff from each of the organizations gathered to discuss desired components for a successful integrated site design. Participants also looked at feedback received during the community engagement campaign.

NOTE: Visual renderings for Integrated Site Design Options will be provided in the accompanying presentation to be delivered during City Council on July 10, 2018.

Crime Prevention Through Environmental Design (CPTED)

As these projects move into the detailed Design Phase it will be important to address the community feedback and concerns highlighted during the Integrated Site Design Public Engagement Campaign. Specifically, that it was important to ensure that The Junction was safe, family friendly and welcoming.

In an effort to accomplish this we will ensure that we use an approach that is reflective of the design philosophies related to Crime Prevention Through Environmental Design (CPTED). CPTED is a proactive design philosophy built around a core set of principles that is based on the belief that the proper design and effective use of the built environment can lead to a reduction in the fear and incidence of crime as well as an improvement in the quality of life.

NEXT STEPS

In order to sustain the momentum for moving the projects forward staff is recommending the following next steps:

1. Site Investigation: The site investigation will include an Environmental Assessment (EA) designated substances analysis, and geotechnical analysis.
 - a. A designated substance analysis will inform the necessary steps associated with decommissioning the existing arena building and related costs.
 - b. A geotechnical investigation will assess the physical properties of soil and rock around the site in order to determine the degree and method of remediation required as well as to inform the necessary foundation requirements as the project moves into the detailed design stage.
 - c. This work will refine cost estimates and inform detailed design.
2. Refining Project Design and Capital Costs: A request for proposal for detailed design for the Library / Art Gallery and the Convention / Performance Centre will be issued. This will be a two phase proposal that includes refining capital costs in phase one and detailed design in phase two.
 - a. Phase one will include:
 - i. Detailed room data sheets. These documents examine every space within the facility and outline items such as: preferred adjacencies, room finishes, mechanical and electrical requirements, door types, fixture types, square footage, etc.
 - ii. The current business plans, although they address space sharing, do not describe exactly how that will happen. For example, the lobby in the Library / Art Gallery project can be further explored as to how it will be used by both the groups when and what it will look like.

- iii. The feasibility of sharing other spaces such as loading docks or exterior spaces needs to be assessed in greater detail.
 - iv. Refining capital cost estimates based on the selected site design option.
 - b. Phase two will be detailed design and engineering which will include architectural design, detailed diagrams and drawings for construction, civil works, control systems, electrical facilities, tender documents, etc. This phase of the design work will not be triggered until Council approves the final design and financial plan.
 - c. A parking needs analysis will be undertaken in conjunction with CGS Planning, Transit and Facilities divisions
3. Selection of Key Suppliers: A request for pre-qualification for critical equipment suppliers will be issued. This will include selection of the supplier for environmental controls and HVAC for the Library / Art Gallery and, in a separate process, selection of the supplier for the transformative seating for the Convention / Performance Centre.
 - a. Undertaking this work at this stage will reduce the time lines associated with procurement when the project goes forward to final design and construction.
 - b. This will also allow these critical suppliers to participate in the detailed design process.
 4. Municipal Services Corporation: Staff will explore the steps necessary to establish a Municipal Services Corporation for the purpose of overseeing the operation and programming for the facilities that will make up the Junction. Recommendations for board composition and draft terms of reference will be developed, as well as a draft operating agreement between the CGS and this new entity.
 5. Hotel Developer Attraction: Staff will initiate a process to attract a private sector partner to develop the hotel opportunity associated with the Convention and Performance Centre. Identification of this strategic partner prior to completion of detailed design is an important consideration.
 6. Business Case for Financial Plan for 2019 Budget: Staff will continue to refine the details of the financial plan and present it as part of the 2019 Municipal Budget, for consideration by the new Council at that time.
 7. Request for Additional Financial Resources: Staff is requesting a further allocation of \$175,000 to advance this work over the next six to eight months. Regular reports will continue at council meetings and a comprehensive update will be provided in Q1-2019.

REFERENCES

1. Update on Library/Art Gallery and Convention Centre Projects (Presentation)—CGS Council Meeting April 10, 2018
<http://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&lang=en&id=1239#agendaitem14917>
2. Greater Sudbury Convention and Performance Centre (formerly Synergy Centre) Library Art Gallery Update—CGS Council Meeting January 9, 2018
<http://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&id=1233&itemid=14273&lang=en>
3. Greater Sudbury Convention and Performance Centre / Library Art Gallery Update – CGS Council Meeting November 22, 2017
<http://agendasonline.greatersudbury.ca/index.cfm?pg=feed&action=file&attachment=20866.pdf>
4. Event Centre Report – CGS Council Meeting June 27, 2017 -
<http://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&lang=en&id=1130&itemid=13404>
5. Synergy Centre and Library/Art Gallery Reports – CGS Council Special Meeting of June 28, 2017 -
<http://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&lang=en&id=1210>
6. Event Centre Site Evaluation Matrix Report – CGS Council Meeting April 11, 2017 -
<http://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&lang=en&id=1125&itemid=13033>
7. Event Centre Development Report – CGS Council Meeting August 22, 2017 -
<http://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&lang=en&id=1132&itemid=13757>
8. Large Projects Update – CGS Council Meeting April 11, 2017 -
<http://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&id=1125&itemid=13017&lang=en>
9. Large Projects Update – CGS Council Meeting March 7, 2017 -
<http://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&id=1124&itemid=12718&lang=en>
10. Large Projects Update – CGS Council Meeting December 13, 2016 -
<http://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&id=1034&itemid=12449&lang=en>
11. Large Projects Update – CGS Council Meeting July 12, 2016 -
<http://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&id=949&itemid=11754&lang=en>
12. Large Projects – CGS Council Meeting April 12, 2016 -
<http://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&lang=en&id=943#agendaitem10989>

POTENTIAL CAPITAL FUNDING OPPORTUNITIES

The following identifies a range of funding resources for potential capital and operating assistance for the Library / Art Gallery and Convention / Performance Centre.

FedNor	FedNor is a federal regional development organization with a specific, mandate to invest in economic development, business growth and competitive and innovation in Northern Ontario. Relevant programs include; Northern Ontario Development Program and the Community Investment Initiatives Program.
Canada Cultural Spaces Fund (CCSF)	This national program which covers a wide range of cultural facility needs (including construction and specialized equipment) was established in 2016 and re-established in the government's Creative Canada program with a budget of \$300 million. While there is no cap, competition for funds is very keen and not all applications are funded.
Northern Ontario Heritage Fund Corporation (NOHFC)	The NOHFC invests in northern businesses and municipalities through conditional contributions, forgivable performance loans, incentive term loans and loan guarantees. Relevant programs include: Strategic Economic Infrastructure Program and Northern Community Capacity Building Program.
Ministry of Tourism, Culture and Sport-Investment & Development Office	The Investment & Development Office provides informant and assistance to Ontario's municipalities, investors and tourism operators, specifically by identifying and developing opportunities for investment and marketing regional investment cases towards investors (e.g. assistance with attracting a hotel to compliment The Junction).
Ontario Arts Council (OAC)	Provides information and assistance in the development of arts infrastructure within Ontario. It provides grants and services to professional Ontario-based arts organizations and artists (AGS would be eligible).
Ontario Trillium Foundation (OTF)	OTF's mission is to build vibrant and healthy communities across Ontario by strengthening the voluntary sector through investing in community based initiatives. The most relevant grant that they offer is the Capital Grant which assists in improving community spaces, broadening access and promoting energy efficiency (e.g. buying/installing equipment, completing renovations and repairs, building structure or spaces in amounts of up to \$150,000).

**Note: While these programs are current at the time the report was written, results of the Provincial election may impact provincial funding opportunities*

INTEGRATED SITE DESIGN COMMUNITY ENGAGEMENT CAMPAIGN

As part of the site design strategy, it was important to engage the community to ensure that concerns and aspirations for the projects expressed by the citizens are directly reflected in the alternatives developed.

Through the City's RFP process, Centreline Design was selected as the consultant to work with the project teams to prepare an Integrated Site Design for The Junction. As part of the Integrated Site Design Community Engagement Campaign, residents were invited to attend an Open House on April 16th, 2018 where they were asked to share their ideas and vision for The Junction Integrated Site Design. Simultaneously, on the same day, 'Over to You', the City's online engagement platform, was launched where residents could tell us what they hoped to see at the future site of the Library/ Art gallery and Convention and Performance Centre, ask questions and get project updates. Following this, from April 17th 2018 to April 26th, 2018 volunteers from both the Library/Art Gallery and Convention / Performance Centre Working Groups, together with City staff, hosted Library Drop-Ins at all thirteen (13) CGS Public Libraries, with a permanent display set up at the Main Library at 74 Mackenzie St. from April 17th 2018 to April 20th 2018. During this time, City staff also attended Community Action Networks meetings and regularly scheduled meetings which consisted of a small presentation explaining the projects. Informant interviews were conducted from April 30th, 2018 to May 11th, 2018 in order to provide insight to project staff by gathering information about challenges or issues throughout their project lifecycle that they may have experienced, and discuss recommendations they might have for us.

Engagement Results

Attendees of the community engagement sessions provided valuable feedback to project staff and volunteers. All attendees were encouraged to provide their comments in-person at the Open House, Library Drop-Ins, Pop-Ups, and Community Hijacks, or in writing online at: <https://overtoyou.greatersudbury.ca/>.

In-person engagements were successful, with comments received via the survey map and through conversations had at the various engagement sessions:

- Approximately 550 people engaged
- Over 900 comments received

On 'Over to You' Sudbury, residents were engaged, where both ideas and questions were received:

- 403 residents aware of the project
- 177 residents informed by visiting multiple project pages
- 22 ideas
- 11 questions

These comments were collected and assigned a theme based on the content of the comment. The following details the key themes extracted from comments by the public from April 16th to May 11th 2018.

*In order of frequency

11. Design: Elements suggested by residents include items such as nice furniture, hammock reading nooks, various locations for book drop-offs, family-friendly outside courtyard with green space for gathering, shade, seating and sculptures, open concept space with big windows and lots of natural light, modern/unique design with greater visual impact, and lots of foliage both inside and outside.
12. Parking: Multiple suggestions center on the idea of a covered parking structure/tower with multi-level parking. Concerns regarding space to park and payment methods were popular. Residents would prefer to see parking meters with advanced payment options such as credit card or cell phone applications. Parking suggestions for bicycles were also offered. While many residents advocated for more parking spaces, just as many residents advocated not to make these projects about parking spaces.
13. Location: The downtown location for the Library/Art Gallery and Convention and Performance Centre is a favourable one. There are mixed reviews regarding the potential demolition of the Sudbury Community Arena, however patrons are excited that the space will be used for something in hopes to revitalize the downtown. There are concerns regarding the buildings in the surrounding area, and proximity of these buildings to the site selected for the Junction. Safety and security is a reoccurring topic, especially at night.
14. Programs/Entertainment: Residents want to see programs and entertainment that are geared towards senior, teens and young children. Suggestions regarding expanding the 'Makerspace' Program and digital platform were popular, along with having more workshops and classes for things like painting and knitting. There were multiple suggestions that spoke to having outside art exhibits, festivals and being able to host live entertainment groups.
15. Walking: Walk-ability is important to residents. Closing Minto St. and turning it into a pedestrian walkway was a very popular suggestion. Residents were also passionate about having a walkway that links Memorial Park to the site, and other downtown businesses that is covered. Having an indoor walkway to connect the Library/Art Gallery and Convention and Performance Centre is key to residents.
16. Shops: Residents are hoping to see local shops, cafes and restaurants incorporated into the design of the Library/Art Gallery and Convention and Performance Centre. They wish to see it as a gathering space for the community, and that the Farmer's Market has a space to be open year round.

17. Roads: Feedback regarding roads was two folded: (1) Traffic control; and (2) Road closures. Residents are concerned about the speed limit on Elgin St., and traffic volumes and access by vehicle in that area. Secondly, a frequent suggestion made by residents is to eliminate Minto St. and turn it into a pedestrian walkway.
18. Sudbury History: Residents would like to see Sudbury's history preserved in the design of the site. Suggestions include creating a local landmark to recognize the former arena site, and permanent plaques with Sudbury's history on them.
19. Hotel: A hotel in and around the site of the Junction was a popular suggestion. Residents believe it should be attached to the Convention and Performance Centre, or have a covered walkway linking the Convention and Performance Centre to a hotel and parking structure.
20. Transit/Shuttle: Bus access and drop off/pick-up locations were a concern to residents. They have suggested that a shuttle be an option for ease of transportation, with multiple drop off/pick up locations.

Informant Interviews

From April 30th, 2018 to May 11th, 2018 City Staff performed telephone informant interviews to project and community experts across Canada in order to collect information from a range of institutions with similar project objectives as the Library/Art Gallery and Convention / Performance Centre projects— a newly built or remodeled Library, Art Gallery, Convention Centre, Performance Centre, or Library/Art Gallery. The purpose of these interviews is to provide insight to project staff as the projects move forward, gather information about challenges or issues throughout the project lifecycle that they experienced, and discuss recommendations and advice they might have for us going forward.

Each institution was asked for information including their time with the organization, their role in the project, the development of the project, challenges and advice or suggestions for our team going forward.

The following organizations were interviewed:

1. Halifax Public Library- Director of Finance and Facilities
2. Thunder Bay Public Library- Chief Librarian/CEO
3. Vaughan Civic Centre Resource Library- Director of Growth and Communications
4. Chatham-Kent Public Library- CEO/Chief Librarian
5. Art Gallery of Windsor- Executive Director
6. Judith & Norman ALIX Gallery- Curator/Director
7. Gallery TPW- Curator
8. Ottawa Art Gallery- Director/CEO
9. Grimsby Public Library and Art Gallery- Chief Librarian
10. Burlington Performing Arts Centre- Board Vice Chair

Highlights from these interviews included ensuring a robust community engagement program and building for the future and designing the space according to the population the facility will serve. Many organizations spoke to the importance of creating spaces that are both fully functional and have the ability to be used in a variety of ways. One organization spoke to their design which included curved walls—flat pieces of art cannot be hung on curved walls, therefore the space is not fully functional. Greater flexibility will result in greater sustainability. Another organization emphasized the importance of determining staffing requirements prior to designing the space because they not have enough office space to support the number of staff their new facility requires. Design decisions have an impact on the day-to-day budget of running a facility, therefore it was suggested to be cautious when designing the space ie. High ceilings results in higher heating/cooling costs.

Integrated Site Design Workshop

On May 15th, 2018, CentreLine Design and Cumulus Architects Inc. facilitated a design workshop for integrated site design of The Junction. Here, City Staff, Working Group members, Board members from the Greater Sudbury Public Library Board and Art Gallery of Sudbury Board, and key staff from each of the organizations gathered to discuss desired components for a successful integrated site design. Participants also looked at feedback received during the community engagement campaign.

To begin, participants were broken up into four groups and given time to discuss and develop a project wish list. No limitations were imposed and everyone was encouraged to 'think big'. Following this activity, a designated speaker from each table presented their ideas to the group, revealing a variety of ideas and hopes for each project and for the site.

Next, participants were asked to consider what their 'vision for success' would be for the project. The five most popular themes from this activity were:

- Sustainability – economic, social, environmental, and political
- Celebrated architecture
- A destination for tourists
- A catalyst for community growth and economic development
- Accessible for all abilities, ages, and social groups

Each group was provided with a downtown map, four massing cut-outs of a Library, Art Gallery, Convention/Performance Centre, and hotel, trace paper, and post-it notes. They were tasked with developing options for the site.

The groups were asked to specifically explore three different design strategies:

- Adaptive re-use of the existing site and arena
- New build on the selected site
- 'Blue Sky' or think outside of the box with no limitations

Throughout the workshop, some strong and valuable insights and positions towards all of the projects emerged.



GREATER SUDBURY PUBLIC LIBRARY AND ART GALLERY OF SUDBURY

Co-Location Facility and Business Plan Final Report

Prepared by:
Lord Cultural Resources
and
Susan Kent Consulting
Altus Group Limited

December 2017

Lord Cultural Resources is a global professional practice dedicated to creating cultural capital worldwide.

We assist people, communities and organizations to realize and enhance cultural meaning and expression.

We distinguish ourselves through a comprehensive and integrated full-service offering built on a foundation of key competencies: visioning, planning and implementation.

We value and believe in cultural expression as essential for all people. We conduct ourselves with respect for collaboration, local adaptation and cultural diversity, embodying the highest standards of integrity, ethics and professional practice.

We help clients clarify their goals; we provide them with the tools to achieve those goals; and we leave a legacy as a result of training and collaboration.

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EXECUTIVE SUMMARY

The Greater Sudbury Public Library (GSPL) and the Art Gallery of Sudbury (AGS) have served the city and region well for many years. It has long been recognized that the buildings they occupy suffer from substantial deficiencies and there has been substantial levels of deferred maintenance in both as they have awaited implementation of new facilities.

The concept of co-location of the GSPL and AGS has been identified as a way to reduce capital and operating costs relative to separate facilities and thereby increase the likelihood of implementation of needed new facilities. A potential co-location is also intended to achieve potential synergies and benefits for both institutions, the City of Greater Sudbury and the region it serves. The benefits to the two institutions include crossover visits and joint programming initiatives to help create a community hub.

The co-location takes into account that the Greater Sudbury Public Library is a division of the City of Greater Sudbury that offers free access whereas the Art Gallery of Sudbury is an independent not-for-profit institution that has charged for admissions, public programs and facility rentals. Each has a different governance and funding structure that will need to be maintained and hours of operation that differ as well. This planning study has sought to mitigate the differences between the two organizations while recognizing the reality of them.

The conclusions and recommendations in this study were based on a literature review about the experience of public library and art gallery co-locations in other cities, as well as contextual, comparables and market analyses and a site evaluation process. The core elements of the co-location summarized here are based on these analyses, the direction that emerged from two vision/assumptions workshops with the Library and Gallery Boards and senior staff, the interview process and the judgment and experience of the consultants:

- A single building will be constructed and owned by the City of Greater Sudbury on behalf of the Greater Sudbury Public Library to include space leased to the Art Gallery of Sudbury.
- The co-location will result in less space than would be required in two separate facilities, resulting in lower unit capital and operating costs, as well as the sharing of some spaces.
- The size of the overall building, as detailed below, is assumed to be 61,800 net sq. ft. of useable space which 18,000 net sq. ft. is dedicated space for the AGS, plus access to some spaces of the Library. (The 2010 study for an independent Art Gallery of Sudbury assumed 33,000 net sq. ft. for the AGS while an internal study for the GSPL estimated 57,000 net sq. ft.) At this pre-design stage a grossing factor of 50% has been applied to account for circulation, mechanical and electrical spaces and wall thicknesses, leading to 92,700 gsf of space.

- Two charts follow. The first is for the existing space in the Main Branch of the Greater Sudbury Public Library, which totals 25,516 net square feet of useable space. This is compared to the assumed space for the new Main Branch. Excluding the AGS the Main Branch will grow to 43,800 net sq. ft. Including the AGS the building is 61,800 net sq. ft. The second chart compares the spaces of the existing AGS in the Bell Mansion at 6,749 net sq. ft. of interior space plus access to outdoor opportunities on that site. The interior space for the Gallery within the Main Branch is assumed to increase to 18,000 nsf with uncertainty regarding outdoor opportunities.

GSPL - Main Branch Total - Square Feet by Area	Existing Main Branch Net Sq. Ft.	Assumed New Main Branch Net Sq. Ft.
Area 1: Entry Level Lobby Spaces	1,332	7,500
Area 2: Meeting Rooms	1,071	5,550
Area 3: Age Level Service Spaces	14,264	22,900
Area 4: Staff Spaces	8,849	7,850
Total New Main Branch Excluding AGS (Net Sq Ft.)	25,516	43,800
Total New AGS Facilities (Net Sq Ft.)		18,000
Total New Main Branch Including AGS (Net Sq Ft.)		61,800

Art Gallery of Sudbury Total Sq Ft. by Zone	Existing Space Net Sq Ft	New AGS Net Sq Ft
Zone A: Public Service/Program	1,994	2,850
Zone B: Public Collection Space	2,193	6,000
Zone C: Non-Public Collection Spaces	1,241	5,480
Zone D: Non-Public Non-Collection Spaces	1,321	3,670
Total Indoor Net Sq Ft.	6,749	18,000
Existing Outdoor Space	8,280	N/A
Total Indoor and Outdoor Net Sq Ft.	15,029	18,000

- The separate missions, governance and staffing structures and sources of operating revenues of the GSPL as a municipal public library and AGS as an independent art gallery will continue.
- The AGS will have its own clear identity within the building and on the basis of exterior signage.
- More space, exhibitions, programming and marketing expenditures and an increase in staffing levels will substantially exceed the earned income opportunities for the AGS in the co-located facility.

- This study recommends that the City's cash operating contribution for the AGS remain at the current \$200,000 level based on the following recommendations/ assumptions that assume in-kind City support for the Gallery:
 - Space will be leased by the City of Greater Sudbury to AGS on a long-term basis at one dollar per year. This represents substantial value provided by the City to the AGS.
 - AGS will retain its own independent governance as a long-term tenant within the space, including its own Board and staff, including internal security.
 - As in-kind rather than cash support to AGS, the City of Greater Sudbury as owner of the building will pay for all building occupancy costs (utilities, repairs and maintenance, insurance) and staff associated with these requirements to include spaces occupied by the AGS.
 - Evening rentals of the lobby space will take place only from Friday to Sunday evenings when the Library is closed to the public. On other evenings when the Library is open until 9 pm there will be no lobby rentals. This allows for a shared lobby as opposed to separate lobbies.
 - Lobby rentals income will go to AGS while revenue from rental of the multi-purpose and meeting rooms within the GSPL will go to the Library.
 - Revenue from the gift shop will go to AGS, which will also bear the staffing and operating costs of the retail operation.
 - AGS will seek to raise as much in capital funding from private and non-municipal government sources as possible.
 - Although it will only be a long-term tenant in the building, the AGS should be able to generate several million dollars of senior government capital funding as well as private support that will help to limit the capital investment of the City of Greater Sudbury in the GSPL building.
 - The AGS will offer the value achieved by receiving the Mastin collections of Carmichael works of art valued at \$3.5 million, which would otherwise be lost to Greater Sudbury.
 - It is also assumed that AGS will seek to develop an endowment to support operations.

A **site evaluation** process was conducted by a team of City staff and Board members of the Public Library of Greater Sudbury and the Art Gallery of Sudbury, with input from the consultant. The evaluation process included site tours, collection and analysis of data regarding each of five sites that were short-listed for more detailed analysis, the identification of evaluation criteria and a weighting and rating system, all culminating in an all-day evaluation workshop.

The results of the evaluation led to identification of the Sudbury Community Arena as the highest ranked site assuming demolition and new construction on that site to offer the primary benefit of new, purpose-built construction. That being said, there are also uncertainties regarding the timeliness of implementation.

Both institutions will require an increase in **staff levels** to better meet their responsibilities in the new facilities. This includes an additional 3 FTE for the GSPL and the AGS is recommended to add 4.4 FTE positions, of which 2.0 FTE are reinstatements of staff laid off. The report also includes recommendations associated with operating schedules, revenue centres and marketing. And it includes options and recommendations for what to do with the Mackenzie Library and Bell Mansion properties.

The **capital costs** associated with new build on the Sudbury Community Arena site are about \$42 million for the construction and related costs of the co-located facility plus \$4.5 million for decommissioning and demolishing the existing building, for a total of \$46.5 million, plus exclusions set out. Potential capital funding sources are set out in the report.

As is common for all public libraries in Canada, the **capital funding** of the new Greater Sudbury Public Library will be primarily from the financial resources of the City of Greater Sudbury. However, there are available senior government capital funding sources available to public libraries and especially to public art galleries described in the report. In fact, the inclusion of the Art Gallery of Sudbury within the facility will increase the likelihood of and amounts that may be achieved for the co-located project from senior government sources and especially from private support.

Regarding **operation of the Main Branch of the Greater Sudbury Public Library**, the following table summarizes the projections of operating revenues and expenses assuming a new facility at the site of the current Sudbury Community Arena, within which the Art Gallery of Sudbury will be a long-term tenant. The bottom line of the data indicates the additional amount that will be required from government sources to break even on operations each year. The data indicate the need for a rounded additional \$1,150,000 in Year 1, in large part to reflect investment in needed new technology, \$844,000 in Year 2 and about \$992,000 in Year 3, which would be reflective of subsequent years of operation.

Summary of Revenues and Expenses for GSPL - Main Branch					
Revenues	Total GSPL	Main Branch	Year 1	Year 2	Year 3
Provincial Grants and Subsidies	\$413,240	\$120,972	\$120,972	\$120,972	\$120,972
User Fees	\$157,862	\$39,000	\$51,714	\$52,748	\$53,803
Contributions from Reserve and Capital	\$143,439	\$0	\$0	\$0	\$0
Other Revenues	\$5,464	\$5,464	\$5,500	\$5,500	\$5,500
Additional Rentals Income	\$0	\$0	\$25,000	\$28,000	\$30,000
City Allocation	\$7,626,490	\$3,097,301	\$3,097,301	\$3,097,301	\$3,097,301
Total Revenues	\$8,346,495	\$3,262,737	\$3,300,487	\$3,304,521	\$3,307,576
Operating Costs	Total GSPL	Main Branch	Year 1	Year 2	Year 3
Staffing Costs	\$5,135,976	\$2,003,520	\$2,266,229	\$2,334,214	\$2,404,242
Materials and Operating Expenses	\$1,677,379	\$776,929	\$1,042,468	\$1,113,317	\$1,185,583
Energy Costs	\$236,355	\$67,742	\$189,540	\$189,540	\$189,540
Purchased/Contract Services	\$11,686	\$0	\$500,000	\$50,000	\$50,000
Debt Repayment	\$143,439	\$0	\$0	\$0	\$0
Contribution to Reserve and Capital	\$168,000	\$0	\$0	\$0	\$0
Internal Recoveries	\$973,660	\$414,546	\$452,337	\$461,384	\$470,611
Total Costs	\$8,346,495	\$3,262,737	\$4,450,574	\$4,148,455	\$4,299,976
Additional Amount Required from Government Sources to Break Even		\$0	-\$1,150,087	-\$843,934	-\$992,399

For operation of the Art Gallery of Sudbury, on-site attendance levels are estimated to grow from the base level rounded 12,000 annual visitors in the current Bell Mansion facility to 60,000 in the opening year, 55,000 in Year 2 and 50,000 in the stabilized Year 3. The attendance levels are based on free (pay what you can) admissions each year with the exception of Year 2 when a fixed admission 3-month major temporary exhibition is assumed.

We project, assuming free rent and that most building occupancy costs will be absorbed by the GSPL, that the operating budget in a larger, better staffed and operated AGS will increase from the base level \$635,000 to the range of \$908,000 to \$1,053,000 over the three years projected. With no phasing, Year 3 will be a stabilized year representative of subsequent years of operation.

The projected earned income and continuation of existing levels of government, endowment and private support minus operating expenses would leave an additional amount required from government, endowment and private sources to break even ranging from about \$65,000 to \$105,000 per year. Given an objective to limit the cash operating support from the City of Greater Sudbury to the current \$200,000 per year, it will be important that the AGS initiate an endowment fund drive and seek to increase annual private support for the new Gallery as well as additional support for operations from other levels of government.

Summary of Projections for Art Gallery of Sudbury (Franklin Carmichael Art Gallery) within Greater Sudbury Public Library					Base Level	Year 1 %	Year 2 %	Year 3 %
					Base Level	Year 1 %	Year 2 %	Year 3 %
Total Attendance (rounded)					12,000	60,000	55,000	50,000
Revenues (excluding in-Kind support)								
Pay What You Can Admissions					\$5,810	\$36,000	\$22,000	\$22,500
Fixed Admissions for Major Exhibition					\$0	\$0	\$59,811	\$0
Retail Sales					\$33,600	\$120,000	\$137,500	\$104,000
Membership					\$3,400	\$15,000	\$21,000	\$14,300
Educational and Public Programs					\$88,800	\$155,400	\$158,508	\$161,678
Rentals					\$3,200	\$20,000	\$24,480	\$29,131
Fundraising Events (net)					\$13,900	\$20,000	\$35,000	\$22,000
Other Earned					\$11,600	\$15,000	\$16,000	\$17,000
Existing Endowment					\$20,000	\$20,000	\$20,000	\$20,000
Existing Private Support					\$53,000	\$53,000	\$53,000	\$53,000
Existing Government Support					\$400,000	\$400,000	\$400,000	\$400,000
Total Revenue (rounded)					\$633,310	\$854,400	\$947,299	\$843,609
Expenses (excluding depreciation)								
Salaries, Wages, Benefits					\$332,800	\$476,475	\$489,630	\$482,615
Occupancy					\$96,000	\$2,000	\$4,000	\$5,000
Exhibitions					\$53,500	\$146,400	\$242,400	\$146,400
Programs					\$23,976	\$62,160	\$55,478	\$56,587
Conservation/Curatorial					\$47,400	\$70,000	\$60,000	\$60,000
General & Administrative					\$39,300	\$52,412	\$53,859	\$53,088
Marketing					\$9,800	\$36,000	\$44,000	\$30,000
Cost of Fundraising					\$11,000	\$15,800	\$27,650	\$17,380
Retail Cost of Goods Sold					\$21,700	\$66,000	\$75,625	\$57,200
Total Expenses (rounded)					\$635,476	\$927,247	\$1,052,642	\$908,270
Amount Required to Break Even from Additional Government, Endowment and Private Sources					(\$2,166)	(\$72,847)	(\$105,343)	(\$64,661)
					-0.3%	-7.9%	-10.0%	-7.1%

1. INTRODUCTION

This chapter summarizes the background to, purpose and methodology of this facility and business plan study for the co-location of the Greater Sudbury Public Library (GSPL) and the Art Gallery of Sudbury (AGS). Although it is assumed that the Art Gallery of Sudbury will be renamed the Franklin Carmichael Art Gallery in the future, we have retained the AGS name for the purposes of this study.

1.1 BACKGROUND TO AND PURPOSE OF THIS STUDY

The mission of the Greater Sudbury Public Library is as follows:

The Greater Sudbury Public Library strives to enrich the lives of individuals and the spirit of the community by providing the highest quality library service to our citizens in their quest to read, learn, educate and dream. We support all members of the community by providing equitable access to a wide variety of information sources and literature.

The mission of the Art Gallery of Sudbury is:

The Art Gallery of Sudbury provides access to, and understanding, knowledge and appreciation of the visual arts. We are dedicated to achieving excellence in all of our activities, including the collection, exhibition, preservation and promotion of art for the community of Sudbury.

Both institutions are focused very much on community service and both have long outgrown their current deficient facilities – the 1907 Bell Mansion that has been the home of the AGS since 1967 and the Mackenzie Main Branch of the GSPL, which was constructed in 1952.

Focusing on the older Bell Mansion building first, it has always had severe limitations as a site and facility for the **Art Gallery of Sudbury** since when it occupied the building as a centennial project in 1967. A facility analysis prepared by Lord Cultural Resources in 2010 concluded that it was no longer cost-effective to consider retrofitting the Bell Mansion for the following main reasons:

- The gallery space is too small for exhibitions of sufficient impact to generate sufficient public interest. The overall building is only 9,122 gross square feet. Even when used together, the two galleries at 2,193 net sq. ft. offer less than most galleries do just for temporary exhibitions of quality and importance. Programming space is limited to an attic studio at only 960 nsf and library of 420 sq. ft. There is clearly insufficient space for exhibitions, public and educational programs.

- The Bell Mansion provides insufficient space for storage of the Gallery's permanent collection. An on-site vault is only 291 sq. ft. with additional storage of 374 sq. ft. in the garage, 145 sq. ft. in the basement and 376 sq. ft. in three eaves. The present tiny storage space is among the most crowded and unsatisfactory spaces that Lord Cultural Resources has encountered. The works in the Gallery's collection that were acquired by Laurentian University are stored in the University's Library building in 576 sq. ft., and there is no way to bring them into the Bell Mansion.
- Since the AGS has a Category A designation under the Cultural Property Act, it is required to meet specific legal, collections management and environmental requirements to properly care for, preserve and make publicly accessible, objects or collections that are of "outstanding significance and national importance". Due to storage and exhibition space challenges, the AGS currently does not meet all the requirements.
- The Class A designation qualifies the Gallery to receive major traveling exhibitions however, the existing AGS does not have the space to exhibit major exhibitions, nor the space for the requisite shipping-receiving and exhibition handling facilities.
- The building systems would have to be substantially upgraded for the Bell Mansion to continue operating as a Class A Gallery, but it would be a questionable investment, since the result would still be a building that cannot serve its purpose for the citizens of Greater Sudbury.
- The layout of the Bell Mansion is convoluted and vertical, so that additions would only compound the problem.
- The location of the Bell Mansion is extremely disadvantageous for the Gallery, placing a public facility in a residential area. This limits crossover with retail, restaurant and other cultural institutions that have benefitted from synergy with art galleries in downtown areas of other cities. Location in a residential area also limits opportunities for evening functions and other rentals that would likely draw complaints from neighbours. Furthermore, it is located in what is perceived to be a more 'exclusive' or 'upscale' part of the city, thus intimidating some potential visitors from the Greater Sudbury Area who perceive it as for the elite.

It is now eight years later and the condition of the Bell Mansion has only worsened. The need for a new facility also relates very much to an offer by the grandchildren of famed Group of Seven artist, Franklin Carmichael, to donate 30 works of art valued at \$3.5 million plus \$100,000 in cash to the AGS assuming it has new facilities. That donation is at risk every year that goes by without implementation.

The Main Branch of the **Greater Sudbury Public Library** facility on Mackenzie Street in the downtown was originally constructed in 1952 with an addition in 1976. It is 25,516 net square feet of usable or 32,772 gross sq. ft. in size, taking circulation, mechanical and electrical space into account. A building condition report prepared in 2012 concluded that "some of the components of the building are not in a state of good repair. Major capital outlay is required to ensure the viability of this facility."¹ Deficiencies cited include:

- The building envelope, including the reinforced columns and roof cladding, windows and exit and service doors.

¹ *Building Condition Assessment Mackenzie Main Library* (Construction Control, Inc., November 2012).

- HVAC systems, including the hydraulic boiler, air handling units, condensers and associated piping and valves, some of which include asbestos insulation.

The capital investment required within a decade was estimated at over \$1 million, of which close to \$600,000 was required within one to five years. Most of the recommended changes have not been implemented and so deferred maintenance continues to build up.

A 2014 report by Yallowega Belanger Architects and observations by library specialist Susan Kent identified a variety of other deficiencies associated with parking, public programming spaces, workspace and storage. These include:

- Inadequate number of parking spaces during peak periods to serve both visitors and staff.
- Spaces have substantial temperature variations with some too cold and others too warm.
- Poor quality public washrooms.
- Lack of space for larger events requires them to be held in the lounge and therefore disruptive to the regular activities of the library.
- Public meeting rooms that are too small and have no natural light.
- Inadequate storage space.
- Poor quality work spaces.
- A children's area that is too small and that does not provide space for program activities.
- Poor layout and adjacencies that are confusing to the library user.
- Broken up floor spaces and lack of natural flow from one area of library to other
- Lack of quiet spaces, study rooms and meeting rooms for small and large groups.

The concept of co-location of the GSPL and AGS has been identified as a way to reduce capital and operating costs relative to separate facilities and thereby increase the likelihood of implementation of needed new facilities. A potential co-location is also intended to achieve potential synergies and benefits for both institutions, the City of Greater Sudbury and the region it serves. The benefits to the two institutions include crossover visits and joint programming initiatives to help create a community hub. One of the benefits to Greater Sudbury heard in the interview process includes helping to build upon the success of Science North in helping to change the image of Sudbury as a mining town to one that is pursuing creativity and innovation.

However, the co-location must take into account that the Greater Sudbury Public Library is a division of the City of Greater Sudbury that offers free access whereas the Art Gallery of Sudbury is an independent not-for-profit institution that has charged for admissions, public programs and facility rentals. Each has a different governance and funding structure that will need to be maintained and hours of operation that differ as well. This study seeks to mitigate the differences between the two organizations while recognizing the reality of them.

It must also be emphasized that governance of the Greater Sudbury Library includes responsibility for the Greater Sudbury Museums, which form the building blocks in preserving, exhibiting and interpreting important collections. Greater Sudbury Museums includes four small community history museums.

Three of the four are located on heritage properties and the fourth is located in the Azilda Gilles Pelland Library that functions as a temporary exhibit space. Anderson Farm Museum is located on a 14-acre site in Lively and once served as a dairy farm owned by Finnish immigrants while the Copper Cliff Museum is housed in a log cabin of the very first homestead in the community. The museum depicts the lifestyle of a miner's family in the area. The Flour Mill Museum was constructed in 1902 and the museum celebrates the life and history of the Franco-Ontarian community in the Flour Mill area. The new Main Library can serve to inform and orient visitors to these museums.

The study is led by Ted Silberberg, the Lord Cultural Resources Senior Principal responsible for Market and Financial Planning, assisted by Library specialist Susan Kent, capital cost consultant Mel Yungblut from the Altus Group, Lord Senior Consultant Marina Ramirez (facility planning), Communications and Marketing Specialist Sarah Hill, and Research Consultants Rebecca Frerotte and Maureen Marshall.

1.2 SCOPE OF WORK AND METHODOLOGY

In order to meet the objectives of this study we carried out the following work elements. We:

- Reviewed and analyzed background material provided to us as well as additional data that we gathered. This includes facility, collections, operational and financial data provided by each of the institutions along with previous planning studies:
 - Concept Development and Business Plan for the Art Gallery of Sudbury: Franklin Carmichael Art Gallery (Lord Cultural Resources, December 2010)
 - Building Condition Assessment Mackenzie Main Library (Construction Control Inc, November 2012)
 - *Franklin Carmichael Art Centre* (Moriyama and Teshima, December 2013)
 - The City of Greater Sudbury Main Library, Archives, and Heritage Museum Complex: Program Development and Site Selection Parameters (Yallowega Belanger Architects, October 2014)
- Toured the GSPL and AGS sites and facilities.
- Facilitated a Visioning/Assumptions Workshop that brought together board members and senior staff of the GSPL and AGS.
- Conducted a literature search/ environmental scan associated with shared cultural facilities, a contextual analysis to establish benchmarks for art galleries and public libraries as well as research regarding comparable co-locations of public libraries and art galleries/museums in Canada and the United States. The analyses are set out in Chapter 2.
- Analyzed data and interview feedback regarding the market for the existing AGS and GSPL operations, as well as potential resident, school and tourist markets for Sudbury, as set out in Chapter 3.
- Prepared an Interim Report, which detailed the analyses, conclusions and recommendations in this study. The recommendations and assumptions associated with the co-located facility are in Chapter 4 based on meetings to finalize the assumptions that underlie the projections of attendance, operating revenues and expenses for a co-located GSPL/AGS in the Main Branch and includes capital cost estimates and potential capital funding sources assuming a specific site and new construction on it.

- A Draft Final Report was submitted and subsequently reviewed at a meeting to discuss it. This led to modifications and this Final Report.

Bold italics are used throughout the document to highlight key findings, conclusions and recommendations.

2. CONTEXTUAL AND COMPARABLES ANALYSES

The contextual and comparables analyses in this chapter focus on lessons learned and benchmarks to help guide the recommendations and projections in Chapter 5 of this study. The analysis includes:

- A literature review associated with cultural facility co-locations, with a preference for those involving public libraries and museums;
- An environmental scan or comparables analysis focused on selected specific public library/ art gallery co-locations;
- Art gallery/museum trends and consideration of the overall museums marketplace in Ontario, Canada and the United States in comparison to data for the existing AGS;
- Public library trends and comparison of data for the Greater Sudbury Public Library to the public libraries of the other major cities in Northern Ontario – North Bay, Sault Ste. Marie and Thunder Bay.

2.1 KEY ISSUES FROM LITERATURE REVIEW OF CULTURAL CO-LOCATIONS

This section includes a review of selected available literature associated with co-location of cultural facilities, with preference given to those involving public libraries and museums and art galleries and the potential applicability to the GSPL/AGS co-location. The bibliography of sources used is set out at in Appendix B.

In 1991 Victor J. Donolov wrote the first comprehensive article on shared Museum/ Cultural Complexes in which there are shared or co-located facilities but that retain separate identities. In his article he discusses that while this was once a rare occurrence it would become more common. Through the lens of nine case studies he discusses both single building and adjacent building initiatives related to co-location. The key characteristics identified include:

- Most of the examples cited are smaller communities without large cultural institutions.
- Reasons for shared or co-located facilities are:
 - Increasing the likelihood for better facilities for the participating cultural organizations than if they were fully separate;

- Cost efficiencies in capital development and operations;
- More effective mechanism for raising funds, handling building management and providing shared services;
- Maximizing limited resources;
- Enhancing the community's cultural image and assisting the area's economic development efforts;
- Establishing a greater museum/cultural core that will attract and serve more resident and tourist visitors.
- The main obstacles to such shared or co-located complexes are as follows:
 - Higher level of funding that becomes necessary to develop such a facility relative to competition between the institutions that might see only one institution implemented;
 - The resistance of participating organizations to relinquish partial control associated with a co-location; and
 - The problems of diverse cultural organizations once fully independent in working together and understanding each other's needs.

In 2001 Karen A. Donsief wrote on the topic of "Joint-Use Libraries: Balancing Autonomy and Cooperation." The study was based on the case example of the Harmony Library in Fort Collins Colorado, which was the combination of an academic library and a public library in a single facility. According to Donsief, in planning this library the partners carefully crafted a common vision and then examined their own libraries and expectations, identifying the areas in which they needed to maintain control and those in which they could operate less independently.

Using examples from over four years of experience at Harmony Library, Donsief shows how balancing the need for control with the opportunities for cooperation is an ongoing, delicate process enhanced by constant communication and coordination. Such communication and coordination will clearly be required for the GSPL/AGS co-location but the challenge is greater than at Fort Collins, in which both were libraries while in Greater Sudbury it is a public library and an independent public art gallery.

Donsief's article establishes three types or levels of co-located facilities: minimal integration (co-location of facilities with individual services maintained separately), selective integration (sharing of some specific projects or departments), and full integration (in which both organizations share one mission and governance). The GSPL/AGS co-location is likely to be primarily "minimal", according to this definition, but includes elements of selective integration in regard to public programming and some shared spaces.

In 2003 Juris Dilevko and Lisa Gottlieb began writing about the idea of Museum and Library convergence, first with the article "Resurrecting a Neglected Idea: The Reintroduction of Library-Museum Hybrids." This was followed by the publication of their book the following year, *The Evolution of Library Museum Partnerships: Historical Antecedents, Contemporary Manifestations and Future Directions*. Dilevko and Gottlieb's work focuses on the intellectual connection between these two institutional types. They note that the Institute of Museum and Library Services' grants in 1996 began to encourage the collaboration between these two silos of institutions particularly around the intellectual management of their collections, and digitization of resources.

In 2006 Bruce Monley wrote about the co-location phenomenon and trend in Queensland Australia. He observed that stand-alone libraries had become a rarity in the preceding 10 years in rural Queensland. Instead libraries were being co-located with government service delivery, tourist facilities, including heritage, museums or galleries. The article includes survey responses from 17 respondents in co-located facilities. The key results were as follows:

- Over half of the respondents were co-located in new buildings, the rest into renovated buildings.
- The majority of the buildings were funded by local governments, but federal and special funding sources were also used.
- All but three of those studied increased their opening hours in the new facilities.
- All libraries experienced increases in membership in most cases greater than could be expected from natural growth. The most dramatic was an eleven fold increase.
- All libraries offering other services to the local community reported that co-location had resulted in increased awareness of the library by non-users.
- Changes to patterns of library usage noted an increased usage of newspapers, reference collection and computers, increased local and family history research, increased school visitation using IT facilities and galleries.
- The majority of respondents said there were no negative impacts, they were just busier.

The International Federation of Library Associations and Institutions (IFLA) commissioned a study by Alexandra Yarrow, Barbara Clubb and Jennifer-Lynn Draper in 2008 which examined the trends in collaboration and cooperation among public libraries, archives and museums. They concluded that in many cases the shared or similar missions of the institutions reviewed make them ideal partners in collaborative ventures. Different types of collaborative projects were examined, including exhibits, community programs, digital resources and joint-use facilities.

The report also outlines a start to finish approach for a successful collaboration and best practices. Among the useful insights are the following points:

- **Stage 1- Preplanning-** ensuring alignment between partner's goals, understanding, and commitment to the project is key to advancing to the planning stage.
- **Stage 2- Planning-** during this stage it is important to ensure adequate representation from all partners, and to market the partnership to peers, management and other involved to ensure buy-in both externally and internally.
- **Stage 3- Implementation-** continue to invite input and be open to change and adaptation of the collaboration as it progresses.
- **Stage 4- Evaluation-** at a suitable marker it is essential to evaluate the success of the collaboration and use both quantitative and qualitative inputs to evaluate.
- **Stage 5- Share your experience-** publishing or presenting on the collaboration at conferences or on the web will allow the hard work and success of your project to guide and influence future efforts.

Published in 2011, Jo Oliver's article "A Practical Partnership: Library, Museum and Family History Society Cooperation in Camden NSW" (New South Wales Australia) focuses on the Camden Council Library Service, the Camden Museum operated by Camden Historical Society and the Camden Area Family History Society. All are co-located in the centre of the historic town of Camden on the semirural fringe of Sydney. These three organizations worked in partnership guided by a memorandum of understanding. The article outlines how this complex came to be through a Camden Council library strategic plan, and goal of becoming a community hub. The partnership credits its success to the co-location of the services and mutual respect amongst the participating organizations.

Leith Robinson also takes a case study approach in the article "Library and Cultural Service Convergence: A Case Study of the City of Wanneroo, Western Australia." The resulting Waneroo Library and Cultural Centre is a strong endorsement of local government pursuing convergence, with the construction of the building transforming and improving communities, physical and virtual collections, skills and practices, and achieving quantitative and qualitative benefits, such as higher levels of efficiency and satisfaction.

The only article found that took a negative perspective on the topic of co-location is called "The Canadian Disease: The Ethics of Library Archives and Museum Convergence" by Braden Cannon. It was published in 2013 and takes a critical stance on the convergence practices in Canada and abroad. According to Cannon, much of the literature on convergence is couched in business terminology that favours top-down management approaches and works to create non-democratic structures with more power in fewer hands, with many of the pro-convergence arguments having little to no evidential support. Cannon further believes that many real-life examples of Library, Archives and Museum convergence have been problematic and under-examined in the literature.

2.2 EXPERIENCE OF SELECTED SPECIFIC PUBLIC LIBRARY AND ART GALLERY CO-LOCATIONS

In considering a potential co-location between the Greater Sudbury Public Library and the Art Gallery of Sudbury it is useful to consider existing library/gallery co-locations. We sought examples of public art galleries that are of a similar size to spaces allocated to public libraries in co-located facilities but could not find any. Similarly, we sought out examples of art galleries that charged admission in a co-located facility with a public library and could not find any either. In all cases, the art galleries are relatively small and even when they have a separate governance appear to be part of the public library. As shown in Chapter 4, the recommended size of the AGS space within the GSPL is much more substantial and will therefore help it to maintain an independent identity.

The following co-locations were identified and researched:

- The Grimsby Public Library and Grimsby Public Art Gallery
- Idea Exchange (formerly the Cambridge Libraries and Galleries)
- Oakville Galleries Og2 at the Oakville Public Library
- Dunlop Art Gallery at the Regina Public Library
- San Diego Central Public Library and Art Gallery

2.2.1 Grimsby Public Library and Grimsby Public Art Gallery

The Grimsby Public Library (GPL) and Grimsby Public Art Gallery (GPAG) are separate entities within the same 21,300 sq. ft. building that was purpose-built for the library and art gallery in 2004 by the Town of Grimsby. The Gallery was founded as an independent not-for-profit in 1975 and became a department of the Town in 1999. The space in the building is primarily allocated to the public library as the GPAG includes only 3,500 sq. ft., of dedicated space of which 1,600 sq. ft. is exhibition space. The relatively small building complex reflects the modest size of the Grimsby population at less than 28,000 residents.



Image: Exterior of Grimsby Public Library and Art Gallery
Source: Pinterest

The Library and Gallery operate with separate advisory boards and have largely separate spaces and employees. The shared spaces are the entrance, lobby, public washrooms and a meeting/studio room. The only shared staff are custodians and security personnel. Operating budgets are separate with the exception of shared hydro, water and heating costs. No rent is paid for the use of the municipally owned space. Admission is free to all self-guided Gallery visitors and it attracts about 20,000 visits per year while the Grimsby Public Library reports approximately 160,000 visits per year.

The Town of Grimsby is the primary funder of the Gallery whose operating budget in 2106 was about \$324,000 compared to the \$964,000 for the Library. The Gallery generates modest revenues from a variety of charged programs. School programs involving in-gallery tours (based on a minimum of 18 students) are charged at \$4 per student for a one- hour tour and an activity book. There is a charge of \$6 per student for a guided tour and an art class (approximately two to three hours). Given the limited space within the GPAG, in-school programming is also offered. Pricing is \$36 per student for 15 students or less, and \$30 per student for 16 to 25 students. An additional fee is applied for the instructor's mileage. Additionally, the Gallery offers classes for both children and adults that change throughout the year and a half-day March Break camp is available for children aged 5 to 12 years.

Despite the free admission, the Gallery has a membership program that offers a 10% discount at the gift shop and an invitation to the annual pre-holiday season sale, in addition to discounts on classes, and an opportunity to support the mission of the Gallery. The annual membership charges are \$32 for a family, \$27 for an individual and \$17 for a senior or student. At present, the Gallery has over 200 memberships.

The Library and Gallery have common operating hours for only one day per week as shown on the following table. These hours are maintained on a year-round basis for the Gallery while the Library closes on Sundays during the summer months. ***It is a common phenomenon among all of the comparable co-locations analyzed that the public library and art gallery have different open hours. We have not recommended common open hours for the GSPL and AGS.***

Open Hours	Grimsby Public Library	Grimsby Public Art Gallery
Monday	9 - 9	10 - 5
Tuesday	9 - 9	10 - 8
Wednesday	9 - 9	10 - 8
Thursday	9 - 9	10 - 8
Friday	9 - 5	10 - 5
Saturday	9 - 5	1-5
Sunday	1 - 5	1-5

An interview with the Gallery Director indicated that the Gallery benefits from location within the Library building as many Library users wander into the Gallery because they are already in the building and because of the free admission offered by the Gallery. The most significant challenge as identified by the Gallery Director was maintaining a separate brand identity within a building that is primarily a public library since they share a main door and lobby. ***The Art Gallery of Sudbury should also benefit from access to Library patrons and while it could face a challenge of maintaining a separate identity, this should be mitigated by a larger AGS space co-located within the Greater Sudbury Public Library.***

2.2.2 Idea Exchange, Cambridge

The Idea Exchange, formerly the Cambridge Libraries and Galleries, was formed in 2015 and serves a city population of close to 132,000 in 2016 plus nearby smaller communities. The Idea Exchange name was borne out of the thinking that it would attract new audiences who were negatively predisposed to the words "library" and "art gallery" while still retaining the traditional audiences. The mission of Idea Exchange is to support and inspire reading, innovation, learning and the arts through environments that invite curiosity and discovery through exploring new technologies and the arts.

The Idea Exchange is not a single building housing a public library and art gallery. There are Idea Exchange facilities in five locations, three of which include art galleries. This reflects the fact that Cambridge is an amalgamation of three different towns – Galt, Preston and Hespeler. Within each Idea Exchange building, the library components occupy the bulk of the space but the art galleries are able to maintain their identities by means of their names: The Queen's Square Gallery, Design at Riverside Gallery, Gallery Preston. The Art Gallery of Sudbury will also have an independent name, likely the Franklin Carmichael Art Gallery.

Positive in Cambridge as well is that all of the art galleries are located on the main floor of the buildings. They share some amenities with the libraries such as lobbies, washrooms and boardrooms.

The Idea Exchange has one overall governing board but has a sub-committee that manages the galleries and an Executive Director who manages them. The galleries have primarily separate employees. The only shared staff with the Library are custodial and security staff. The galleries also have a separate operating budget and pay rent to the library for the use of their space. This is primarily a bookkeeping exercise as the large majority of the operating funds are from the City of Cambridge. Funds for the galleries are also raised by means of fundraising and charged programs. Idea Exchange runs hundreds of free and charged art programs every year ranging from in-house art programs, programs at festivals, art competitions, art camps and MakerKits that can be borrowed and taken home.

Admission is free to all of the art galleries and the combined attendance for them was approximately 86,000 in 2016. The galleries have fewer open hours than the public libraries. They are open daily but closed on Sundays from the Victoria Day to Labour Day holidays.

According to the Galleries Executive Director, the art gallery within a shared library building model is beneficial in that there is a sharing of resources, collaboration on projects and an increase in attendance due to exposure to library users. However, sharing the Idea Exchange name with the Library poses a challenge when trying to distinguish itself as a separate brand within it. This is especially important for fundraising purposes.

2.2.3 Oakville Galleries (Og2) at the Oakville Public Library

The Oakville Galleries (Og2) operates in two locations, one of which is a space at the Centennial Square location within the Oakville Public Library with a shared lobby. Og2 is a contemporary art gallery and serves the City of Oakville (population close to 194,000 in 2016) and the surrounding area. The Gallery had originally been managed by the same board as the Library but in 1980 the boards separated and Og2 became its own entity. As such, the Gallery maintains separate staff, has its own operating budget, and pays the Library an annual fee to cover maintenance and utilities costs amounting to approximately \$18,500. The only shared staff is security.

The entire Library and Gallery complex is 41,400 sq. ft., with Og2 occupying only about 2,800 sq. ft. (of which 1,900 sq. ft. is exhibition space) and the space also includes collections storage. Office space is at the second Gallery site at Gairloch Gardens. The annual operating budget for both galleries was \$1.1 million in 2016.

The Centennial Square Gallery attracts about 15,000 to 20,000 visitors per year. Admission is free but a membership program is in place that entitles members to lower rates for programs, and to support the mission of Og2. The Og2 currently has approximately 400 members. Given the small size of the space in the Centennial Square Library most public and educational programming, including charged children's camps and birthday parties, are offered at the Gairloch Gardens location. The various membership levels are:

- \$30 Individual
- \$20 Student/Senior/Artist
- \$50 Family

- \$100 Business
- \$250-\$499 Sustaining Member
- \$500-\$999 Advocate Member

Og2 is open Tuesdays through Sundays with evening hours Tuesday through Thursday. There are fewer hours than those of the Public Library.

An interview with the Director of the Gallery included his perceptions of the advantages and disadvantages of being part of the Library. The main benefit is that there is no expectation of charged admission inside the Library. The free admission reduces the barrier to entry and a broader cross-section of the population attending the Library also visits the Gallery. *He expressed two main disadvantages in being inside a facility that is largely a public library. The first was that a shared entrance with the library devalues Og2's brand and the Gallery is not able to maintain a separate identity. The ideal is separate entrances. This was heard in other interviews but there is a contradiction in liking the fact that a shared lobby exposes library visitors to the art gallery while at the same time being concerned about a loss of identity because of a shared lobby.*

The second disadvantage related to the content of the art gallery. Since the Gallery shares space with the Library and has a glass front, the interior exhibition space is visible from the Library. As a contemporary art gallery, content with difficult subject matter is sometimes explored in exhibitions and must be hidden from younger audiences attending the library. *The lesson for the Art Gallery of Sudbury in a larger Greater Sudbury Public Library is to limit opportunities for Library visitors to be able to see into most exhibition spaces. This should be easier at the AGS because the recommended exhibition space set out in Chapter 4 is much larger than available in Oakville.*

2.2.4 Dunlop Gallery of the Regina Public Library

The Dunlop Gallery of the Regina Public Library is integrated with both the Central Library Branch and the Sherwood Village Branch. The Gallery is not independent and is therefore not governed by a separate board and nor does it pay rent or any other fees for the use of its space. However, the Gallery does maintain its own staff with the exception of custodial and security staff which are responsible for the entire building.

The Central Library Branch is a three-storey building with the Gallery located on the main floor off of the lobby. The Gallery exhibition space is approximately 2,000 S. F. with a 300 S. F. reception area, a 1,000 sq. ft. office space, and 2,000 sq. ft. of prep space or a total of 5,300 sq., ft. The smaller Sherwood Village Gallery is approximately 1,200 sq. ft.

The Dunlop Gallery does not charge an admission fee and receives approximately 20,000 to 30,000 visitors annually at the Central location compared to the Library that receives approximately 300,000 to 400,000 visitors. The smaller Sherwood Village Gallery receives approximately 10,000 to 15,000 visitors compared to the approximately 200,000 annual library visitors. The Dunlop Gallery has an operating budget of approximately \$750,000, covering both sites.

An interview with the Director/Curator of the Gallery indicated that the Gallery benefits from exposure to Library visitors and provides access to Library staff, services and funding that would not be possible if separately located. Concerns expressed were similar to the Oakville Og2 Gallery in that the Dunlop Gallery has a glass front facing onto the lobby. This poses a challenge when some art exhibitions might be visible to younger library patrons. Also heard was the issue of the difficulty maintaining a separate identity and a challenge in applying for grants. When doing so the Gallery must make it very clear to funders that they manage their own programs and curatorial content that are separate from the Library.



Image of the Diabolique installation at the Dunlop Art Gallery, 2009
Source: Amanda Cachia via www.amandachachia.com

2.2.5 San Diego Central Public Library and Gallery

The San Diego Central Public Library opened its new nearly 367,000 sq. ft. nine-story building in 2013. It includes a very small 2,500 S. F. art gallery on the ninth-floor that is free to the public and also not visible to most library visitors or the general public. The exhibition space is approximately 2000 S. F. with 500 S. F. of office and storage facilities. The gallery is part of the San Diego Central Public Library but has an Advisory Board. The Gallery is managed by one employee who is Library staff and the Gallery is part of the Library's overall operating budget.

The Gallery exhibits the City of San Diego's art collection and therefore functions as a municipal art gallery. It also showcases local and regional artists. As the gallery is part of the library system, it does not offer separate gallery-specific public programming. This will be a difference in Greater Sudbury where the AGS and the GSPL will have separate programming, sometimes in shared spaces.

The San Diego Central Public Library is open daily, staying open until 7 on Mondays through Thursdays. The Gallery operates on reduced hours from noon to 5 Tuesday, Wednesday and Friday, noon to 4 Saturday and Sunday and closed on Mondays.

An interview with the Gallery Director confirmed the advantage of having a free admission art gallery within the Public Library that offers the community an opportunity to see the works of local artists and the municipal collection. Not surprisingly, the disadvantages heard were the loss of brand identity as a very small art gallery in a very large public library, and the need for staff to work at differentiating themselves internally from library employees and externally with the community.

2.3 THE ART GALLERY/MUSEUM MARKETPLACE

A co-located AGS with the GSPL has the opportunity to lead to substantially higher attendance and earned income and operating cost efficiencies relative to the current situation in the Bell Mansion. However, it is important to understand attendance and financial benchmarks from other art galleries/museums to help establish realistic attendance, operational and financial expectations. These benchmarks follow an overview of selected trends associated with art galleries/museums.

2.3.1 Art Gallery/Museum Trends

The following selected trends are from a document prepared by Lord Cultural Resources for art galleries/museums in general. Points have been selected to show both the big picture and in some cases the implications to the Art Gallery of Sudbury and a potential co-location with the Greater Sudbury Public Library:

Physical Facilities:

- Increased fusion of architecture and art and of “star-architects” in which the building is as important as the art. Although attractive facilities are assumed for the AGS, the focus is on increasing the likelihood for long-awaited implementation by controlling size and capital costs, including by means of co-location.

Collections:

- More donations rather than loans or purchases. The assumption is that the Franklin Carmichael collection will be donated, not loaned, to the AGS which is to be renamed the Franklin Carmichael Art Gallery or Centre.
- More private collections/museums. These are primarily in the United States. One example in Canada is the Audain Art Museum in Whistler, BC.

Market:

- Although the market for exhibitions still skews older, more female, highly educated, urban and wealthier, millennials are most active in cultural programming. One of the objectives of the relocation from the Bell Mansion is a downtown site that will be easily accessible to young people, as well as seniors and others.

Visitor Experience:

- Art museums as places to socialize (cultural hubs) including see and be seen events. The concept of a cultural hub is part of the rationale for the GSPL/AGS co-location.

- Increasing use of technology and new ways of engagement, including digital platforms and increased events, including recognition of the need to adapt to mobile devices.
- Increased emphasis on programs for children, and sometimes spaces specific to them.
- A focus on spectacle, or “instagrammable” exhibitions.
- Artists thinking and working on a larger scale, requiring more exhibition space than in the past. More exhibition space is proposed for the AGS.
- Increased potential for more diverse modes of visual arts presentation.

Operations:

- Larger city art museums are most likely to have a fixed admission charge – 60% among the Association of Art Museum Directors – but smaller city art museums/galleries are most likely to offer free or suggested admissions.
- Recognition that attendance and admissions revenue are not a major success measure. On average admissions account for only 7% of operating revenue in the United States and 8% in Canada (6% for art galleries). Also important as measures of success are artist exposure, contribution to contemporary thought, and the reputation of the institution, including risk taking.
- Much less resistance to weddings, concerts and other rentals opportunities, assuming they are separated from the works of art. Generating rentals income will be important for the new AGS.

2.3.2 Art Galleries within Museum Marketplace

The following table indicates what we term the “realities of the museum marketplace.” The primary objective is to convey that even with new, higher quality facilities co-located with a new public library, expectations for the extent of the likely increase in attendance and earned income levels must be realistic. The table includes data for the AGS, small, medium and large art galleries and museums in Ontario, and data from Canada and the United States². The data are supplemented, where relevant, by the *Statistical Profile of Art Galleries in Ontario* (Ontario Association of Art Galleries, March 2014). More detailed information regarding the AGS is set out in the following chapter:

- **On-Site Attendance:** The AGS would be categorized on the basis of its size and operating budget as a medium-sized art gallery. It has averaged about 12,000 annual on-site visitors based on admission by donation, which was introduced in the fall of 2015. The on-site AGS attendance is somewhat lower than the nearly 18,000 visitor range for medium-sized art galleries/museums in Ontario and well below the figures for Canadian and US art galleries/museums set out in the table below. In part this reflects the deficiencies of the Bell Mansion site and facilities. More persons are served by the off-site delivery program of the AGS, as discussed further in Chapter 3.

² The Canadian data are averages and the US are medians.

- **Admission Charge Basis:** In the fall of 2015 the AGS switched from fixed admission charges to admission by donation (pay what you can). This is consistent with the findings of the *Statistical Profile of Art Galleries in Ontario*, which reported that of 46 respondents, 31 offered free admission to all visitors, 10 had a voluntary charge and 9 a mandatory charge. In the United States art museums are the museum type most likely to offer free admission (48%) compared to the overall museum average of 41% free. In 2016 admissions revenue totaled \$4,794, an average of less than 40 cents per visitor based on the total on-site visitor count. Our recommendation regarding admission charges is set out in Chapter 4.
- **School Groups as Percentage of Total Visitors:** The AGS reports about 12% of its on-site visitors arrive in school groups. This is a higher percentage than the benchmarks in the table below and may either reflect a very successful school program or, more likely, weakness in attracting non-school market segments. *Since it will be new and better quality, the new facility should increase overall attendance, including more school visitors, and with higher attendance should cause the school group percentage to decline.*
- **Memberships and Member Visits:** The 90 memberships at the AGS is quite low relative to the figures in the following table, but it must be understood that the data in the following table is for members as opposed memberships. To allow for comparison we estimated the 90 memberships equate to about 200 members. They account for a very substantial 19% of visitors to the AGS. A better located facility offering larger exhibition space should help to increase repeat visitation and therefore the motivation for membership from a wider number of potential visitors. Fixed admission charges would result in more lower-level memberships seeking value for money, but pay what you can should help to increase upper level memberships.
- **Staffing Levels:** The AGS reports only five full-time staff, a reduction from the previous seven, to reflect financial constraints, but is in the same range as reported for medium-sized museums and art galleries in Ontario. However, it is clear that a larger, new facility will require a larger AGS staff.
- **Volunteers:** The AGS reports 17 regular and 36 periodic volunteers, which is lower than the median and average figures for Ontario, Canadian and US art galleries/museums shown in the following table. The trend in Canada has been a decline in the percentage of Canadians who volunteer their time to any cultural or recreational organizations, as reported in the Canadian Index of Wellbeing.³ However, the increasing retirement and longevity of the large baby boom generation should increase volunteer levels in the coming years. It is likely that *the excitement generated for the new co-located facility should increase volunteer support levels for AGS.*
- **Sources of Operating Revenue:** The 2015-16 AGS revenues and especially expenses were skewed by the impact of the Lynn Johnston (*For Better or Worse*) project funds and costs. The AGS reported that about 61% of its operating revenues were from government sources (30% from the City of Greater Sudbury, 11% provincial and 20% from federal funds). Under other circumstances government funding of the AGS is about 50% and in the same general range as art galleries in Ontario and Canada. The *Statistical Profile of Art Galleries in Ontario* reported that, on average, 56% of operating revenues are from government sources. For galleries in the same budget range as the AGS it is 44% from government. In the United States non-earned income support is primarily from private sources.

³ <https://uwaterloo.ca/canadian-index-wellbeing/>

The data indicate the reality that even with larger, better located and higher quality facilities, the City of Greater Sudbury will remain the largest single funding source for the AGS. Moreover, if the same general percentage from government is maintained in a larger facility then it means that the dollar amount from government sources, primarily the City of Greater Sudbury, will also increase unless in-kind methods of financial support are provided. This study has recommended maintaining the current City financial support for the AGS at the same level but with more in-kind support as set out in Chapter 4.

- **Sources of Operating Expenses:** Staffing costs in both Canada and the United States are generally in the range of 50% of total operating costs. For the AGS it was only about 38%, decline from the 48% in the previous year because of additional costs allocated to *For Better or Worse*. In 2016-17 staffing costs increased to a more common 51%.

	Art Gallery of Sudbury	Small Ontario M&AG	Medium Ontario M&AG	Large Ontario M&AG	All Ontario M&AG	Canadian Museums	Canadian Art Galleries	All Canadian Heritage Institutions	US Art Galleries	All US Museums
Sample Size		253	160	41	454	1,088	196	1,974	156	671
On-Site Attendance	12,033	4,063	17,869	206,535	27,213	23,019	56,451	31,336	44,878	26,500
School Groups as % of Total Members	11.8%	7.4%	9.0%	6.6%	7.2%	8.5%	6.4%	6.0%	8.4%	12.3%
Total Full-Time Staff	5	0	3	44	5	4	10	6	15	7
Total Part-Time Staff	16	1	6	37	6	7	12	9	9	5
Total Contract Workers	0	1	3	4	2	2	5	2	N/A	N/A
Total Volunteers	36	21	66	235	56	49	82	52	100	65
Sources of Operating Revenues										
Earned Income as % Total	22.3%	47.3%	33.3%	39.1%	38.6%	37.0%	29.6%	36.4%	21.5%	27.6%
Government Sources %	60.8%**	27.1%	45.9%	45.8%	45.4%	49.4%	44.6%	49.4%	13.3%	24.4%
Private Donations %	10.9%***	24.6%	18.4%	13.3%	14.2%	11.4%	24.1%	12.7%	46.6%	36.5%
Interest/Endowment %	6.0%	1.0%	2.4%	1.7%	1.8%	2.3%	1.7%	1.6%	18.6%	11.5%
Total Operating Revenue	\$707,673	\$45,838	\$423,913	\$11.5 million	\$1.2 million	\$838,000	\$2.2 million	\$1.1 million	\$2.4 million	\$1.2 million
Sources of Operating Expenses										
Staffing	38.1%****	30.7%	50.8%	44.5%	45.0%	47.3%	42.4%	47.5%	48.6%	49.9%
Occupancy	12.5%	12.6%	10.0%	11.8%	11.6%	13.1%	8.8%	12.0%	N/A	N/A
Collections Care	6.9%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	6.4%	8.0%
Marketing	4.4%	3.9%	3.3%	3.8%	3.7%	3.5%	3.9%	3.1%	4.4%	4.1%
Source: 2013 Canadian Heritage Survey (2015) and 2013 Special Report on Museums & Art Galleries by Size and Province/Territory (2015) and 2009 Financial Survey of American Alliance of Museums										
Note: *Museums categorized as small have annual revenue of under \$100,000; medium \$100,000 to \$999,999; large \$1 million+										
Canadian figures represent averages and US figures medians										
* It is 90 memberships for the AGS										
** The 2016 data were skewed higher by more governmental support for the <i>For Better or Worse</i> exhibition. Normally it is less than 60%.										
*** The private support for the AGS includes both donations and in-kind support										
**** Staffing costs are normally higher but there were additional exhibition, marketing and other costs associated with the <i>For Better or Worse</i> exhibition										

2.4 THE PUBLIC LIBRARY MARKETPLACE

This section considers trends for public libraries that will affect the future of the Greater Sudbury Public Library.

2.4.1 GSPL Within Public Library Trends

The Greater Sudbury Public Library has 13 library locations throughout the City of Greater Sudbury. The Main Library, New Sudbury Library and South End Library are located in Sudbury and additional branches are located in the communities of Azilda, Capreol, Chelmsford, Coniston, Dowling, Garson, Levack/Onaping, Lively, and Valley East.

The Main Branch of the future must be an exciting new public landmark that provides its users a mixture of tradition and innovation, creativity and discovery to accommodate more accessible formats, including digital. The future Main Branch will be an institution on the edge, experimenting with the new, leading the user on the way into the possibilities and potential of technology and collaboration. It will be a place for the individual to work alone and also to experience the energy of participation in groups, small and large. A place for cultural programs and exhibitions, a centre for young people and families, the library will be the downtown public institution that welcomes and serves the entire community.

The library will play an integral role in the daily lives of community members as a place for:

- Active community engagement
- Lifelong learning and literacy
- Creativity and innovation
- Collaboration and exploration

It will be an adaptable and flexible space that will meet the changing needs of the community and accommodate new and innovative technologies and new demands.

The library looks towards the future, a future that assumes that:

- More materials will be available in digital formats
- Collections of physical materials, (books and media) will stay at current levels in the short term and decline in the longer term
- More and more people will bring their own electronic devices to be used in the facility
- Access to spaces for the creation of content via digital media labs and maker spaces is becoming more critical
- Virtual reality and augmented reality are important tools for creativity and education
- Interior spaces must be flexible and adapt as services and technology evolve.

The planning that will go into the library building must take into account trends and innovations in terms of service, collections, staffing, technology and layout. The proposed library must accommodate collections, new technology, and operations in an open, light-filled, flexible and inviting space.

As envisioned, it will be an exciting center for families and children in Sudbury a place for children and teens to do schoolwork and explore new areas of digital media creation, spaces for adults to read, learn and participate in the latest technological innovations and a center for exploring new innovations in technology and the maker movement.

The building must also be planned to be environmentally friendly and sustainable. With inviting spaces for exhibitions, programs, civic engagement and quiet reading, the library will be a beacon in the ongoing development of downtown Sudbury.

Taking into account trends affecting public libraries the Greater Sudbury Public Library – Main Branch of the future will:

- Focus on the customer in the building and in the “cloud”.
- Provide physical and digital collections that are responsive to customer demands and community needs.
- Enhance the customer experience by providing latest technologies for public use and library operations.
- Provide flexible and sustainable physical spaces for community interaction, collaboration, collections and customer-center creation and maker spaces.
- Create virtual resources for individuals to create and share content.
- Encourage literacy and learning through services both traditional and innovative.
- Have a building design that offers opportunities for limitless learning, bridging the education gap, supporting interest-driven learning and multiple literacies.
- Support business and career success through resources and collaborative spaces.
- Serve a key role in the social service network, providing space for training, partners and private meetings.
- Add to the continued vitality of Sudbury in a welcoming environment where community members feel empowered and enlightened by their own learning experiences.
- Become an active node in residents’ daily lives, in which people connect with one another and work collaboratively, as well as individually.

These trends also reflect the recent findings (2016) of a study commissioned by the Aspen Institute and the Public Library Association. The nationwide survey of chief administrative officers in local governments focused on the evolving role of public libraries in advancing community goals.

The top five priorities were the areas where local government leaders see libraries playing an important role:

- Access to high-speed Internet service (73%)
- Digital literacy (65%)
- Early childhood education (65%)
- Primary and secondary school attainment (59%)
- Online learning/virtual learning (52%)

As the Greater Sudbury Public Library – Main Branch is developed, it is important to consider the demographic factors in Sudbury so that services, programs and collections meet the need of residents. For example, a focus on early childhood literacy, information and assistance for job seekers, partnerships with the schools, access to technology and citizenship education will be very important.

2.4.2 Comparison of Data for Greater Sudbury Public Library to North Bay, Sault Ste. Marie and Thunder Bay Public Libraries

It is useful to compare the performance of the Greater Sudbury Public Library with public libraries in the other relatively large larger cities in Northern Ontario. The key comparative data are set out in the following tables including commentary regarding the main findings and implications.

The data indicate that of the libraries compared, the GSPL serves the largest population base and has the most library locations at 13. The GSPL is also open the most hours per week (618) and has the most visitors (722,400). Because of its reach geographically and the accessibility of it open hours, the GSPL is a draw to a broad cross-section of the community. A better Main Branch facility should enable it to attract even more visitors.

The Main Branch opens for 68.5 hours per week and exceeds those of the other main branch libraries. When a public library is open a wide range of hours – days, evenings and weekends – it encourages use by all segments of the community.

	Resident Population Served + Contracting Population Served	# of Library Locations	Total Open Hours Per Week	Annual Visitors
Greater Sudbury	161,531	13	618	722,400
Thunder Bay	107,909	4	200	444,850
Sault St. Marie	81,344	3	148	376,050
North Bay	51,553	1	61	458,500
<i>Source: Ontario Public Library Statistics 2016</i>				

In terms of annual operating budgets, the Greater Sudbury Public Library expenditure budget for 2016 at \$8,231,720 was the highest among the four libraries. This equates to \$50.96 per capita, which ranks the second highest in the group of four.

	Annual Expenditures	Materials Expenditure Per Capita	Expenditures Per Capita
Greater Sudbury	\$8,231,720	\$5.20	\$50.96
Thunder Bay	\$6,267,209	\$4.83	\$58.08
Sault St. Marie	\$3,417,597	\$1.65	\$42.01
North Bay	\$2,379,087	\$3.48	\$46.15

Source: Ontario Public Library Statistics 2016

Regarding collections, as the largest library system reviewed it is not surprising to see that the total volumes held at the GSPL are substantially higher than the other libraries reviewed. It is important to remember that Sudbury also has the most library facilities and, therefore, the collection is distributed across multiple venues. The importance of collection size has diminished as more and more materials are made available electronically by libraries to their customers. Other libraries in the north are leading in the provision of E-resources. *It is therefore important that the Greater Sudbury Public Library look at its allocation of collection funds and adjust to add more funding for electronic resources and the demand for these increases and more and more become available.* This has been recommended and assumed for the new Main Branch.

	Collection/ Print	Collection- Media	E-Resources
Greater Sudbury	306,602	65,276	19,892
Thunder Bay	248,674	45,152	107,866
Sault St. Marie	115,375	15,254	72,782
North Bay	170,154	29,856	107,915

Source: Ontario Public Library Statistics 2016

The Greater Sudbury Public Library has the highest annual circulation of library materials (items borrowed) of northern libraries studies, holds the most programs annually and has the highest annual program attendance. It circulated slightly more than 5 books per capita and 55% of the population having an active library card. This percentage should increase with implementation of the new Main Branch library.

	Annual Circulation	Circulation per Capita	Active Card Holders % of Population	Annual Program Attendance
Greater Sudbury	825,407	5.1	55%	47,620
Thunder Bay	743,832	6.9	23%	37,727
Sault St. Marie	412,221	5.1	23%	23,365
North Bay	321,851	6.2	88%	6,301

Source: Ontario Public Library Statistics 2016

Regarding operating revenue, government sources, not surprisingly, account for 96- 98% of total operating revenues for all four of the libraries compared, with small contributed and earned revenue that makes up the remainder. This is typical of public libraries in North America which have traditionally been financially supported by governments and open to the public free of charge as a “public good”. This contrasts with the greater earned and private sources that art galleries must generate.

Staffing represents the highest percentage of expenses for all libraries studied, but the percentage is lower in Greater Sudbury. This is somewhat surprising because of the larger number of facilities run by GSPL. Regarding other operating costs, the GSPL allocates the highest percent of its expenses to facilities/utilities at 10%, *confirming the energy inefficiency and other deficiencies of the existing Mackenzie building.*

2.4.3 Comparison to Similar Libraries in Other Parts OF Ontario

It is useful to compare the performance of the Greater Sudbury Public Library with public libraries in the other comparable municipal library systems in southern Ontario. The following three library systems were selected for comparison to the GSPL:

- **Chatham-Kent Public Library** is an amalgamated system with 11 library locations throughout the municipality of Chatham-Kent. The Chatham Branch is open for 60 hours per week and is housed in a 62 year old facility. This public library system was selected based on number of service points and its amalgamated municipality.
- **Kingston Frontenac Public Library** is an amalgamated system with 16 library locations throughout the City of Kingston. Their Central Branch has been closed to the public since 2016 pending major renovations to a building that has housed the library since 1978 and is set to open in 2018. This public library system was selected based on number of service points, amalgamated municipality and similar operating budget.
- **Barrie Public Library** has 2 library locations throughout the City of Barrie. The Downtown Branch is centrally located in the Downtown core is open for 65 hours per week. Barrie Public Library has been selected based on its similar operating budget and similar service model comparable to Greater Sudbury Public Library.

The data indicate that of the four libraries compared, the GSPL serves the largest population base and the second most library locations. The GSPL is also open the most total hours per week (618) however, the Kingston-Frontenac Public Library currently has a larger number of annual visitors. At 68.5, Greater Sudbury's main library is open the most hours per week, with the average across the three libraries studied at 64.3 hours.

	Resident Population Served + Contracting Population Served	# of Library Locations	Total Open Hours Per Week	Annual Visitors
Greater Sudbury	161,531	13	618	722,400
Chatham-Kent Public Library	102,042	11	320	354,250
Kingston Frontenac Public Library	149,855	16	392	744,100
Barrie Public Library	155,784	2	129	368,300

Source: Ontario Public Library Statistics 2016

In terms of annual operating budgets, the Greater Sudbury Public Library expenditure budget for 2016 was \$8,231,720, the highest among the four libraries, but on a per capita basis at \$50.96 the GSPL ranked second in the group of four. The GSPL expends \$5.20 per capita on library materials (books, media and electronic resources) currently ranking lowest of the four.

	Annual Circulation	Circulation per Capita	Active Card Holders % of Population	Annual Program Attendance
Barrie Public Library	1,518,309	10	25%	36,182
Kingston Frontenac Public Library	1,330,394	9	39%	44,601
Greater Sudbury	825,407	5	55%	47,620
Chatham-Kent Public Library	819,728	8	23%	21,338

	Annual Expenditures	Materials Expenditure Per Capita	Expenditures Per Capita
Barrie Public Library	\$8,382,475	\$5.82	\$53.81
Greater Sudbury	\$8,231,720	\$5.20	\$50.96
Kingston Frontenac Public Library	\$7,540,863	\$7.35	\$50.32
Chatham-Kent Public Library	\$4,275,259	\$6.42	\$41.90

Source: Ontario Public Library Statistics 2016

Regarding collections, GSPL's collections are on par with the other libraries reviewed. Other libraries studied, however, are leading the way in the provision of electronic resources and the demand for these increases and more and more become available. Plans for the new Main Library seek to address this issue.

	Collection/ Print	Collection- Media	E-Resources
Kingston Frontenac Public Library	319,103	41,663	10,634
Greater Sudbury	306,602	65,276	19,892
Chatham-Kent Public Library	295,908	28,879	122,848
Barrie Public Library	208,910	47,880	141,153

Source: Ontario Public Library Statistics 2016

The Greater Sudbury Public Library has the second lowest circulation of library materials (items borrowed) of libraries studied. However, GSPL holds the most programs annually and has the highest annual program attendance but also the lowest circulation per capita of libraries studied. The new Main Library should help to remedy this.

Regarding operating revenue, not surprisingly, government sources account for 97- 99% of total operating revenues for all four of the libraries compared, with small contributed and earned revenue that makes up the remainder.

Staffing represents the highest percentage of expenses for all libraries studied, accounting for 60-75% of total operating expenses, but the percentage is at the low part of the range for Greater Sudbury at 60%. GSPL allocates the highest percent of its expenses to facilities/utilities, again confirming the energy inefficiency and other deficiencies of the existing Mackenzie building.

3. OPERATIONS AND MARKET ANALYSES

It is important to understand the operations of the existing Art Gallery of Sudbury (AGS) and the Greater Sudbury Public Library (GSPL) to help provide the basis for future new facilities and operations. This chapter also considers data and interview feedback regarding potential resident, school and tourist markets for Sudbury and the implications to the co-location.

3.1 EXISTING OPERATIONS OF THE CO-LOCATING INSTITUTIONS

3.1.1 Greater Sudbury Public Library

The Main Branch of the GSPL is located in downtown Sudbury and is the largest facility in the system, has the largest collection of library materials and the largest staff, including those providing direct services to the public and those who oversee the entire system. As a Main Branch, its collection resources and staff expertise are critical to the branch libraries operations and to the public's access to the world of information and education.

The Greater Sudbury Public Library – Main Branch is near the Sudbury Secondary School, an adult education centre and senior's assisted living centre. The site includes 40 no charge parking spaces, which tend to be filled during peak periods. The existing Main Branch is 25,516 net sq. ft. or 32,772 gross sq. ft. The Library features a Maker Space that includes sewing machines, a vinyl cutter, items, craft 3D printer, sound recording and other equipment that is made available for a charge on a cost recovery basis. For those who do not have mobility the GSPL has implemented a "homebound" system that delivers books and currently covers 120 active users.

The staff of the GSPL are City staff as opposed to employees of an autonomous public library. However, the GSPL receives city services that other libraries do not receive. This is because in Ontario most public libraries operate as municipally-funded, independently operated organizations (police boards are a good comparison). Generally all assets are owned by the Library Board and staff are employees of the Board. In some cases Boards enter into operating agreements to contract services with the municipality. Most often contracted services include: payroll, HR, and sometimes IT services.

In the case of the Greater Sudbury Public Library, the operating agreement between the Board and CGS is complete: all library services are funded and operated directly by the City. This includes payroll, HR, and IT. Unlike other libraries it also includes: staffing, administration, capital projects, finance (budgets, A/P, A/R, Purchasing), mail (delivery), legal, risk management, etc.

3.1.2 Art Gallery of Sudbury

The Art Gallery of Sudbury was established in 1967 to provide residents of and visitors to Sudbury with a public art gallery and to provide a cultural and educational use for the historic Bell Mansion, which was constructed in 1907. The AGS is a “Category A” art museum that serves as an important showcase for the visual arts within Northern Ontario. In fact, it brings a 50-year history of actively operating as the only public art gallery within 38,000 square kilometres. It has good relationships with the major artists in Northern Ontario and the ability to provide their work with a regional, provincial and national context. The AGS has a proven record with the Ontario Arts Council and the Canada Council for the Arts and has secured multi-year funding from both of them.

As discussed in Chapter 1, the deficiencies of the Bell Mansion site and building for a public art gallery are enormous. In recognition of these deficiencies the AGS has focused very much in recent years on off-site program delivery, including both in-class school programs and seniors’ education programs, which served over 2,800 people in 2016. In that year the AGS also offered exhibitions of Lynn Johnston and Darlene Naponse that toured to other venues and were seen by over 11,000 people. In addition, the Laughing Buddha exhibitions and exhibitions in the Sudbury Theatre Centre were seen by over 24,000 people, bringing the grand total of program delivery to about 48,100 in 2016, of which only about 12,000 was on-site at the Bell Mansion. There is no charge for regional off-site exhibition delivery.

The AGS opens on a year-round basis for six days per week from 10 a. m. to 5 p. m. but during the summer months opens one hour earlier with open Mondays. School groups have access from 9 a. m. Art classes are held during evening hours on Mondays through Wednesdays from 5 p. m. to 8 p. m. Hours are from noon to 5 p. m. on Sundays.

Admission by donation was introduced in the fall of 2015 to reflect the state of the Sudbury economy and the deficiencies of the site and building, including the very small size of the exhibition space and the fact that art galleries are the museum type most likely to offer free or pay as you will admissions.

In 2016 on-site attendance was as follows:

Audience	Attendance
General Public	6,069
Education Classes	3,068
School Groups	1,425
Other Groups	483
Rentals	988
Total:	12,033

Although attendance at public art galleries tends to vary primarily by the appeal of specific exhibitions, the summer months have been peak for the past two years. Excluding school groups, Greater Sudbury residents account for about 75% of visitors, with 21% from elsewhere in Ontario, 1% from elsewhere in Canada and 3% international. ***A downtown location for the AGS will make it much easier to find for tourists and a co-location with a public library will help to break down the intimidation factor faced by some residents about attending a public art gallery.***

Taking into account the successful children's programs offered by the AGS, children 12 and under account for 32% of all non-school visitors, with only 20% aged 60 plus. Art museum attendance peaks in middle age but tends to decline among seniors⁴, but this is expected to change among the large and active baby boom generation, which is projected to live longer than previous generations. The relatively low 20% of AGS visitors who are aged 60 plus may be seen to reflect a site that is not seen as easily accessible. As is common, about 60% of visitors are female. Of concern is that only 35% are first time visitors and that only 30% of visitors attend on weekend days. More common is 50% in both cases. This too should be rectified by a downtown site.

Not surprisingly, in such a small space the average length of stay in the AGS is relatively short at about 30-45 minutes. More exhibition space will certainly increase length of stay. The relatively low 90 memberships in the AGS reflects the admissions by donation and limited potential benefits in the existing facility. More emphasis on upper level memberships (Franklin Carmichael Circle) will be possible in the context of the new facility in which the motivation is less on value for money and more on love for the mission of the Gallery or because of civic pride. These 90 memberships account for 19% of all visits, confirming the substantial repeat visitation rate to the AGS.

The AGS currently has a full-time, year-round staff of 5, a reduction of two project-funded positions, supported by 5.5 full-time seasonal staff and 16 part-time seasonal personnel, to deliver education programs and man the front desk. The AGS is supported by 17 regular volunteers and 36 special events volunteers. In 2016-17 the operating budget was about \$751,000 with a projected reduction to about \$615,000 in the current year to reflect reduced corporate funding in the mining sector and staff reductions. The City of Greater Sudbury \$200,000 in grants accounted for close to 27% of total operating expenses.

The primary source of earned income is education programs, which generated close to \$85,000 in 2016, with retail sales at about \$23,000, a fundraising event at \$8,500, admissions at close to \$4,800, memberships at \$4,200 and rentals at \$3,500. All of these earned revenue sources should increase in larger, higher quality and better located facilities with exposure to public library visitors.

In 2016 the donations totaled about \$19,000, while endowment interest generated over \$45,500. A new site and facility should create a much greater level of excitement for the AGS and help to increase the endowment and annual donations.

⁴ <https://www.si.edu/Content/opanda/docs/Rpts2006/06.08.ChangingFaces.Final.pdf>

Staffing costs at \$382,700 in 2016-17 were about 51% of operating expenses. Building occupancy costs, including utilities, repairs and maintenance, insurance and security, at about \$96,600 in a gross building space of 9,122 gsf translates to \$10.53 per gross square foot, well above the common \$6.00 to \$8.00 per gsf. This confirms the energy inefficiency, deferred maintenance and other deficiencies of the Bell Mansion.

3.2 POTENTIAL MARKETS

Whereas the market profile of public library uses is very wide, the profile of people who are most likely to attend art galleries is narrower. This section considers potential resident, school and tourist markets for Sudbury and implications largely to the Art Gallery of Sudbury because of the greater need for it to attract visitors.

3.2.1 Potential Resident Markets

Whereas art galleries attract both resident and tourist visitors, users of public libraries are overwhelmingly residents. In considering the relative importance of residents for the AGS, the resident market is particularly important for the following main reasons:

- The resident market is readily accessible and available on a year-round basis.
- Residents can be made aware of the exhibitions and programs of the AGS more easily and cost-effectively than may tourists.
- Residents are most likely to be repeat visitors.
- Residents are more likely to become volunteers, members and donors.
- Residents often advise, and accompany, visiting friends and relatives to the Gallery.

This section considers data regarding the size, demographic and socioeconomic profile of Greater Sudbury, including data for the downtown, in comparison to provincial and national averages.

Population Size and Projections

The following table offers an overview of population totals and growth trends for Greater Sudbury compared to provincial and national figures. At this time only the population data from the 2016 census have been released and indicate a slight 1% growth in the population to about 164,700. This is positive when some interviews suggested there might be a decline. Of interest as well given our recommendation that the co-located Main Branch of the GSPL and AGS need to be downtown is that there has been a slight decline in the population of the area defined as Downtown Sudbury. ***The data indicate the importance of amenities such as a modern public library and art gallery to encourage more people to wish to live downtown.***

Population					
	Actual 2011	Actual 2016	% Change 2011-2016	Projected 2021	Projected 2031
Downtown Sudbury	3,843	3,775	-1.8%	N/A	N/A
Greater Sudbury	163,067	164,689	1.0%	N/A	N/A
Ontario	12,851,821	13,448,492	4.4%	14,702,643	16,296,000
Canada	33,476,688	35,151,728	4.8%	37,171,200	39,014,900
<i>Source: Statistics Canada, 2016 and 2011 Census; Community & Strategic Planning Section, City of Greater Sudbury</i>					
<i>Note: The definition of Downtown Sudbury is from a relatively large Census Dissemination Area</i>					

Age

The market for art galleries generally skews older, and most have difficulty attracting children to exhibitions but some, like the AGS, are successful in attracting children for various programs. Accordingly, for art galleries/museums that have fixed admission charges to exhibitions it is common for them to offer free admission to children.

The following table indicates age comparisons of the residents of Greater Sudbury, Ontario and Canada in 2016. The data for downtown Sudbury are still for 2011. The data indicate a median age in Greater Sudbury that is older than the provincial and national averages. *Of particular importance is the general aging of the population over the next 20 years as more baby boomers become seniors, live longer and are more active than previous generations. This is positive for the AGS and the GSPL but emphasizes the importance of a site that is easily accessible to seniors by public transportation.*

Age of Population, 2016	Downtown Sudbury 2011		Greater Sudbury		Ontario		Canada	
	#	%	#	%	#	%	#	%
0-9 years	85	3%	16,770	10%	1,453,445	11%	3,916,920	12%
10-19 years	120	4%	17,575	11%	1,566,200	12%	3,948,805	12%
20-29 years	475	17%	20,375	13%	1,858,740	14%	4,528,680	14%
30-39 years	285	10%	19,590	12%	1,707,250	13%	4,617,760	14%
40-49 years	335	12%	20,610	13%	1,809,260	14%	4,615,100	14%
50-59 years	470	17%	26,015	16%	2,045,805	16%	5,298,315	16%
60-69 years	355	13%	20,365	13%	1,583,890	12%	4,262,990	13%
70-79 years	315	12%	12,320	8%	921,655	7%	2,442,725	7%
80 years and older	275	10%	7,915	5%	479,655	4%	1,520,430	5%
Median Age	N/A		42.3		40.4		40.6	

Education and Income

Level of education is the variable with the closest correlation to art gallery and other cultural attendance and participation, as supported by numerous studies. The higher the level of education of the individual the more likely it will be that this person will attend or participate.

Like education, household income is an important indicator of potential art gallery/ cultural attendance, but is not as significant an indicator as education. That is, high education, low-income persons are more likely to attend than are persons of high income and low education.

Whereas the educational attainment data for Greater Sudbury, Ontario and Canada are for residents 25 and older, the data for downtown Sudbury are for age 15-24 and thus not fully comparable. In any event as seen on the first table below, the percentage of residents with a university degree is lower in Sudbury than provincial and national averages. A new public library/art gallery should help to enhance the quality of life of Sudbury and the likelihood of attracting and retaining people with higher levels of educational attainment.

The second table sets out median family income levels in Greater Sudbury in 2015 that exceeded the provincial average and national averages and experienced a larger growth over the 2010-2015 period. On the other hand, interviews indicated price sensitivity reflecting, for example, that by June of 2016, the price of nickel had fallen to 34% of what it was in 2010. Wages have been frozen and corporate giving has declined or been suspended. The data serve to confirm that *price consciousness will need to be taken into account in establishing admission charges for the AGS.*

The very low median family income figures for the residents of downtown Sudbury reflect substantial numbers of singles and students and people in low income categories. *The data indicate the importance of a public library being easily accessible to people in all income categories and therefore the importance of an easily accessible downtown site. A downtown site and free or low cost admission would also help to make the AGS more accessible to people in lower income categories.*

Educational Attainment, 2016	Downtown Sudbury (15-64)	Greater Sudbury	Ontario	Canada
Less than high school	21%	11%	10%	11%
High school	30%	25%	24%	24%
Trade certificate	13%	9%	6%	11%
College diploma or some university	21%	35%	27%	25%
University diploma or degree	16%	20%	32%	29%
Total Pop (25 to 64 yrs)	100%	100%	100%	100%
<i>Source: Statistics Canada, National Household Survey 2016, total population 25+</i>				

Income	Downtown Sudbury	Greater Sudbury	Ontario	Canada
Median Family Income- all census families, 2015	N/A	\$ 94,426	\$ 91,089	\$ 88,306
Median Family Income- all census families, 2010	\$ 23,699	\$ 80,084	\$ 80,987	\$ 76,511
% Increase 2010-2015	N/A	17.9%	12.5%	15.4%
<i>Source: Statistics Canada, 2016 and 2011 Census, Downtown Public Community Profile 2011</i>				

Gender

Women account for a slightly larger percentage of the population but are generally a more important market for art galleries and public libraries than are men are for the following main reasons:

- Women tend to make the decisions in a household regarding educational experiences for their children, including attending public libraries and art galleries;

- Women account for a large majority of teachers who usually make the decisions regarding school field trip destinations;
- For attractions like art galleries, women tend to make the decisions regarding attractions to visit while on family vacations and account for a large majority of bus tour passengers and trip planners.

About 60% of non-school visitors to the AGS are women, which is within a common 55-65% female range for art museums and public libraries. The data in the table below indicate a slightly higher percentage of women in all categories. Of particular concern to women are issues of public safety and access from parking and public transportation. These factors should be kept in mind in site selection.

Gender of Population, 2016	Downtown, 2011		Greater Sudbury		Ontario		Canada	
	#	%	#	%	#	%	#	%
Male	1,305	48.4%	78,950	48.9%	6,559,390	51.0%	17,264,200	51.6%
Female	1,390	51.6%	82,575	51.1%	6,889,105	53.6%	17,887,530	53.4%
	2,695		161,525		13,448,495		35,151,730	
<i>Source: Statistics Canada, 2016 Census</i>								
<i>Source: Downtown Public Community Profile 2011</i>								
<i>Note: No new information available on downtown Sudbury from the Public Community Profile</i>								

Ethnic Origin

The following table indicates a very substantial percentage of residents of Greater Sudbury in 2016 who were of French (38%) ethnic origin as well as 12% who were of North American Aboriginal (First Nations) origin. This needs to be taken into account in the programming offered by both the public library and the art gallery. In fact, the Director of the AGS would like the new facility to be trilingual – English, French and a First Nations language to the extent practical.

Ethnic Origin (2016)		
Greater Sudbury	Total Responses	%
Total - Ethnic origin*	158,665	100%
North American Aboriginal origins	19,785	12%
Other North American Origins	73,660	46%
British Isles origins	63,835	40%
French origins	59,885	38%
Western European origins (except French origins)	17,145	11%
Northern European origins (except British Isles origins)	10,010	6%
Eastern European origins	13,810	9%
Southern European origins	16,545	10%
Other European origins	355	0%
Caribbean origins	890	1%
Central and South American origins	645	0%
Central and West African origins	315	0%
North African origins	340	0%
Southern and East African origins	275	0%
Other African origins	530	0%
West Central Asian and Middle Eastern origins	1,165	1%
South Asian origins	1,580	1%
East and Southeast Asian origins	2,010	1%
Other Asian origins	20	0%
Oceania origins	130	0%
Source: 2016 National Household Survey		
Note: * The sum of the ethnic groups in this table is greater than the total population estimate because a person may report more than one ethnic origin in the NHS.		

Mother Tongue

The 2016 data indicate that about 66% of Greater Sudbury residents reported English as their mother tongue while about 26% reported a French mother tongue. The data confirm the *importance of bilingual programming, communications and staffing at both the GSPL and the AGS, which a co-location should help to facilitate.*

Greater Sudbury: Mother Tongue Selected Languages	Mother Tongue		Language Spoken Most Often at Home	
	Number	%	Number	%
Total	159,740	100%	159,745	100%
English	105,250	66%	131,430	82%
French	40,955	26%	20,725	13%
Non-Official language	9,860	6%	3,250	2%
Multiple Responses	3,685	2%	4,335	3%

Source: 2016 Census

3.2.2 School Markets

Formal school field trips to a public library take place primarily at the elementary level, with informal visits by students more likely at the secondary level for research and study. There is also a trend for libraries to provide outreach to schools, as is also the case for public art galleries. For the AGS, formal field trips may take place at a variety of grade levels. It is particularly important for the AGS to offer programming of interest to the school market for the following main reasons:

- Education is part of the mandate of all museums, galleries and public libraries. There needs to be opportunities to broaden and deepen participation from school groups;
- Children brought to public libraries and museum-related institutions as part of school field trips often convince their parents to take them again;
- For children in lower income/education families attending on a field trip is often the only opportunity to attend charged admission museums.

Whereas school groups often represent 15% to 25% of total attendance for science and historical museum types, they generally account for 5-10% of attendance at art museums/galleries. *The AGS reported that among on-site visitors school groups accounted for close to 12% of the total. While this might indicate a successful school group program it also indicates weakness in attracting other market segments that should be mitigated with a better site and facility. A co-located GSPL and AGS should increase the likelihood of more school group visits to both.*

The key determinants for schools to attend on field trips are the size of the student population within a convenient distance, relationship to curriculum, student enjoyment, proximity and cost.

Enrolment Levels and Projections

School enrollment levels for the four school districts most likely to attend the Art Gallery of Sudbury and the Main Branch of the Greater Sudbury Public Library, as set out in the following table. The combined enrollment is about 28,400 students. *However, given travel times and costs the school groups most likely to attend are those in or close to Greater Sudbury.*

School Board Enrolment	Sudbury Catholic School Board		Rainbow District School Board		Conseil Scolaire catholique de Nouvel-Ontario		Conseil Scolaire public du Grand Nord de l'Ontario		Total Enrolment	
	Schools	Pupils	Schools	Pupils	Schools	Pupils	Schools	Pupils	Schools	Pupils
Elementary	13	3,999	33	8,652	29	5,084	11	1,636	86	19,371
Secondary	4	1,945	9	4,607	9	1,604	8	873	30	9,029
Total	17	5,944	42	13,259	38	6,688	19	2,509	116	28,400
<i>Source: Annual Report, Sudbury Catholic District School Board, 2016-17</i>										
<i>Source: Annual Report, Rainbow District School Board, 2016-17</i>										
<i>Source: Annual Report, Conseil Scolaire catholique de Nouvel-Ontario, 2016-17</i>										
<i>Source: Plan d'amélioration, Conseil scolaire public du Grand Nord de l'Ontario, 2017-18</i>										

Curriculum Links

The visual arts are part of the curriculum at the elementary level for all students and the interest at this level is not to view art but to help create it in workshop spaces. In grade 9 students must select from among art, music, dance, drama or media. Music ranks highest followed by the visual arts, drama, dance and media in that order. With the requirement for only one arts credit at the secondary school level most students take it only in grade 9. The exception is the English public arts magnet school at Sudbury Secondary, as these students take field trips to Toronto, Ottawa and the McMichael Gallery in Kleinburg. A magnet school is a public school offering special instruction and programs not available elsewhere, designed to attract a more diverse student body from throughout a school district as opposed to students attending a school in their neighbourhood. There are science magnet schools in all the school districts.

Earlier interviews indicated strong support for a larger, better quality AGS. This includes opportunities to view art exhibitions and also studio opportunities to create art. The latter reflects trends to reduce costs by not having art supplies in the schools, thereby making field trip opportunities more important, particularly at the elementary school level.

Greater Sudbury is also home to Laurentian University, Collège Boréal and Cambrian College. Each institution has arts-related programs and students that are looking for opportunities to engage with visual art and whose students would seek to access a high quality public library.

Interactivity and Student Enjoyment

Field trips have often been selected according to the extent to which they provide hands-on or interactive participation. With continuing cutbacks in the funds available to schools, there is likely to be an even greater emphasis on selecting field trip destinations that are learning-based and age-appropriate in relation to both content and activities, but also “fun” and interactive, thus offering students higher levels of learning enjoyment. This is rooted in the knowledge that children are more likely to learn if their experience is interesting and enjoyable.

The Greater Sudbury Public Library offers maker space and other programming opportunities for school groups and the Art Gallery of Sudbury has hands-on opportunities as well, which should increase in new facilities.

Field Trip Policies and Cost

It is generally at the elementary levels that most field trips take place since it is a decision of one teacher. At the secondary level that permission is required from several teachers, so that multi-disciplinary initiatives are of particular importance and so a co-location would be beneficial.

An earlier interview with the Arts Education Coordinator with the Rainbow School District included comments that it is not the cost of admission but rather the cost of bus transportation that is the major impediment to school field trips generally. With transportation time and cost as important factors in field trip selection, it is generally found that the bulk of the school market available to any museum-related attraction is from the local area. This should help to increase school field trips from within and close to Greater Sudbury.

Even within Greater Sudbury, it must be emphasized that the window of opportunity when school buses are available is generally from 9:30 a. m. to 2:00 p. m. Attending one field trip destination is also common because teachers prefer to focus on one unit of study and not mix up the focus of the field trip. However, if the GSPL and the AGS are co-located in one building that should increase the likelihood of attending both on a single trip.

3.2.3 Tourist Markets

Tourists are far more likely to attend an art gallery than a public library in a city they are visiting so the assessment of tourist markets for Greater Sudbury is very much focused on the Art Gallery of Sudbury (AGS). Sudbury is a regional shopping, health care, entertainment and cultural centre for Northeastern Ontario. There are about 310,000 people who reside within a 100-mile radius of Sudbury. Excluding the nearly 165,000 residents of Greater Sudbury this suggests about 145,000 residents who would be categorized as regional day trip or overnight tourists. There is an opportunity for the AGS to offer a wider level of appeal to this and other tourist markets because of the familiarity with Franklin Carmichael and the Group of Seven.

Profile data associated with Greater Sudbury (CMA 580) and Tourist Region 13A, for Northeastern Ontario, are set out below from 2014:

- **Total Person-Visits, Day Trip and Overnight Visitors:** There were about 4,563,200 person visits to the region of which about 1,187,000, or 26% visited Greater Sudbury. Among regional visitors 52% were day trip visitors from within the region, and the remaining 48% overnight visitors. For Greater Sudbury it was 54% day visitors and 46% overnight. Interviews identified a number of factors that should help to boost tourist visits. These include the completion by 2021 of the 4-lane Highway 69 from Parry Sound to Sudbury, which will reduce driving time from Toronto from 4 to 3.5 hours.
- **Origin of Overnight Visitors:** Of overnight visitors to the region, some 89% are from within Ontario, with the remainder mostly from elsewhere in Canada and therefore most likely to be familiar with Franklin Carmichael and the Group of Seven. For Greater Sudbury it was over 86% from within Ontario, and primarily from the northern parts of the province.

- **Main Purpose of Trip:** For total person-visits to the region as a whole, the main purpose for some 41% was to visit friends and relatives (VFR), followed by leisure travel at 37%, business 9%, shopping 6% and other 7%. For visitors to Greater Sudbury the VFR market was even more important, accounting for about 47% of all visitors. *The VFR market is of particular importance because they are influenced by and often accompanied by residents to art galleries and other things to do in a community also including a public library if it offers facilities and services that are special. This is seen by TripAdvisor data in Halifax, Nova Scotia that ranks its new Central Library as the second most popular thing to do in the city, confirming that a great library can be a tourist destination.*
- **Seasonality of Tourism:** Not surprisingly, the peak season for tourism in the region and to Greater Sudbury is the summer, followed by the spring, fall and winter.
- **Activities Participated In:** Only 1.5% of visitors to the region (1.9% for Greater Sudbury) attended a museum or gallery. The data confirm the need for the cultural infrastructure of Greater Sudbury to be enhanced with a better quality and better located public art gallery.

4. KEY RECOMMENDATIONS/ASSUMPTIONS UNDERLYING PROJECTIONS FOR CO-LOCATED GSPL/AGS

This chapter sets out a series of key recommendations/assumptions that have been approved or modified by the client group to form the basis for the capital cost estimates and the attendance, operating revenue and expense projections for a potential co-location of the Main Branch of the Greater Sudbury Public Library (GSPL) and the Art Gallery of Sudbury (AGS) in Chapter 5 of this report.

4.1 CORE ELEMENTS OF THE CO-LOCATION

The analyses in the previous chapters, the direction that emerged from the two vision/assumptions workshops, the interview process and the judgment and experience of the consultants help to establish the core elements of the co-location. Some of these points are discussed in greater detail in subsequent sections of this chapter:

1. A single building will be constructed and owned by the City of Greater Sudbury on behalf of the Greater Sudbury Public Library to include space leased to the Art Gallery of Sudbury.
2. The co-location will result in less space than would be required in two separate facilities, resulting in lower unit capital and operating costs, as well as the sharing of some spaces.
3. The size of the overall building, as detailed below, is assumed to be 61,800 net sq. ft. of which 18,000 net sq. ft. is dedicated space for the AGS, plus access to some spaces of the Library. (The 2010 study for an independent Art Gallery of Sudbury assumed 33,000 net sq. ft. for the AGS while an internal study for the GSPL estimated 57,000 net sq. ft.) The combined gross square footage of the building, including circulation, mechanical and electrical spaces and wall thicknesses is about 92,700 gsf.
4. The separate missions, governance and staffing structures and sources of operating revenues of the GSPL as a municipal public library and the AGS as an independent art gallery will continue.
5. The AGS will have its own clear identity within the building and on the basis of exterior signage.

6. More space, exhibitions, programming and marketing expenditures and an increase in staffing levels will substantially exceed the earned income opportunities for the AGS in the co-located facility. Specific attendance and financial projections are presented in Chapter 5 *but it is clear that the AGS will require substantially more operating support from government and private sources, largely from the City of Greater Sudbury. However, this study recommends that the City cash operating support for the AGS remain at the current \$200,000 level based on the following recommendations/ assumptions that assume in-kind City support for the Gallery:*
 - Space will be leased by the City of Greater Sudbury to AGS on a long-term basis at one dollar per year. This represents substantial value provided by the City to the AGS.
 - AGS will retain its own independent governance as a long-term tenant within the space, including its own Board and staff, including internal security.
 - As in-kind rather than cash support to AGS, the City of Greater Sudbury as owner of the building will pay for all building occupancy costs (utilities, repairs and maintenance, insurance) and staff associated with these requirements to include spaces occupied by the AGS.
 - Evening rentals of the lobby space will take place only from Friday to Sunday evenings when the Library is closed to the public. On other evenings when the Library is open until 9 pm there will be no lobby rentals. This allows for a shared lobby as opposed to separate lobbies.
 - Lobby rentals income will go to AGS while revenue from rental of the multi-purpose and meeting rooms within the GSPL will go to the Library.
 - Revenue from the gift shop will go to AGS, which will also bear the staffing and operating costs of the retail operation.
 - AGS will seek to raise as much in capital funding from private and non-municipal government sources as possible.
 - Although it will only be a long-term tenant in the building, the AGS should be able to generate several million dollars of senior government capital funding as well as private support that will help to limit the capital investment of the City of Greater Sudbury in the GSPL building.
 - The AGS will offer the value achieved by receiving the Mastin collections of Carmichael works of art valued at \$3.5 million, which would otherwise be lost to Greater Sudbury.
 - It is also assumed that AGS will seek to develop an endowment to support operations.

4.2 SITE

A **site evaluation** process was conducted by a team of City staff and Board members of the Public Library of Greater Sudbury and the Art Gallery of Sudbury, with input from the consultant. The objective was to lead to a recommended/assumed site for the co-located Public Library of Greater Sudbury and Art Gallery of Sudbury. After reducing from a longer list, the five finalist sites considered by the Site Evaluation Committee were, in alphabetical order:

- Minto Parking Lot

- 10 Elm Office Complex, Assuming Adaptive Reuse of Spaces
- Shaughnessy Parking Lot
- Sudbury Community Arena, Assuming Demolition and New Construction
- Sudbury Community Arena, Assuming Renovation

The evaluation process included site tours, collection and analysis of data regarding each of the sites, the identification of evaluation criteria and a weighting and rating system, all culminating in an all-day evaluation workshop. The results of this workshop led to the ranking of the sites.

7. *The Sudbury Community Arena site emerged as the highest ranking assuming demolition and new construction* on that site to offer the primary benefit of new, purpose-built construction. That being said, there are also uncertainties regarding the timeliness of implementation.

4.3 SPACES AND FACILITIES

The GSPL and AGS are two distinct entities that will be housed within one common building. Their differences are reflected in the distribution of spaces therefore their space programs are addressed individually in this section. Since the building will be owned by the Library, any shared spaces will be spaces of the GSPL and made available periodically to the AGS. Those shared spaces are presented in GSPL's program.

4.3.1 GSPL Space Program

The GSPL's space program provide below is conceptual in nature, provided as a guide to the selected architect who will refine it. It is divided into four areas, each containing similar functions of the library. The fifth column from the left shows what spaces could be shared with the AGS.

DETAILED SPACE PROGRAM FOR MAIN BRANCH OF GSPL

Legend

Area 1: Entry Level Lobby Spaces

Area 2: Meeting Rooms

Area 3: Age Level Service Spaces

Area 4: Staff Spaces

Area	Space Name	Existing Main Branch Net Sq. Ft.	Assumed New Main Branch Net Sq. Ft.	Library Spaces with AGS Access	Notes/Comments
1	ENTRY LEVEL LOBBY SPACES				
1.1	Vestibule		200	✓	
1.2	Lobby		1,750	✓	Ticketing takes place here for AGS - ticket counter, membership desk required. Standing area for 150 person reception or banquet seating for 75 persons.
1.3	Café		450	✓	Accessible to AGS patrons. Seating capacity of 30 persons.
1.4	Café kitchen and pantry		175	✓	Can be used for catered events.
1.5	Library Marketplace (new book displays, computer stations)		2750		Filled with displays for books, self-check terminals, info desk, new media, etc. It is a space for transaction, information and quick access to the latest books and media.
1.6	Material Returns Area		75		
1.7	Library Exhibition Space		500		
1.8	Customer Service Desk		400		
1.9	Self Checkout Stations		200		
1.10	Self Pickup Shelves		100		
1.11	Staff Workroom and storage		900		
	Subtotal Area 1 Net Sq Ft	1,332	7,500		

Area	Space Name	Existing Main Branch Net Sq. Ft.	Assumed New Main Branch Net Sq. Ft.	Library Spaces with AGS Access	Notes/Comments
2	MEETING ROOMS				
2.1	Multi-Purpose space (100 people) that can be divided into two spaces – flexible		2500	✓	
2.2	Meeting Rooms for up to 8 people (3 @250)		750	✓	
2.3	Meeting Rooms for up to 4 people (4 @ 200)		800	✓	
2.4	Board/Larger Group Room for up to 20		700	✓	
2.5	Quiet Study Rooms (8@100)		800		
	Subtotal Area 2 Net Sq Ft	1,070	5,550		

Area	Space Name	Existing Main Branch Net Sq. Ft.	Assumed New Main Branch Net Sq. Ft.	Library Spaces with AGS Access	Notes/Comments
3	AGE LEVEL SERVICES SPACES				
3.1	Children – includes Early Literacy Center		3500		
3.2	-Story Hour/Crafts Room		500		
3.3	Teens		2000		
3.4	Adults- Circulating Collections-Print/Media (69,000 items)		7000		
3.5	-Seating –varied types for 50 people		2000		
3.6	-Reference collection		1500		
3.7	-Genealogy and Local History		2000		
3.8	Maker Space and Digital Media Lab		3000		
3.9	Adult Services – Info Desk		200		
3.1	Technology Learning Center		1200		
	Subtotal Area 3 Net Sq Ft	14,264	22,900		

Area	Space Name	Existing Main Branch Net Sq. Ft.	Assumed New Main Branch Net Sq. Ft.	Library Spaces with AGS Access	Notes/Comments
4	STAFF SPACES				
4.1	Staff workrooms - offices		2600		
4.2	Staff breakroom/small kitchen		300		
4.3	Administration Offices		450		
4.4	Technical Services Staff Workrooms -Offices		950		
4.5	Storage (compact shelving?) archives, etc.		1500		
4.6	Shipping and Receiving*		1150	✓	Separate areas off the dock each for art and library receiving.
4.7	Mail Room*		350	✓	
4.8	Staff Lockers, Mail Cubbies, Coat Rack		150		
4.9	Telecommunications Room		150		
4.1	Electrical Room		100		
4.11	Custodial Services Closet		50		
4.12	Building Maintenance Office		100		
	Subtotal Area 4 Net Sq Ft	8,849	7,850		

GSPL - Main Branch Total - Square Fee by Area	Existing Main Branch Net Sq. Ft.	Assumed New Main Branch Net Sq. Ft.
Area1: Entry Level Lobby Spaces	1,332	7,500
Area 2: Meeting Rooms	1,071	5,550
Area 3: Age Level Service Spaces	14,264	22,900
Area 4: Staff Spaces	8,849	7,850
Total New Main Branch Excluding AGS (Net Sq Ft.)	25,516	43,800
Total New AGS Facilities (Net Sq Ft.)		18,000
Total New Main Branch Including AGS (Net Sq Ft.)		61,800
Pre-Design Grossing Factor (50%)		30,900
Total New Main Branch Including AGS (Gross Sq Ft.)		92,700

4.3.2 Detailed AGS Space Program

The following detailed space program for the Art Gallery of Sudbury is broken up into four museum zones, based on public/non-public spaces which are then further broken down to those that house collections and those that do not. This zoning breakdown assists with cost estimating since public spaces in galleries have higher level of finishes and those that house collections require more stringent environmental controls such as temperature and relative humidity.

The four zones are as follows with comparative figures for the existing Art Gallery of Sudbury. The existing AGS offers a small indoor space plus outdoor spaces used for education, rentals and a sculpture garden. It is unknown at this time whether there will outdoor opportunities at the new site.

DETAILED SPACE PROGRAM FOR AGS IN NEW GSPL BUILDING

Legend

Zone A - Public Non-Collection Spaces

Zone B - Public Collection Spaces

Zone C - Non-Public Collection Spaces

Zone D - Non-Public Spaces - Admin/Operations

Zone A	Space Name	Existing Space Net Sq Ft	New AGS Net Sq Ft	Notes/Comments
A1	PUBLIC AMENITIES			
A1.1	Public Lockers/Cloakroom	100	150	With coin operated lockers for public to check personal belongings (backpack and stroller size). Lending of umbrella and wheelchair.
A1.1	Public and Staff Washrooms	164	Part of Grossing	Distributed on each floor except ground floor as assumed to be shared with Library on that level. Must meet barrier-free code requirements.
A1.3	Retail Store + Art Rental Gallery	350	600	
A2	PUBLIC PROGRAM			
A2.1	Family Art Studio	1,380	800	Providing the public with opportunities to participate in and experience artistic creation in painting, drawing, sculpture, prints.
A2.2	Multi-Purpose Room		800	Classroom/multi-purpose space devoted to school group assembly and orientation; school lunchroom; used for other learning activities; rentable for birthday parties .
A2.3	Resource Centre/Art Studio		500	Dedicated space for art education C9:G16
	Total Zone A Net Sq Ft	1,994	2,850	

Zone B	Space Name	Existing Space Net Sq Ft	New AGS Net Sq Ft	Notes/Comments
B	PUBLIC COLLECTION			All environmentally controlled areas
B.1	Temporary Exhibition Gallery	2,193	1,500	Regular venue for temporary exhibitions; will combine with Permanent Collection Gallery B.2 for larger shows.
B.2	Permanent Collection Gallery		1,500	Rotating exhibits of the permanent collection; will combine with the Temporary Exhibition Gallery B.1 when needed for larger temporary shows.
B.3	Franklin Carmichael Gallery		1,000	Permanent but changing exhibition of Carmichael works. Works on paper must be changed every two months. An area will be displayed as his studio with easel etc.
B.4	First Nations Gallery		1,000	
B.5	Francophone Gallery		1,000	
	Total Zone B Net Sq Ft	2,193	6,000	

Zone C	Space Name	Existing Space Net Sq Ft	New AGS Net Sq Ft	Notes/Comments
C1	NON-PUBLIC COLLECTION			All environmentally controlled areas.
C1.1	Collection Storage (Sculpture)	1,241	1,000	
C1.2	Collection Storage (Works on Paper/Photography)		500	
C1.3	Collection Storage (Oil Paintings)		1,000	
C1.4	Collection Storage (New Media)		200	
C1.5	Temporary Exhibition Storage		500	Temporary holding of incoming/outgoing loan collections and temporary exhibitions awaiting galleries installation or repacking for onward shipment.
C1.6	Enclosed Collections Loading Dock: Collections Shipping/Receiving		600	Direct back-in loading dock with dock leveler.
C1.7	Crating/Uncrating		500	For packing/unpacking crated works of art.
C1.8	Isolation Room		130	Accommodates freezer or anoxic chamber.
C1.9	Clean Workshop		375	For matting, framing, mounting, cleaning or other preparation of works of art for display.
C1.10	Curatorial Examination Room		375	For examining and documenting possible acquisitions, and for study of loaned or permanent collection works of art.
C1.11	Crate Storage		300	
	Subtotal Zone C Net Sq Ft	1,241	5,480	

Zone	Space Name	Existing Space Net Sq Ft	New AGS Net Sq Ft	Notes/Comments
D1	ADMINISTRATION			
D1.1	Director/Curator	700	150	Private office
D1.2	Curator Alternate and Collection Manager		100	Private office
D1.3	Manager, Education and Public Programs		100	Private office
D1.4	Education Coordinator		70	Open Office
D1.5	Front Desk, Membership and Facilities Coordinator		70	Open Office
D1.6	Project Staff - collections, marketing communications, (+ other needs)		125	2.5 FTE Open Office
D1.7	Manager, Revenue, Development and Marketing		100	Private office with safe
D1.8	Executive Assistant (Volunteer Coordinator and Bookings Clerk)		100	Private office
D1.9	Exhibition and Events Coordinator/Registrar		100	Private office
D1.10	Administrative Assistant		50	0.6 FTE
D1.11	Bookkeeper		50	0.4 FTE
D1.12	Additional evening/Weekend Staff		50	0.4 FTE
D1.13	Photocopy/Mailroom/Storage/Stockroom		100	
D1.14	Staff/ Volunteer Kitchenette + Lounge	100	300	
D2	OPERATIONS			
D2.1	Packing Supplies Storage	521	150	
D2.2	Chemical Supplies Storage		25	
D2.3	Lamp Storage		25	
D2.4	'Dirty' Workshop		400	Workshop for making and painting plinths, crates, panels, cases, mounts, frames.
D2.5	Moving Equipment Storage Area		100	Area in shipping-receiving to hold forklift when not in use.
D2.6	Exhibit Case/Prop Storage		600	
D2.7	Education Program Storage		30	
D2.8	Equipment Storage		75	
D2.9	Storage - Tables and Chairs		400	
D2.10	Information Services Server Room		50	
D2.11	Retail Stockroom		200	
D2.12	Collection Loading Dock Security Booth		100	Surveillance over Collection Shipping/Receiving
D2.13	Collection Loading Dock Security Guards' Toilet		50	
	Subtotal Zone D Net Sq Ft	1,321	3,670	

The chart below compares the AGS' area distribution per zone in square feet for the existing AGS to the assumed space within the Main Branch of the GSPL. Also included is a percentage breakdown of the space allocation for the new AGS spaces.

Art Gallery of Sudbury Total Sq Ft. by Zone	Existing Space Net Sq Ft	New AGS Net Sq Ft
Zone A: Public Service/Program	1,994	2,850
Zone B: Public Collection Space	2,193	6,000
Zone C: Non-Public Collection Spaces	1,241	5,480
Zone D: Non-Public Non-Collection Spaces	1,321	3,670
Total Indoor Net Sq Ft.	6,749	18,000
Existing Outdoor Space	8,280	N/A
Total Indoor and Outdoor Net Sq Ft.	15,029	18,000

4.4 STAFFING

Staffing accounts for a large percentage of the operating costs of both public libraries and public art galleries. The space and facilities program above indicates spaces within the GSPL to which the AGS will have periodic access. Although the staff will be separate, the assumption is of ongoing collaboration, including shared programming opportunities.

4.4.1 Greater Sudbury Public Library

The staffing estimates for the GSPL are based on the following assumptions:

- There will be two floors of public service functions. Offices, meeting rooms, etc. may be on another floor or floors but only two will have library public functions.
- The hours and days of opening will remain the same as current facility.
- The library will use RFID tags and self-check in and out for the majority of the circulation functions.
- The layout of the public service floors will be open and visible with very few closed rooms.
- There will be small information desks on each floor and one in the children's area with a minimum of staffing (1 or 2 persons depending on time of day and demand) on each.
- There will be 1 or 2 staff members who will have the expertise to assist in the Maker Space and the Digital Media Lab.
- The use of the meeting rooms by the library as well as external groups will be significant. Staff may be needed to do meeting room set ups and break downs.
- The library usage will increase substantially based on the experience of new and/or major renovated and expanded libraries.

The consultants were informed that 27 Full Time Equivalent staff positions are currently allocated to the Greater Sudbury Public Library – Main Branch. Some 26 staff members work on one or more public service shifts per week (at full capacity). Based on the assumptions above, it is recommended and assumed that GSPL plan to add the following positions:

- Emerging Technology Programmer to develop programming with the public, assist with technology and technology instruction and to work in the Makerspace and Digital Media Lab as needed.
 - Curatorial Assistant to assist with bringing up to standard the state of all museum permanent collection storage, permanent collection displays and associated all associated documentation.
 - Security Guard to enhance the security of the new facility.
8. *It is assumed that there will be an additional 3.0 FTE positions leading to a total of 30 FTE positions relative to the current 27.*

4.4.2 Art Gallery of Sudbury

At present the reported level of staffing at the Art Gallery of Sudbury is only five full time staff plus, a reduction of two project-funded positions from the previous 7 FTE, plus part-time, seasonal and project staff that bring the total to 9.1 FTE. It is recommended and assumed that the two positions will be reinstated and that the staffing in the context of a larger facility with more programming, open hours, evening rentals and other needs.

It has also been recommended and assumed that as in-kind rather than additional City cash support to the AGS, the janitorial and maintenance staff of the GSPL will cover the entire building, including the AGS.

The existing, reinstated and additional staff of the Art Gallery of Sudbury are recommended/assumed as follows. Including project, seasonal and part-time staff, the AGS operates with 9.1 FTE positions. It has been assumed that the two positions recently eliminated will be reinstated in the new facility and that as shown in parentheses, the Executive Assistant position will include responsibility for volunteer coordination and bookings, both for rentals and educational program visits. And it is assumed that internal security will be the responsibility of the AGS.

9. In the context of a larger but co-located facility, the **AGS is recommended/assumed to add 4.4 FTE positions as shown on table, to bring the total to 13.5 FTE.** However, during the assumed 3-month major exhibition in Year 2, which will have fixed admission charges, it is assumed there will be that an additional 0.5 FTE part-timers.

Art Gallery of Sudbury Staffing Plan	FTE
Existing Positions	
Director/Curator	1.0
Curator Alternate and Collections Manager/Registrar	1.0
Manager, Education and Public Programs	1.0
Education Coordinator	1.0
Front Desk, Membership and Facilities Coordinator	1.0
Project Staff - collections, marketing, communications, (other needs)	2.5
Seasonal and part-time staff - education, grounds and building	1.6
Reinstated and Modified Positions	
Development, Revenue and Marketing Coordinator	1.0
Additional Positions	
Security and Preparator	1.0
Exhibition, Events and Volunteer Coordinator	1.0
Administrative Assistant and Bookings Clerk	0.6
Bookkeeper	0.4
Additional evening/weekend staff	0.4
Total AGS Staff in Co-Located Facility	13.5

4.5 OPERATING SCHEDULE

10. The operating hours of the GSPL and the AGS are as follows, with recommended changes set out on the table as well. For the AGS a downtown, easily accessible site should enable it to maintain consistent hours on a year-round basis. This includes a recommended evening opening once per week and opening to the public daily at 10 a. m. and allowing for pre-booked exclusive school use earlier in the morning.

	Main Library - Greater Sudbury Public Library	Art Gallery of Sudbury
Current Open Days/ Hours	Early June to early Sept: Monday and Thursday 8:30 to 9; Tuesday, Wednesday and Friday: 8:30 to 5; Saturday 10 to 2 Sunday closed Early September to Early June: Monday to Thursday 8:30 – 9; Friday 8:30 – 5; Saturday 10-4; Sunday 12-4	Summer: Monday to Saturday 9-5 Rest of Year : Tuesday to Saturday 10 - 5 Sundays Year-Round: 12 – 5
Recommended Open Days/ Hours	No changes are recommended	Year Round: Daily 10 a. m. to 5 p. m. One evening to 9 p. m. Exclusive school use before 10 a. m. if pre-booked

4.6 ADMISSION CHARGES

A charged admission AGS does not appear practical in a co-located facility with a free admission public library, particularly when the majority of art galleries in Ontario offer admission by donation or free admission and when none of the library/art gallery co-locations studied included charged admission for the Gallery.

Our recommendations/assumptions associated with admission charges are as follows:

11. It is recommended/assumed that the Art Gallery of Sudbury will offer its ***permanent collection and most temporary exhibitions on the basis of suggested admissions (pay what you can)*** while major level temporary exhibitions are charged.
12. For the purposes of the projections in this report we assume ***one major level temporary exhibition that will be charged every two years for a period of three months during the summer***. This takes into account the cost of bringing in such exhibitions and the need for government or private funding to help pay for them as occurred for example with the *For Better or Worse* exhibition.
13. We recommend that the ***charge for major temporary exhibitions*** be applicable to all visitors with the exception of AGS members. Recommended charges are as follows, with adults defined to be age 25 and older to provide a price break to youth, whether attending school/university or not.

Recommended Admission Charges for Periodic Major Temporary Exhibitions	
Category	Admission Charge
Adult (25-64)	\$10.00
Senior (65+)/Youth (13-24)	\$8.00
Child (5-12)	\$5.00
School Group (per person)	\$4.00
Other Group (per person, average)	\$6.50
Members, under 5, other free	\$0.00

4.7 REVENUE CENTRES

4.7.1 Retail

14. ***The AGS store will be integrated with admissions/information off the lobby to allow the same staff to operate both.***
15. The ***product line will include*** a selection of collection related and other art and craft books and journals, reprints, and also items that reflect the AGS brand.

4.7.2 Rentals

Rental of spaces for functions and other events is the fastest growing revenue center for museums/galleries and most new facilities are being designed to maximize income from this source. Among the various museum types art museums/galleries are the most successful in generating income from rentals. Public libraries are also developing revenues from facility rentals. Recommendations/ assumptions associated with facility rentals are as follows:

16. It is assumed that the **AGS will have access to the lobby when the GSPL is not open to the public. This will often be during Friday, Saturday and Sunday evenings.** Rental rates will be at or above market rates to avoid competing unfairly with private sector facilities and other municipal facilities that are also seeking to maximize rentals income.
17. Rentals will also take place in the GSPL the multi-purpose space, which is assumed to be a flat floor space with flexible seating. **The revenue from the multi-purpose space will accrue to the Library.**
18. The GSPL will also generate revenue from **rental of its meeting rooms** based on charges for commercial or for-profit entities.
19. A **preferred caterer** will be designated to have near exclusive rights to events, with opportunities for other caterers for special circumstances like kosher, halal or other specialty foods. It is assumed the caterer will have access to kitchen facilities.

4.7.3 Café

Taking into account the assumed Sudbury Community Arena site, it is assumed that:

20. There will be a **small café concessioned out to a private operator**, based on approved City procurement policies, who will also be the preferred (but not exclusive) caterer for events/rentals in the facility, both the lobby rentals of AGS and the GSPL-operated multi-purpose space.
21. There will be a related café/catering kitchen with storage.
22. No food/garbage deliveries and route of travel will cross the AGS front of house and back of house spaces that house collections.

4.7.4 Membership

Whereas library cards, which represent a type of membership, are free, membership in art galleries/museums is charged.

Regarding membership in the AGS, it must be emphasized there are essentially two main motivations for membership. The most common, particularly for the lower level membership categories such as family, individual and student, is value for money spent in unlimited free admission, discounts on retail purchases, programs and rentals. A second motivation is love of the institution and what it represents or associated philanthropy or civic pride. These persons tend to become upper level members in categories with names like patron, sustainer, benefactor, etc. and are easier to transition to donor categories.

Assuming admission by donation with the exception of major exhibitions means that lower level memberships for the AGS will continue to be limited but the admissions by donation should help to boost upper level memberships.

23. The **benefits associated with lower level membership categories** are assumed to include free admission to major exhibitions, discounts on retail, programs and rentals.
24. For upper level membership we recommend introduction of **guest passes** during charged temporary exhibitions distributed through social service agencies, religious institutions and schools to those who cannot afford admission to major exhibitions. Tax receipts should be issued to the upper level members who participate.

4.7.5 Other Sources of Income

Additional recommendations/assumptions associated with earned and other income sources are as follows:

25. An increase in the size of the space and additional staffing will allow for expansion of the **educational and public programs** offered by the AGS, and thus the revenues that may be generated.
26. A **menu of sponsorship and programming opportunities** will be developed and promoted to potential private funders. This might include sponsored free admission tickets for major exhibitions, parking, sponsored staff positions and other ideas developed by management.
27. The AGS will continue to access senior government project and operating **grants**.
28. The AGS will encourage a volunteer to create an **interactive donation box** that not only seeks funds on the basis of supporting the mission of the institution but also on interactive features in which the box responds mechanically to the donation of money, perhaps something related to the mixing of colours.
29. The GSPL will **introduce fundraising activities and seek donors** to support efforts on literacy education, children's services, new technologies and enhanced collections.

4.8 MARKETING

The best form of marketing is the product or visitor experience itself as it leads to favourable word of mouth. This applies to both the GSPL and the AGS. A good downtown site and much improved facilities featuring high quality exhibition space and enhanced public and educational programs will help to boost resident, school and tourist attendance for the AGS. Nonetheless additional marketing expenditures and other initiatives will also be required. For example, it is recommended/ assumed that:

30. **The AGS marketing budget will increase** to help boost awareness and attendance levels and exposure to revenue centers, but also reflect the need to control operating costs.
31. The AGS **web site and brochure** will focus very much on the Franklin Carmichael and Group of Seven as well as communicating the opportunities available to visitors.
32. Given the visual nature of an art gallery, **media placement** by the AGS will focus primarily on, web-based and social media and there will be cross-promotion with the GSPL.

33. Marketing and branding are key for public libraries. The new *GSPL will seek to widen its social media presence and enhance its website* as the most important entry point to the public for using and understanding library services.

4.9 OPTIONS/RECOMMENDATIONS FOR FUTURE OF EXISTING MAIN BRANCH OF GSPL AND BELL MANSION SITES

This section sets out options and recommendations associated with the future uses of the existing Main Branch of the GSPL on Mackenzie Street and the Bell Mansion properties assuming a relocation of the Main Branch of the GSPL and the AGS to the Sudbury Community Arena site.

4.9.1 GSPL – Main Branch Property

The Main Branch of the Greater Sudbury Public Library facility on Mackenzie Street downtown was originally constructed in 1952 with an addition in 1976. As discussed earlier, a building condition report prepared in 2012 concluded that “some of the components of the building are not in a state of good repair. Major capital outlay is required to ensure the viability of this facility. In this context, a number of options for the future use of the Mackenzie Library property were identified in the interview process.

These included:

- Adaptive reuse as a City archives based on a relocation of the archives from the current Falconbridge site.
 - Another unidentified City use of the space.
 - Sale of the property to allow for expansion of the seniors’ housing in the area or another non-municipal use.
34. Given the substantial capital reinvestment that would be required for use as an archives or other adaptive reuse, the most practical future use would be the ***sale of the property***, the proceeds from which could be used to help offset costs of the new co-located Greater Sudbury Public Library and Art Gallery of Sudbury project.

4.10 BELL MANSION PROPERTY

The Bell Mansion and gardens was originally a private residence and was renovated at public expense through a Chamber of Commerce drive in the mid-1960s to become a museum. It was a community centennial project for Sudbury. The property was transferred in 1968 in a renovated condition to Laurentian University, which retains ownership while the Art Gallery of Sudbury occupies the property. The University has insured the building and property at a value of over \$2.1 million.

The options for the future use of the Bell Mansion once the Art Gallery of Sudbury relocates to become a long-term tenant in a co-located facility with the Public Library of Greater Sudbury are challenging given ownership by Laurentian University and the heritage nature of the building in a residential neighborhood. Potential options identified during the interview process in this study include:

- A not-for-profit historic house and public gardens that could generate revenue from admissions, weddings and other rentals, but would require substantial ongoing operating support following substantial capital reinvestment.
 - An unidentified use by Laurentian University.
 - Sale of the property to enable it to return to being a private residence, with the proceeds used to help support the capital cost requirements of the co-located Public Library and Art Gallery and/or initiatives of Laurentian University.
35. There is no clear recommendation that emerges among these options. *As a property owned by Laurentian University, there may be a desire to engage in a community consultation process before determining the most appropriate use of the site.*

4.11 OTHER ASSUMPTIONS

36. The GSPL and AGS will not be responsible for payment of any property **taxes**.
37. **Debt repayment** will be part of the operating expenses applied to the GSPL, recognizing that the City of Greater Sudbury will be making the debt payments. There will be no debt payments for the AGS.
38. All revenue and expense projections will be stated in year **2018 constant dollars**, thus a specific inflation factor will not be included in our estimates. However, some revenues and expenses tend to increase at a higher rate than the rate of inflation. For example, staff compensation levels (salaries, wages, benefits and taxes) will be projected to grow on an annual basis by 0.5% above the prevailing rate of inflation each year.

It must be noted that financial projections are subject to the inherent uncertainties of the future. There is no representation that the projections will be realized in whole or in part. However, taking the assumptions into account and based on the scope of our work, we believe the projections set out in the next chapter of this report are reasonable.

5. FINANCIAL ANALYSIS

This chapter sets out capital cost estimates and identifies potential capital funding sources. It also details projections of attendance, operating revenues and expenses of the Greater Sudbury Public Library (GSPL) and the Art Gallery of Sudbury (AGS) assuming new construction at the Sudbury Community Arena site. The estimates are understood to be preliminary and order of magnitude at this pre-design stage of planning.

5.1 CAPITAL COST ESTIMATE

The capital cost estimates in this report are at a pre-design level and reflect the assumed functional program for the proposed new Greater Sudbury Public Library (GSPL) detailed in the previous chapter, which includes the Art Gallery of Sudbury (AGS) as a long-term tenant within the space. The estimates also assume new construction which could be on any downtown site plus estimated site development costs associated with demolition of the existing Sudbury Community Arena and new construction on that site.

The net program area for the Library portion for the building is 43,800 square feet. At this stage we have applied a gross up factor of 50% to the net program area to estimate a total gross building area of 65,700 square feet. Similarly, the Art Gallery space within the building is 18,000 net square feet. For estimate purposes, we have applied a gross up factor of 50% to the net program area to estimate a total gross building area of 27,000 square feet.

The combined program area for the building is 61,800 net square feet with an estimated total gross building area of 92,700 square feet.

For the purposes of developing a realistic elemental estimate for the building, we have assumed the building would be two storeys high with a 60/40 split between the Ground (60%) and Second Floors (40%).

The Order of Magnitude Estimate is intended to establish a realistic budget of the hard construction costs at this pre-design stage. The estimate reflects our opinion as to the fair market value for the construction of this proposed project and is not intended to predict the lowest bid.

The estimate includes all direct and indirect construction costs consistent with the information available. Certain exclusions and qualifications may apply as set out below.

5.1.1 Project Details

General Information:

From the functional program information in Chapter 4 we have developed elemental quantities where possible and applied unit rates for the specific items based on historical and current cost data for this type of project. Where design information was limited, we have made assumptions based on our experience with projects of a similar type, size, and standard of quality.

Location:

The location cost base for this estimate is the Sudbury Community Arena in downtown Sudbury, Ontario.

Measurement and Pricing:

The estimate has been derived using generally accepted principles on method of measurement as per the Canadian Institute of Quantity Surveyors Elemental Cost Analysis and/or Method of Measurement of Construction Works.

The rates used and developed for this estimate where applicable include labour and material, equipment, and subcontractor's overheads and profit. Unit rates are based on our experience with similar projects of this nature and our recent project experience in Sudbury, Ontario.

We have assumed that unionized commercial contractors would perform the work. This estimate is not intended to be a prediction of the lowest bid and assumes competitive bidding for all aspects of the work.

Environmental Sustainability:

The estimate incorporates design elements consistent with LEED and Green Globes as identified within the estimate; however the premiums associated with LEED Certification and a third party LEED consultant have been excluded from the estimate.

Taxes:

The estimate excludes Harmonized Sales Tax (HST).

General Requirements and Fees:

The fee for the General Contractor is included as a percentage of the hard construction cost. The general requirements are based on our assumptions of the anticipated construction approach and schedule.

The estimate includes premiums associated with bonding and insurance. The actual cost of insurance and bonding would be subject to the project specific requirements and the contractor's performance history.

Procurement Methodology:

We have assumed that the project would be procured with a General Contractor approach under a CCDC 2 - 2008 standard form of contract. We have assumed a minimum of three bids would be received for all trade categories to establish competitive bidding and tender results. The estimate is a determination of fair market pricing and not a prediction of lowest bid in any trade category. Please note that should the above minimum bidding conditions not occur on this project, construction bids received could vary significantly from the estimated costs included within this report.

Schedule / Phasing:

The project has been priced to be completed as a single phase. The estimate is based on a schedule of approximately 14 to 16 months with a construction start at Q2 2019. The unit rates in our estimate are based on construction activities occurring during normal working hours and proceeding within a non-accelerated construction schedule. The premiums associated with an accelerated construction schedule and onerous winter working conditions are excluded from the estimate.

Area / Project Statistics:

The areas have been measured in accordance with the Canadian Institute of Quantity Surveyors Standard Method of Measurement.

5.1.2 Contingencies

General:

The effective use of contingencies in construction cost planning requires a clear understanding of estimating risks in both a project specific and general construction market sense. The appropriate level of contingency is dependent on the amount of information available, knowledge of the design teams' methods and philosophy, the timing of the estimate preparation relative to the project design and construction schedule, and the anticipated complexity of the construction work.

Design and Pricing:

A design and pricing contingency of 12% is included in the estimate. This allowance where included is meant to cover pricing and design unknowns during the preparation of this estimate, and not additional scope or functional program requirements.

Escalation:

An allowance for escalation based on 6% (straight-line 3% per annum x 2 years) of the estimate hard construction costs has included in the estimate. This allowance where included is meant to address anticipated changes in construction costs due to market fluctuations between the date of this report and the anticipated tender date.

Construction Contingency (Post Contract):

A post contract contingency of 5% has been included. The intention of this contingency is to cover the cost of post contract change orders.

5.1.3 General Statement of Liability

Probable Costs and Ongoing Cost Control:

Altus Group Limited does not guarantee that tenders or actual construction costs will not vary from this estimate. Acute market conditions, proprietary specifications, or competition/collaboration among contractors may cause tenders to vary from reasonable estimates based on normal and abnormal competitive conditions.

Altus Group Limited recommends the owner and/or design team review the cost estimate report including line item descriptions, unit prices, allowances, assumptions, exclusions, and contingencies to ensure the appropriate design intent has been accurately captured within the report.

It should be noted that the cost consultants are not qualified to confirm that construction work and design is in accordance with approved plans and specifications.

5.1.4 Project Description and Scope Assumptions

Inclusions and Assumptions:

The estimate includes the following major assumptions:

Substructure

- No basement area assumed
- Conventional spread footing foundation including strip and pad footings
- Cast-in-place reinforced concrete foundation walls
- Open cut excavation
- Local dewatering (pumping to grade)
- Perimeter weeping tile
- Insulation to the perimeter foundation walls at 5 feet below grade

Structure

- 5" thick concrete slab on grade with vapour barrier and insulation
- Conventional structure steel framed building with columns, beams and open web joists, composite metal deck at upper floors
- Structural steel stairs including a Feature stair from Ground to Second Floor
- Mechanical space would be located on the Upper Floor (not as a separate penthouse over the Upper Floor)

Exterior Enclosure

- Reinforced concrete block walls where required
- Aluminum framed glass curtain wall to 60% of the total cladding area
- Masonry brick / Precast concrete panels to 40% of the total cladding area with the appropriate back up exterior wall assembly
- Glazed main entry doors, hollow metal exit doors, overhead door at Receiving area
- Metal louvers to mechanical room
- Built up membrane roofing with a minimum of 6" roof insulation
- Roof paver allowance
- Entrance canopy allowance
- Roof parapets and soffit projections

Interior Partitions and Doors

- Reinforced concrete shear / elevator / stair walls
- Concrete block walls where fire rating is required
- Metal stud and gypsum board at demising walls, corridors, and common areas
- Glazed partitions to vestibules and public areas
- Glazed doors at entry vestibules
- Hollow metal doors and frames to storage, service areas, and stairwells
- Solid core wood doors and wood frames to the administration areas

Floor Finishes

- Floor finishes have been assumed based on the room function. Refer to Element B2.1
 - Floor Finishes in the estimate for the floor finishes assumptions.
- Ceiling finishes have been assumed based on room function. Refer to Element B2.2
 - Ceiling Finishes in the estimate for the ceiling finishes assumptions.
- Wall finishes have been assumed based on the room function. Refer to Element B2.3
 - Wall Finishes in the estimate for the wall finishes assumptions.

Fittings and Fixtures

- Steel handrails and balustrades to stairs
- Miscellaneous metals
- Interior signage allowance (doors and wayfinding)
- Staff lockers
- Common area washroom accessories
- Recessed entrance pedimats
- Kitchen millwork with solid surface counter tops
- Washroom vanity millwork with solid surface counter tops
- Closet rod and shelf
- Allowance for millwork to public and administration areas

Equipment and Furnishings

- Window washing anchors only (window washing equipment is excluded)
- Public area window coverings/blinds

Conveying Systems

- No. 1 hydraulic passenger elevator assumed oversized and added capacity to act as both a passenger and service elevator to the Upper Floor

Mechanical

- Good quality commercial plumbing fixtures
- Fire protection (sprinkler) system throughout to NFPA standards
- Kitchen and washroom exhaust directly vented
- Gas hot water boiler provides domestic hot water
- Gas fired hot water boiler provides hot water for building heating
- Make-up air units include hot water heating and chilled water cooling
- Allowance for central building filtration system
- Allowance for controls for major mechanical equipment and the individual HVAC units
- Natural gas service by local utility

Electrical

- LED lighting throughout
- Security system
- Fire alarm system
- Digital metering – installation only
- Communication cables are excluded (only conduits provided)

Site

- Rough and finish grading
- Concrete sidewalks and pavers
- Asphalt paving and concrete curbs to parking areas and driveways
- Soft landscaping including trees, shrubs, plantings, and sod
- Incoming mechanical and electrical services
- Site lighting
- Mechanical site storm drainage

5.1.5 Exclusions

The following items are excluded from the estimate:

- Harmonized Sales Tax (HST) and any related tax exemptions or credits
- Land and associated costs
- Removal and/or handling of hazardous/contaminated material
- Abnormal soil conditions
- Rock excavation

- Utility connection costs/charges
- Soft costs and professional fees
- Legal fees and expenses
- Realty taxes, levies, insurance
- Operating or maintenance costs
- Interest/finance charges
- Owner supplied FF&E such as loose furniture and equipment (except as noted)
- Municipal off site service connections
- Building and/or development permit fees
- Moving or relocation costs
- Decanting costs of the existing library or art gallery
- Sole sourcing of materials, services, or equipment
- Premiums related to accelerated schedule or after hours work
- Public art or interior art work
- Storage racking to the Collection areas
- Woodworking equipment to Workshop areas

5.1.6 Executive Estimate Summary

The 'Hard' Construction Cost Estimate can be summarized as follows:

	Component	GFA(m2)	\$/ (m2)	GFA(SF)	\$/SF	ESTIMATE TOTAL
1	Decommissioning & Demolition (Existing Arena)					
1.1	Decommission the existing Sudbury Community Arena	10,100	\$99	108,715	\$9	\$997,000
1.2	Demolish the existng Sudbury Community Arena	10,100	\$286	108,715	\$27	\$2,886,000
1.3	Site Work (Backfill and making good)	10,100	\$61	108,715	\$6	\$617,000
	Sub Total - GFA (excluding contingencies)	10,100	\$446	108,715	\$41	\$4,500,000
2	New Construction - Library & Art Gallery					
2.1	New Public Library & Art Gallery of Sudbury - Base Building	8,612	\$1,966	92,700	\$182.68	\$16,934,000
2.2	Public Library Fit Out	6,104	\$1,558	65,700	\$145	\$9,509,267
2.3	Art Gallery of Sudbury - Fit Out	2,508	\$1,536	27,000	\$143	\$3,853,665
	Combined Total - Base Building + Fit Out	2,508	\$12,078	92,700	\$327	\$30,296,900
3	Site Development (Brownfield site at 240 Elgin Street)	2,508	\$37	92,700	\$42	\$3,871,700
	Sub Total - GFA (excluding contingencies)	8,612	\$3,968	92,700	\$369	\$34,168,600
4	Design and Pricing Allowance 12.0%	8,612	\$476	92,700	\$44	\$4,100,300
	Sub Total - GFA (including design allowance)	8,612	\$11	92,700	\$413	\$38,268,900
	Contingencies:					
5	Escalation Contingency 6.0%	8,612	\$238	92,699	\$22	\$2,050,100
6	Construction Contingency 5.0%	8,612	\$195	92,700	\$18	\$1,681,000
	TOTAL CONSTRUCTION COST (excluding HST)	8,612	\$4,877	92,700	\$453	\$42,000,000
7	Harmonized Sales Tax (HST) 0%					EXCLUDED
	TOTAL CONSTRUCTION COST (excluding HST)	8,612	\$5,399	92,700	\$502	\$46,500,000

The 'Hard' Construction Cost Estimate can be summarized as follows:

Component		GFA(m2)	\$/ (m2)	GFA(SF)	\$/SF	ESTIMATE TOTAL
ITEMIZED ESTIMATES (Included Above): <i>(Itemized Estimates include the associated General Requirements, Fee & Contingencies)</i>						
Separate Item Description		Quantity	Unit	Rate	Sub-Total	Estimate Total
1	Sudbury Public Library					
1.1	Public Library - Base Building	65,700	SF	\$219.27	\$14,406,079	
1.2	Public Library - Fit Out	65,700	SF	\$180.42	\$11,853,872	
1.3	Art Gallery of Sudbury - Site Development	65,700	SF	\$50.74	\$3,333,534	
	Total for Itemized Estimate - Public Library	65,700	SF	\$450.43		\$29,593,000
2	Art Gallery of Sudbury					
2.1	Art Gallery of Sudbury - Base Building	27,000	SF	\$228.67	\$6,174,034	
2.2	Art Gallery of Sudbury - Fit Out	27,000	SF	\$142.73	\$4,803,824	
2.3	Art Gallery of Sudbury - Site Development	27,000	SF	\$43.02	\$1,428,657	
	Total for Itemized Estimate - Art Gallery	27,000	SF	\$459.52		\$12,407,000
	Combined Total (excluding HST)	92,700	SF	\$453.07		\$42,000,000
3	Decommissioning & Demolition	108,715	SF	\$41.39		\$4,500,000
	Combined Total (excluding HST)	92,700	SF	\$502		\$46,500,000

5.1.6 Potential Capital Funding Sources

As is common for all public libraries in Canada, the capital funding of the new Greater Sudbury Public Library will be primarily from the financial resources of the City of Greater Sudbury. However, there are available senior government capital funding sources available to both public libraries and especially to public art galleries described below. In fact, the inclusion of the Art Gallery of Sudbury within the facility will increase the likelihood of and amounts that may be achieved for the co-located project from senior government sources and especially private support.

The main sources of government funds that would be applicable to both public libraries and public art galleries are as follows. Other programs that were identified in the interviews process as potential sources are also listed but FEDNOR and the NOHFC would not be applicable for capital funding for reasons set out below:

Canada Cultural Spaces Fund (CCSF)

The Program components are:

- Construction and/or Renovation
- Specialized Equipment
- Feasibility Studies for Construction and/or Renovation Projects

Eligible Projects

Eligible projects are construction and/or renovation projects, and specialized equipment purchases related to cultural infrastructure projects intended for professional arts and/or heritage activities.

To be eligible, organizations that apply for a construction and/or renovation project must demonstrate that they own the building or they have a long term lease (minimum of 10 years). *The Art Gallery of Sudbury was advised that up to 50% of the Gallery costs plus up to 50% of specialized equipment and that an application to CCSF would be rated as a higher priority for funding should it come from the Gallery rather than the municipality on the basis of a long-term tenancy.*

Eligible Expenses

Eligible expenses must be directly related to the project presented, including but not limited to these below:

Construction and/or Renovation Projects:

- Professional fees such as architectural, engineering and technical services, project management and environmental assessment
- Construction and/or renovation of cultural infrastructure, including:
 - Property acquisition/transfers
 - Project's interest on short-term financing
 - Demolition, excavation
 - Materials and labour
 - Fire safety and security systems
 - Systems and measures to improve accessibility and mobility
 - Environmental practices and sustainable construction, e.g. LEED, ecoENERGY, etc.
 - Permanent seating
- Administrative costs directly related to the project, e.g. salaries, postage, photocopies, telephone, calls for tender, services to provide materials in both official languages, etc.
- Purchase and installation of public art as part of construction and/or renovation project

Specialized Equipment:

- Sound and lighting equipment
- Removable seating
- Stage curtains
- Staging and rigging equipment
- Multimedia equipment
- Portable dance floor
- Purchase and installation of an integrated data collecting and ticketing system

- Environmental control systems
- Storage system
- Exhibition cases, panels and interactive displays related to a permanent exhibition
- Installation costs and initial training related to the operation of specialized equipment
- Hanging system for exhibition
- Hygrothermograph

Feasibility Study:

- Professional fees related to the assessment of the viability of the project
- Professional fees related to the design, market analysis and resources required to operate the new or renovated site
- Professional fees related to specialized technicians

Ineligible Projects and Expenses

Ineligible Projects:

- Historic building renovations or restorations that are not directly linked to professional arts or heritage programming
- Construction or renovations to the physical envelope of buildings not owned by the applicant
- Projects related to regular or routine maintenance of a building
- Projects primarily involving space for worship or congregational purposes, cemeteries or tourism signage
- Design or production of exhibition content or artistic works
- Purchase and installation of public art as part of a stand-alone project
- Restoration and refurbishment of artefacts/collections
- Commissioning and purchasing of works of art
- Landscaping
- Parking lots
- Gift shops
- Commercial beverage and food facilities
- Long-term accrued interest on financing
- Musical instruments and cases
- Office equipment, such as computers dedicated to administrative tasks and furniture
- Administrative systems
- Equipment for commercial beverage and food facilities or gift shops

Costs related to the development of the project proposal and/or applications are also not eligible.

Ontario Trillium Foundation (OTF)

The OTF makes capital grants for equipment, renovations, repairs, new buildings, and outdoor installations and equipment. In the case of new buildings, applicants will need to demonstrate the need for additional community space. In the case of renovations and new buildings, OTF ensures that the grantee, on behalf of the community, has the benefit of the improvements created by OTF funding for at least five years.

Funding is limited to one grant per project of up to \$150,000. Developmental costs associated with construction, such as the development of plans, legal fees or survey costs, are eligible for funding as part of the capital grant. These costs are limited to 20% of the total grant.

The OTF does not fund capital campaigns. Contributions to building and renovation projects are to specific costs of the project identified in the application.

FEDNOR

FEDNOR is the Government of Canada's economic development organization for Northern Ontario. There are three funding priorities under which FEDNOR produces grants:

- Community Economic Development
- Business Growth and Competitiveness
- Innovation

However, FEDNOR notes that "activities and infrastructure primarily of a social/recreational nature such as museums, libraries, cultural centres, recreation centres, tourist information/welcome centres, arenas and waste management disposal" are ineligible project activities and costs. ***The Library/Gallery project would thus not be able to access funds under this program.***

Northern Ontario Heritage Fund Corporation (NOHFC)

NOHFC lists "arts, culture and creative industries" as one of the 11 priority sectors in the Growth Plan cited for Northern Ontario. However, the Community Capacity Building Program, which most closely aligns with this project *does not offer funding for capital projects*. Instead, NOHFC will fund "non-capital projects that promote or support economic growth and would bring benefits to Northern Ontario" and may help with project costs in the future.

Private Fundraising

In Canada, it is far more likely for private funders to support the capital costs (and ongoing operating costs) of a public art gallery than a public library. Based on expressions of support to date, the Art Gallery of Sudbury believes that they may generate about \$1.5 million in capital funds from private sources. In addition it must be emphasized that the Mastin Family donation of Franklin Carmichael art works have been estimated at \$3.5 million if fully executed as a donation.

5.2 ATTENDANCE, OPERATING REVENUE AND EXPENSE PROJECTIONS

The projections that follow are based on the analyses and assumptions in the previous chapters and the judgment and experience of the consultants. They assume new construction on the site of the current Sudbury Community Arena and build upon a base level of existing data for the GSPL and the AGS. The projections are for the opening three years of operation but it is uncertain when implementation will take place. The projections therefore refer to Year 1, 2 and 3 of operation with Year 3 a stabilized year that would be representative of subsequent years of operation.

The projections associated with operations are in constant 2018 dollars and thus indicate that revenues and costs will change at the prevailing rate of inflation, except where noted.

5.2.1 Greater Sudbury Public Library

The Greater Sudbury Public Library has 13 library locations throughout the City of Greater Sudbury. The focus of this study is the Main Branch. The total operating budget for the Greater Sudbury Public Library was \$8,346,495 in 2017. Of this total, some \$3,262,737 may be allocated to the Main Branch. We have built upon these base level figures to prepare revenue and expense projections for the Main Branch of the GSPL.

PROJECTED USAGE AND REVENUES

When new main libraries open, there is usually a tremendous interest in the building and in the services the new library is now able to provide to the public. In the case of this co-located facility, there should be even more interest to see a building that now houses a major public library and an important art museum. Getting people to the new building for a first visit should not be at all difficult. Getting people to return, again and again, for subsequent visits means making sure that the services and resources in the library meet the needs of the community and are intriguing and exciting. The new building must be inviting, comfortable and welcoming with spaces for individuals and groups to work and study and for people of all ages to learn, create and explore.

The GSPL can expect to see a significant rise in usage across the board once a new facility opens to the public. In consultation with GSPL staff we estimate an increase of at least 30% in all areas. Currently, the GSPL has seen the circulation of materials from the Main Branch decline almost 45% from what it was in 2010 and 20% from 2015. These are significant indicators that either (1) the library may be seeing fewer users or (2) the collection at Main is not meeting the needs of the community. While the GSPL has been actively, and correctly, assessing its collection and de-accessioning materials not used over a long period time in an effort to keep the collection current, fresh and customer-focused, the absolute necessity of having the right collection with new titles, attractively displayed and merchandised when the new facility open is paramount. To this end, ***it is recommended that an amount of money be allocated to add to and refresh the collection for opening day (\$250,000 is suggested as a baseline amount). By adding new items to the collection and displaying and marketing it effectively, it is projected that the circulation of library materials should see a double digit increase.***

Programs are an area that should see an additional focus as well. GSPL places emphasis on services to children. In 2016, the GSPL held 2,226 programs attended by 47,620 individuals. The majority of these were for children and teens (1,412 programs with an attendance of 34,895) throughout the library system. With the new spaces for children and teens as well as multiple spaces for programs and meetings, the GSPL should see a real increase not only in programs for youth but, if staff puts together an intriguing series of programs for adults, some in cooperation with the Art Gallery of Sudbury, the number of adult program attendees should increase substantially. In addition, the Maker Space and the array of new technologies should attract new users and returning users as well.

A new library should also be a way of attracting new library cardholders. In 2016, there were 88,999 active library cardholders in Greater Sudbury. A card campaign, as part of an effective and exciting marketing campaign leading up to the opening of the new building should have a goal of signing up 10,000 new cardholders while retaining the almost 90,000 currently active cardholders.

*In consultation with GSPL staff we estimate that **new cardholders coupled with the new building should mean an estimated 30% increase in the number of library visitors. We also estimate that user fees will increase by over 30% in the opening year over the 2017 budget level, with an additional 2% per year in the subsequent two years projected. Building upon a base level of \$39,000 in user fees for the Main Branch leads to projections set out in the following table.***

The assumption is that the new Library will include a 2,500 sq. ft. space that includes a maximum capacity of 100 persons and divisible into two equal sized halves. The multi-purpose space will be available to community groups for free, as is currently the case in the existing Library, while commercial users will also continue to pay to use the space. For the purposes of these projections we estimate that revenues will open at \$25,000 and grow to \$30,000 by Year 3. This estimate takes into account the private/commercial rental rates at other public libraries, including the Halifax Public Library, and the fact there will be some smaller paid room rentals as well. Other revenues have been rounded up to \$5,500 per year.

For the purposes of these projections we have assumed no change in the 2017 budget for Provincial Grants and subsidies and the Contributions from the Reserve and Capital and the annual City allocation. This will lead to a bottom line of the additional amount required from government sources to break even on operations.

The revenue projections are summarized in the following table.

Revenues	Total GSPL	Main Branch	Year 1	Year 2	Year 3
Provincial Grants and Subsidies	\$413,240	\$120,972	\$120,972	\$120,972	\$120,972
User Fees	\$157,862	\$39,000	\$51,714	\$52,748	\$53,803
Contributions from Reserve and Capital	\$143,439	\$0	\$0	\$0	\$0
Other Revenues	\$5,464	\$5,464	\$5,500	\$5,500	\$5,500
Additional Rentals Income	\$0	\$0	\$25,000	\$28,000	\$30,000
City Allocation	\$7,626,490	\$3,097,301	\$3,097,301	\$3,097,301	\$3,097,301
Total Revenues	\$8,346,495	\$3,262,737	\$3,300,487	\$3,304,521	\$3,307,576

Projected Staffing Costs

Increased visitors, library cardholders, circulation, programming and program attendance combined will, naturally, have an impact on the building and, more importantly, on library staff. Having an adequately staffed facility with people ready to provide assistance to the public is the key to have first time visitors return again and again. The demands from the public on the building's multiple meeting spaces, maker space, technology and services will mean having the right staff in the right space at the right time. Even with no additional hours included, heavy usage and many new spaces and services will require additional staff.

As has been discussed in Section 4.4.1, the increase in the size and the number of floors in the new building, in addition to the anticipated new services and higher usage, will call for additional staff members increasing the Main Branch GSPL staff from the current 27 FTE positions to 30 FTE positions with the caveat that patterns of usage and demands for services will, most likely, necessitate a review of staffing after the first three months of operation and annually thereafter.

The following table indicates the current salary for equivalent positions for the GSPL as a whole and for the Main Branch. The projections assume that salaries in 2018 constant dollars will exceed the prevailing rate of inflation by a total of 2.0% until opening and that it will be 0.5% higher in each of Year 2 and 3. Mandatory employment related costs plus other City-paid benefits are added as well. This leads to the following additional staffing costs for the GSPL over the 2017 budget base level.

GSPL - Main Branch Staffing Costs	FTE	2017 Salaries Wages and Benefits	Base Level Salary per FTE (2018\$)	Year 1	Year 2	Year 3
All GSPL Salaries/Wages/Benefits		\$5,135,976				
Existing Main Branch Salaries/Wages/Benefits	27.0	\$2,003,520		\$2,063,626	\$2,125,534	\$2,189,300
Additional Positions						
Emerging Technology Programmer	1.0		\$54,901	\$56,548	\$58,244	\$59,992
Curatorial Assistant	1.0		\$51,430	\$52,973	\$54,562	\$56,199
Security Guard	1.0		\$57,587	\$59,315	\$61,094	\$62,927
Total Additional Salaries and Wages	3.0		\$163,918	\$168,836	\$173,900	\$179,118
Total Additional Benefits (@ average 20% for new staff)				\$33,767	\$34,780	\$35,824
Total Additional Salaries, Wages and Benefits				\$202,603	\$208,680	\$214,942
TOTAL STAFFING COSTS	30.0	\$2,003,520		\$2,266,229	\$2,334,214	\$2,404,242

Other Projected Operating Costs

The following table starts with a base level of 2017 budget figures and includes estimates of changes to categories that would be affected by a new building. These includes materials and operating expenses, energy costs, and purchased/contract services. We have not assumed any changes to debt repayment, grants/transfer payments contribution to reserve and capital and internal recoveries.

Our estimates are as follows:

- **Materials and Operating Expenses:** It has been recommended that \$250,000 be added to the \$776,929 base level to enhance the collection in the opening year and that \$50,000 be added in subsequent years. Taking into account other costs over the prevailing rate of inflation this leads to the figures in the table below.
- **Energy Costs:** The base level costs of \$67,742 in the existing building of 32,772 gross sq. ft. translates to \$2.07 per sq. ft., in an energy inefficient building. With a new energy efficient building of 97,200 gross square feet, the energy costs will be substantially lower per gross square foot and are estimated at \$1.95 per sq. ft., leading to annual energy costs, in 2018 dollars, of \$189,540 for the Main Branch.
- **Purchased/Contract Services:** We have recommended and assumed an additional \$500,000 as an opening year, one-time expense to equip the building with additional technology, with annual upgrades of \$50,000 per year.
- **Internal Recoveries:** These costs are estimated to be as set out on the following table.

Non-Staff Operating Costs	Total GSPL	Main Branch	Year 1	Year 2	Year 3
Materials and Operating Expenses	\$1,677,379	\$776,929	\$1,042,468	\$1,113,317	\$1,185,583
Energy Costs	\$236,355	\$67,742	\$189,540	\$189,540	\$189,540
Purchased/Contract Services	\$11,686	\$0	\$500,000	\$50,000	\$50,000
Debt Repayment	\$143,439	\$0	\$0	\$0	\$0
Contribution to Reserve and Capital	\$168,000	\$0	\$0	\$0	\$0
Internal Recoveries	\$973,660	\$414,546	\$452,337	\$461,384	\$470,611
Total Costs	\$3,210,519	\$1,259,217	\$2,184,345	\$1,814,241	\$1,895,734

Summary of Revenues and Expenses

The following table summarizes the projections of operating revenues and expenses for the Main Branch of the Greater Sudbury Public Library assuming a new facility at the site of the current Sudbury Community Arena, within which the Art Gallery of Sudbury will be a long-term tenant. The bottom line of the data indicates the additional amount that will be required from government sources to break even on operations each year. The data indicate the need for an additional \$1,150,000 million in Year 1, in large part to reflect investment in needed new technology, \$844,000 in Year 2 and about \$992,000 in Year 3, which would be reflective of subsequent years of operation.

Summary of Revenues and Expenses for GSPL - Main Branch					
Revenues	Total GSPL	Main Branch	Year 1	Year 2	Year 3
Provincial Grants and Subsidies	\$413,240	\$120,972	\$120,972	\$120,972	\$120,972
User Fees	\$157,862	\$39,000	\$51,714	\$52,748	\$53,803
Contributions from Reserve and Capital	\$143,439	\$0	\$0	\$0	\$0
Other Revenues	\$5,464	\$5,464	\$5,500	\$5,500	\$5,500
Additional Rentals Income	\$0	\$0	\$25,000	\$28,000	\$30,000
City Allocation	\$7,626,490	\$3,097,301	\$3,097,301	\$3,097,301	\$3,097,301
Total Revenues	\$8,346,495	\$3,262,737	\$3,300,487	\$3,304,521	\$3,307,576
Operating Costs	Total GSPL	Main Branch	Year 1	Year 2	Year 3
Staffing Costs	\$5,135,976	\$2,003,520	\$2,266,229	\$2,334,214	\$2,404,242
Materials and Operating Expenses	\$1,677,379	\$776,929	\$1,042,468	\$1,113,317	\$1,185,583
Energy Costs	\$236,355	\$67,742	\$189,540	\$189,540	\$189,540
Purchased/Contract Services	\$11,686	\$0	\$500,000	\$50,000	\$50,000
Debt Repayment	\$143,439	\$0	\$0	\$0	\$0
Contribution to Reserve and Capital	\$168,000	\$0	\$0	\$0	\$0
Internal Recoveries	\$973,660	\$414,546	\$452,337	\$461,384	\$470,611
Total Costs	\$8,346,495	\$3,262,737	\$4,450,574	\$4,148,455	\$4,299,976
Additional Amount Required from Government Sources to Break Even		\$0	-\$1,150,087	-\$843,934	-\$992,399

5.2.2 Art Gallery of Sudbury

On-Site Attendance Projections

Although the AGS has offered outreach opportunities, the development of a proper new space for the Gallery in the GSPL building should reduce the need for such ventures. The attendance projections are nonetheless on-site only. In this context a visitor is defined as someone who attends the Gallery on-site for the purposes of experiencing its exhibits and programs, including those attending various special events and rentals. This definition would exclude those who enter the building to only use the gift shop or to wander into an initial gallery for a few feet then depart while in the Library. This suggests the need for an infrared counter half way into the exhibition space or it will require a reasonable estimate of actual visitors. The definition also excludes staff and volunteers, service and delivery people.

It must also be noted that there is no simple computer formula that leads to credible attendance projections. The process used here considers the experience of the existing AGS, data from the art gallery marketplace, and other public library/art gallery co-locations to provide benchmarks for formulas that help to guide our judgment associated with important qualitative factors.

Parameters for On-Site Attendance Projections

A variety of data may be used to help establish parameters or benchmarks for the attendance projections. Although each benchmarking method has its weaknesses, all have been considered to establish parameters to help guide our judgment.

Extrapolation from Existing AGS Operation

Even though the existing Bell Mansion site and facilities are not favourable, it is important to start with current attendance levels and extrapolate from them as one method to consider future attendance. The usefulness of this method also takes into account that AGS offered free admission during 2016, which is assumed to largely continue within the GSPL facility at the Arena site. Reported attendance was 12,033 in 2,193 net sq. ft. of exhibition space, or about 5.5 visitors per sq. ft. Assuming a growth in exhibition space to 6,000 nsf suggests an attendance of about 33,000 visitors in a stabilized year of operation.

Benchmark from Average Attendance Figures of Medium Sized Ontario Art Galleries

As shown in the table in Chapter 2.3.2, the operating revenues of the AGS exceeded the average for medium sized art galleries in Ontario by about 69%. The average attendance for medium sized art galleries in Ontario was 17,869. Applying the 69% increment to the average attendance for Ontario art galleries to the AGS suggests an attendance total of about 29,800.

Benchmarks from Other Art Galleries within Public Libraries

Chapter 2 also sets out data regarding art galleries/museums that are within public libraries. These are therefore particularly important ratios. The data applicable to attendance projections are summarized in the following table and use ratios of visitors per sq. ft. exhibition space and visitors per thousand city/town population.

- **Visitors per Sq. Ft. Exhibition Space:** The ratio that emerges from the comparables is 12.3 visitors per sq. ft. of exhibition space. Applied to the assumed 6,000 nsf of exhibition space for AGS leads to an attendance projection of about 73,800.
- **Visitors per Thousand City/Town Population:** The ratio that emerges is 394.7 visitors per thousand residents. Applied to the 164,689 population of Greater Sudbury leads to an attendance estimate of 65,000.

Canadian Art Galleries within Public Libraries (all free admission)	Reported Attendance	Exhibition Space Sq. Ft.	Visitors per sf Exhibition Space	Town/City Population	Visitors per Thousand Population
Grimsby Public Art Gallery	20,000	1,600	12.5	27,314	732.2
Idea Exchange, Cambridge (four sites)	86,000	6,000	14.3	129,920	661.9
Oakville Galleries (Centennial Library site)	17,500	1,900	9.2	193,832	90.3
Dunlop Gallery, Regina	25,000	2,000	12.5	214,631	116.5
Average	37,125	2,875	12.1	141,424	400.2
Median	22,500	1,950	12.5	161,876	389.2
Mid-Point	29,813	2,413	12.3	151,650	394.7
Assumptions for New AGS		6,500		164,689	

Summary of Figures Extrapolated from Ratios and Ranking Method

Averaging these figures suggests a stabilized attendance figure in the range of 50,000 visitors in the stabilized Year 3, as seen in the following table.

Figures Emerging from:	Attendance (rounded)
Extrapolation from Existing AGS Operation	33,000
Ratios from Public Art Galleries in Ontario	29,800
Exhibition Space Ratio from Comparable Galleries in Public Libraries	73,800
Population Ratio from Comparable Galleries in Public Libraries	65,000
Average (rounded)	50,000

Judgment Regarding Impact of Qualitative Factors

While the ratios above help to guide our judgment regarding potential attendance levels, and suggest a stabilized attendance level of about 50,000 visitors per year, other factors discussed in earlier chapters help to refine the analysis. Some factors suggest higher attendance while others suggest that attendance levels will likely be lower. These factors are as follows, and help to lead to our projected attendance levels for AGS in its first three years of operation:

Positive Factors:

- **Limited Competition:** The Art Gallery of Sudbury is the only public art gallery within a radius of 38,000 square kilometers and its larger size and downtown location will serve to widen its regional appeal.
- **Franklin Carmichael and Group of Seven Brand:** This is very positive and will be implementable only with the new facility as the collection will not be available to Greater Sudbury without a proper new facility.
- **A Largely Free Admission Art Gallery in a Free Admission Public Library:** This will help to attract visitors who might not otherwise attend.
- **An Assumed Downtown Site Involving New Construction to Replace the Sudbury Community Arena:** This will offer much better access and visibility than is currently available at the Bell Mansion, opportunities for purpose-built new construction, on-site parking, outdoor opportunities and other benefits.
- **Potential Synergies with Other Uses at the Arena Site:** It is uncertain at this time what the other uses of the site will be, but there may be opportunities for additional crossover visits with complementary uses.

Negative Factors:

- **Uncertainty about Timing of Implementation:** While selection of the Sudbury Community Arena site for the co-located Public Library of Greater Sudbury and Art Gallery of Sudbury offers substantial advantages, there are uncertainties regarding how long it will take to be implemented. If too lengthy this might risk, for example, loss of the Mastin Collection of Franklin Carmichael works of art.
- **Market Size and Profile:** One of the reasons for investment in a new public library and art gallery is to provide the type of infrastructure that will make Greater Sudbury a more attractive place to live and work. However, relative to larger population centres, the resident market is of limited size and the level of educational attainment, the most important determinant of museum/gallery attendance, is lower than provincial and national averages.

On balance, we believe the positive and negative factors essentially balance and have therefore used the 50,000 attendance figure indicated by the various ratios set out earlier as the estimated on-site attendance in the stabilized Year 3. Year 1 attendance is estimated to be about 20% higher at a rounded 60,000 because of the common opening year curiosity factor, with Year 2 higher than Year 3 at about 55,000 because of an assumed 3-month major exhibition that will be charged. The charge will serve to limit the attendance but will help to generate earned income for AGS.

Projected On-Site Attendance Levels by Segment

The table that follows provides our estimates of total on-site attendance by visitors on weekdays and weekends, helping to lead to design day projections and projected attendance by main market segment and by admissions ticket category during the assumed 3-month charged major exhibition in Year 2.

The projections are also based on the following estimates and assumptions.

- **Attendance by Weekdays and Weekend Days:** It is common for weekend days to account for about half of all visitors. We have used 50% for the purposes of these projections as well.
- **Design Day Calculation:** The Design Day (not peak attendance) calculation is of a higher than average weekend day in a higher than average attendance month. We estimate attendance during such a weekend day at 10% higher than average with the exception of Year 2 in which a major level exhibition is assumed and is increased to 15%. The resultant figures are then applied to estimate how many people will be in the building at one time. Based on the size of the exhibition space, we have estimated about 30% of daily visitors will be in the building at one time, which is within a common 25-35% range.
- **Attendance by Main Market Segment:** The assumed pattern is that, on a percentage basis, resident attendance will be highest in the opening year then decline, with tourist percentages increasing in Years 2 and 3 and school attendance in the same general range. With location in a public library and free admission to most exhibitions the large majority of visitors will remain as residents.
- **Attendance by Ticket Category during Periodic Charged Temporary Exhibitions:** The table that follows also provides estimates of attendance by the admission ticket category. Persons in an Indirect Paid category include members, program participants and rentals guests and those receiving free admission during this 3-month period in Year 2. And there will be people attending the permanent exhibitions who do not pay to attend the major temporary exhibition during this period. Our estimate is that those who pay directly would be about 50% of the total attendance during that period, or a total of about 7,500 paid admission visitors.

Projected Attendance (rounded)	Year 1	Year 2	Year 3	Base Level	Year 1	Year 2	Year 3
Projected Total On-Site Attendance				12,000	60,000	55,000	50,000
Attendance by Weekday/Weekend							
Weekdays	50%	50%	50%		30,000	27,500	25,000
Weekend Days/Holiday Mondays	50%	50%	50%		30,000	27,500	25,000
Total					60,000	55,000	50,000
Design Day Calculation							
Total Projected Attendance					60,000	55,000	50,000
Total Weekend Attendance					30,000	27,500	25,000
Average Weekend Day Attendance					288	264	240
Weekend Day Attendance in Higher Attendance Month (10/15% above average)					317	304	264
Maximum Number of People in Building at One Time (30% of daily total)					95	91	79
Attendance by Main Segment							
Residents (50-mile radius)	80%	75%	70%		48,000	41,250	35,000
School Groups	10%	10%	10%		6,000	5,500	5,000
Tourists	10%	15%	20%		6,000	8,250	10,000
Total	100%	100%	100%		60,000	55,000	50,000
Attendance During Summer Major Temporary Exhibition (Year 2)							
Total Attendance During Charged Exhibition						15,000	
Visitors Paying for Charged Exhibition		50%				7,500	
Attendance by Ticket Category (periodic major exhibitions)							
Adult (25-64)		50%				3,750	
Senior (65+)		20%				1,500	
Student/Youth (13-24)		15%				1,125	
Child (6-12)		5%				375	
Non-School Groups		5%				375	
School Groups		5%				375	
Total On-Site Attendance		100%				7,500	

Projected Operating Revenues

The projections of operating revenues projected for the Art Gallery of Sudbury (AGS) are set out in the following categories. The revenue and expense projections both build primarily upon a base level of rounded recent figures for the AGS:

- Pay What You Can Admissions;
- Fixed Admission Charges for Major Temporary Exhibitions;
- Retail Sales;
- Membership;
- Facility Rentals;

- Educational and Public Programs;
- Fundraising Events (net);
- Other Earned Income;
- Existing Private Support;
- Existing Endowment;
- Existing Government Support.

The bottom line for the projections is the amount of projected expenses minus projected earned income and continued levels of private, endowment and government sources to indicate the additional amounts required from these sources to break even on operations each year.

Pay What You Can Admissions

Current admissions revenue based on “pay what you can” is a rounded \$5,810. Calculated on the basis of the total attendance count the revenue is it is about 48 cents per visitor. We estimate that the pay what you can donations will be the highest in the opening year at 60 cents per total visitors then decline to 40 cents in Year 2 when there is a 3-month fixed admission period for a major temporary exhibition and increase again to 45 cents per visitor in the stabilized Year 3. This leads to the following projections.

Pay What You Can Admissions				
	Base Level	Year 1	Year 2	Year 3
Projected Annual Attendance	12,000	60,000	55,000	50,000
Average Donation Per Visitor	\$0.48	\$0.60	\$0.40	\$0.45
Total Revenue	\$5,810	\$36,000	\$22,000	\$22,500

Fixed Admissions for Major Temporary Exhibition

It has been assumed that a major 3-month temporary exhibition capable of fixed charged admission will be implemented in Year 2. The attendance projections during this period are applied to the assumed admission charges. The projections also assume that discounts offered to visitors in combination with other museums, attractions, hotels, restaurants, CAA/AAA etc. would result in 7% lower income than if such discounts were not in place during the fixed admission period. The admissions revenue projections are therefore as follows:

Fixed Admission Revenue				
Ticket Categories for Periodic Major Exhibition	Ticket Prices	Base Level	Year 2 Visitors	Year 2 Admission Revenue
Adult (25-64)	\$10.00		3,750	\$37,500
Senior (65+)	\$8.00		1,500	\$12,000
Student/Youth (13-24)	\$8.00		1,125	\$9,000
Child (6-12)	\$5.00		375	\$1,875
Non-School Groups (per person)	\$6.50		375	\$2,438
School Groups (avg. per person)	\$4.00		375	\$1,500
Total (before discounts)			7,500	\$64,313
Total (after discounts)		\$0		\$59,811

Retail Sales

The AGS generated about \$33,200 in retail sales in 2016-17 and has budgeted \$34,000 for the current year. The mid-point for the purposes of a base level is \$33,600. At an existing 350 sq. ft. that indicates about \$96 per sq. ft. on retail sales, or \$2.80 per visitor based on 12,000 visitors. But this high per visitor figure is based on a smaller enthusiast market than will be the case in the GSPL facility in which more of the general public will attend and be less inclined to make retail purchases.

The assumption is that the retail store will be located within the AGS at about 600 sq. ft. with a wide variety of products related to the AGS exhibitions and programming. The store will be visible and easily accessible to not only Gallery visitors but also to Library patrons.

Sales per AGS visitor are projected at \$2.00 in Year 1 and to grow by 2% per year to take into account better product and market knowledge over time. However, with more art enthusiasts attending during the major temporary exhibition in Year 2, we estimate sales per visitor that year at \$2.50. Retail cost of goods sold, staffing and other overhead costs are included with those expense projections later in this chapter. These estimates lead to the following retail sales projections.

Retail Sales (600 sq. ft. public space)	Base Level	Year 1	Year 2	Year 3
Total Size of Retail Space	350	600	600	600
Total On-Site Attendance	12,000	60,000	55,000	50,000
Sales per Visitor	\$2.80	\$2.00	\$2.50	\$2.08
Total Sales	\$33,600	\$120,000	\$137,500	\$104,000
Sales Per Sq. Ft.	\$96.00	\$200.00	\$229.17	\$173.33

Membership

The AGS has a modest 90 memberships, reflecting both its free admission, small size and poor location. The revenue from membership totaled about \$3,400 in the current year. That translates to about \$38 per membership.

The excitement about the new location, facility and relationship with the Main Branch of the GSPL should help to boost membership levels which should increase in the context of the charged admission major temporary exhibition Year 2. In addition there should be a growth in support from upper level members to help pay for the cost of bringing it in.

Our estimates of the number of memberships and the average revenue per membership are as follows and leads to the following projections.

Membership	Base Level	Year 1	Year 2	Year 3
Total Memberships	90	300	350	275
Average Revenue per Membership	\$38	\$50	\$60	\$52
Total Revenue	\$3,400	\$15,000	\$21,000	\$14,300

Facility Rentals

In 2016-17 the AGS generated about \$3,200 in rentals income with about the same amount budgeted in the current year, and is thus the base level.

Art museums/galleries are the most successful of any museum type in generating income from evening rentals. In the new facility the 1,750 sq. ft. lobby is part of the overall space of the Main Branch of the Greater Sudbury Public Library, but it has been assumed that rentals revenue in the lobby will be attributable to AGS. Although this space will be available only when the GSPL is closed to the public, likely Friday through Sunday evenings, those are peak days for evening rentals. The lobby space is large enough to accommodate about 75 persons seating at round tables or 150 for receptions

Although the number of rentals may vary widely, we estimate in the range of 25 in Year 1 growing to 35 in Year 3 as seen in the following table. Average income per rental may also vary, but is estimated to average \$800 per rental, including a commission on catering, with growth of 2% per year. The projections are thus as follows.

Rentals	Base Level	Year 1	Year 2	Year 3
Rentals per Year		25	30	35
Average Net Income per Rental		\$800	\$816	\$832
Total Revenues	\$3,200	\$20,000	\$24,480	\$29,131

Educational and Public Programs

Educational and public programs have been the primary generator of earned income for the AGS for many years despite inadequate spaces in the Bell Mansion facility. In 2016-17 some \$89,300 was earned with about \$88,300 budgeted in 2017-18. The mid-point base level is \$88,800.

The space assumptions associated with the new facility are for a combined 2,100 sq. ft. to include a Family Art Centre, Resource Centre and Multi-purpose room to accommodate formal school programs, weekend and evening education programs and public programs, all of which will increase in number and the amounts that may be charged.

The revenues that might be generated from public and educational programs may vary widely. For the purposes of these projections and based on higher attendance and staffing and exposure in the GSPL, as well as the experience of other art galleries, we are estimating a substantial growth of 75% above the base level in Year 1, with a growth of 2% per year above the prevailing rate of inflation.

Educational and Public Programming	Base Level	Year 1	Year 2	Year 3
Total Revenue	\$88,800	\$155,400	\$158,508	\$161,678

Fundraising Events (net)

The AGS, like many other museums and cultural attractions requires fundraising events or galas to support operating costs. In 2016-17 the AGS generated about \$13,800 with \$14,000 budgeted in the current year, based on two fundraisers per year. The base level of the projections is the mid-point or about \$13,900. These figures are low relative to other art galleries.

The net amount that might be raised from these fundraising events that would contribute to operating revenues may vary widely. For the purposes of this study we have estimated a growth to \$20,000 in Year 1 in the context of excitement about the long-awaited new facility and recognition that larger facilities need more support.

We estimate additional income in Year 2 to reflect support for the major temporary exhibition and a modest increase over Year 1 levels in Year 3, as follows.

Fundraising Events (net)	Base Level	Year 1	Year 2	Year 3
Total Revenue	\$13,900	\$20,000	\$35,000	\$22,000

Other Earned Income

The other sources of earned income generated by the AGS include exhibition fees, royalties, and other sources that totaled about \$14,100 in 2017 and \$9,000 budgeted in the current year. The mid-point base level is about \$11,600. There may be other sources of earned income to provide additional income associated with the new AGS. Although these amounts may vary widely, our projections are as follows:

Other Earned Income	Base Level	Year 1	Year 2	Year 3
Total Revenue	\$11,600	\$15,000	\$16,000	\$17,000

Existing Endowment

The most recent endowment income is about \$20,000. This figure is assumed to continue each year to allow the bottom line of the projections to be the amount required from *additional* endowment, private, and government support to break even on operations for each year projected.

Existing Private Support

The private support for the AGS totaled about \$53,000 in the most recent year. This figure is assumed to continue each year to allow the bottom line of the projections to be the amount required from *additional* private, endowment and government support to break even on operations for each year projected.

Existing Government Support

As is common, the City of Greater Sudbury has been the primary source of government operating funds for the AGS each year. This has recently amounted to \$200,000 per year. Federal and provincial support brought the total to about \$400,000 in the current year. This figure has been established as the base level that is assumed to continue each year to allow the bottom line of the projections to be the amount required from *additional* government, endowment and private support to break even on operations for each year projected.

Projected Operating Expenses

The operating expense categories of the Art Gallery of Sudbury are as follows. A key assumption helping to control these costs is that utilities, insurance, building repairs and maintenance will be absorbed by the Greater Sudbury Public Library, so that the only building occupancy costs payable by AGS will be internal to its space:

- Salaries, Wages and Benefits;
- Occupancy Costs
- Exhibitions;
- Educational and Public Programming;
- Collections Acquisition and Care;

- General and Administrative Costs;
- Marketing;
- Costs of Fundraising;
- Retail Store Cost of Goods Sold.

Salaries, Wages and Benefits

The largest operating cost of museums is staffing, generally accounting for 50-60% of the total operating budget of institutions with collections care responsibilities, such as the AGS. In 2016-17, staffing costs, including for core and grant-funded staff at AGS, totaled about \$382,800, including benefits, and accounted for 51% of total operating expenses. Project funded staffing reductions in the current year resulted in lower expenditures of \$332,800.

It must be emphasized that some of the funds for staffing are grant-funded and not necessarily secure in the future. For the purposes of these projections we have assumed that grant funding will be maintained for existing staff and that additional grant funding will be in place to cover some of the additional staff requirements. The following table builds upon the \$332,800 base level to indicate the additional staff positions assumed and their salaries and benefits.

It is assumed that staffing costs will exceed the rate of inflation by 0.5% per year during the three-year period projected. Assuming the opening year will be in four years, this adds an increment of 2% to the base level for Year 1. These estimates and assumptions lead to the following staffing costs.

Position	FTE Year 1, 3	FTE Year 2	2017 Salaries Wages and Benefits	Base Level Salary per FTE (2018\$)	Year 1	Year 2	Year 3
Existing Staffing and Salaries/Wages/Benefits	9.1	9.1	\$332,800	\$334,464	\$341,153	\$342,859	\$344,573
Additional Positions							
Development, Revenue and Marketing Coordinator	1.0	1.0		\$31,500	\$31,973	\$32,292	\$32,615
Security and Preparator	1.0	1.0		\$26,000	\$26,390	\$26,654	\$26,920
Exhibitions, Events and Volunteer Coordinator	1.0	1.0		\$31,500	\$31,973	\$32,292	\$32,615
Administrative Assistant and Bookings Clerk	0.6	0.6		\$26,000	\$15,834	\$15,992	\$16,152
Bookkeeper	0.4	0.4		\$31,500	\$12,789	\$12,917	\$13,046
Additional Weekend/Evening Staff	0.4	0.4		\$18,500	\$7,511	\$7,586	\$7,662
Additional Part-Time Staff During Major Exhibition		0.5		\$18,500	\$0	\$9,435	\$0
Total Additional Salaries and Wages	13.5	14.0			\$126,469	\$137,169	\$129,011
Total Additional Benefits (@ average 7% for new staff)					\$8,853	\$9,602	\$9,031
Total Additional Salaries, Wages and Benefits					\$135,322	\$146,770	\$138,042
TOTAL STAFFING COSTS			\$332,800		\$476,475	\$489,630	\$482,615

Building Occupancy Costs

Building occupancy costs are defined to include all costs, excluding salaries, associated with maintenance and repairs, cleaning, utilities, security systems and building insurance. In the case of the Art Gallery of Sudbury, the core assumptions include no rent, separate metering of utilities or charges associated with building repairs and maintenance or insurance payable by the AGS. These assumptions are part of a strategy to keep the City financial support for AGS in the same range as the \$200,000 per year that has been in place for the past few years, despite more space, staff and programming.

The only occupancy costs to be paid by the AGS are internal repairs and maintenance. These costs will be marginal but will grow over time and are estimated as follows.

Occupancy Costs	Base Level	Year 1	Year 2	Year 3
Total Costs	\$96,000	\$2,000	\$4,000	\$5,000

Exhibitions

The AGS estimates its exhibition costs at \$53,500 when there are no special exhibitions, as is assumed in 2017-18. In 2,193 sq. ft. of exhibition space that translates to about \$24.40 per sq. ft. We have applied this figure to the 6,000 sq. ft. of exhibition space assumed in Year 1 and Year 3.

In the previous two years, with special exhibitions, the exhibition costs ranged from about \$86,400 to \$90,700, with a mid-point at about \$88,600. That would indicate an average for when there are special exhibitions and translates to \$40.40 per sq. ft. We have applied this figure to Year 2 when a major temporary exhibition is in place. This leads to the following projections.

Exhibition Costs	Base Level	Year 1	Year 2	Year 3
Size of Exhibition Space	2,193	6,000	6,000	6,000
Cost per Square Foot	\$24.40	\$24.40	\$40.40	\$24.40
Total Costs	\$53,500	\$146,400	\$242,400	\$146,400

Educational and Public Programming

These costs would exclude staffing but include all other costs associated with the development and delivery of various educational and public programs for the AGS. These costs totaled \$23,800 in 2016-17 and are projected at \$24,000 in the current year, leading to a base level of \$23,900. The base level programming costs are about 27% of the revenues. Assuming a more substantial level of programming offered in better located, larger and higher quality spaces in the context of largely free admission, we estimate a higher cost ratio at 40% in Year 1 to take initial purchases into account, and 35% in subsequent years.

Programming Costs	Base Level	Year 1	Year 2	Year 3
Total Costs	\$23,976	\$62,160	\$55,478	\$56,587

Conservation and Collections

These costs totaled about \$61,200 in 2016-17 and are budgeted to decline to \$33,500 in the current year. We have used the mid-point of about \$47,400 as the base level. With a larger space and more works of art on view we estimate that these costs will increase to the following levels over the period projected. Costs will be higher in the opening year to take initial purchases into account.

Conservation/Curatorial Costs	Base Level	Year 1	Year 2	Year 3
Total Costs	\$47,400	\$70,000	\$60,000	\$60,000

General and Administrative

General and administrative costs include office and related supplies, equipment, mailing, printing, telephone, travel, conferences, volunteer perquisites, professional services, dues and subscriptions, credit card fees, entertainment, and other items that do not fit into the other expense categories. In the case of the AGS, these costs have varied over the years and totaled about \$53,300 in 2016-17, with a budgeted decline to about \$25,300 in the current year. The mid-point base level is \$39,300. This is about 11% of the base level staffing costs and thus within a common 10-20% range as a percentage of staffing costs.

For the purposes of these projections, we estimate these costs at 11% of staffing costs each year. These estimates result in the following projections.

General & Administrative	Base Level	Year 1	Year 2	Year 3
11% of staffing costs	\$39,300	\$52,412	\$53,859	\$53,088

Marketing

These costs generally range from 1-5% or more of the total operating budgets of museums while private sector attractions allocate 10% or more. The AGS allocated about \$11,500 in 2016-17, or about 1.5% of total operating costs, with a decline to \$8,000 in the current year with no special exhibition planned, or 1% of total costs. The base level is \$9,800 and reflects the fact that free admission can help to limit marketing costs. Marketing expenditures per visitor are therefore about 82 cents.

Our estimate is based on non-staff marketing expenditures of \$0.60 per visitor in the free admission and much higher attendance Years 1 and 3 and \$0.80 in Year 2 to reflect the need for expenditures associated with the major temporary exhibition that year. This leads to the following projections.

Marketing	Base Level	Year 1	Year 2	Year 3
Total Costs (\$0.60/\$0.80 per visitor)	\$9,800	\$36,000	\$44,000	\$30,000

Costs of Fundraising

These costs totaled \$12,500 in 2016-17, with a budgeted decline to \$9,400 in the current year, and therefore a base level of \$11,000. The \$11,000 is about 79% of the base level fundraising event revenues of \$13,900. We have assumed that this ratio will continue for each year projected, leading to the following projections.

Cost of Fundraising	Base Level	Year 1	Year 2	Year 3
Total Costs	\$11,000	\$15,800	\$27,650	\$17,380

Retail Cost of Goods Sold

Cost of goods sold (COGS) generally range from 50-60% for museums. For the AGS it was \$23,400 in 2016-16, or about 58% of the retail revenues. COGS sold is estimated at \$20,000. The mid-point base level is therefore \$21,700.

We have estimated costs of goods sold at a more common 55% per year to reflect more product turnover with higher attendance and exposure to GSPL visitors. This results in the following projections.

Retail Cost of Goods Sold	Base Level	Year 1	Year 2	Year 3
Total Costs (@ 55%)	\$21,700	\$66,000	\$75,625	\$57,200

Summary of Attendance and Financial Projections

The following table summarizes our projections of attendance, operating revenues and expenses for the Art Gallery of Sudbury (AGS), which is likely to be renamed the Franklin Carmichael Art Gallery, in its opening three years of operation as a free rent and long-term tenant within the assumed new Greater Sudbury Public Library at the Sudbury Arena site.

On-site attendance levels are estimated to grow from the base level rounded 12,000 annual visitors in the current Bell Mansion facility to 60,000 in the opening year, 55,000 in Year 2 and 50,000 in the stabilized Year 3. The attendance levels are based on free (pay what you can) admissions each year with the exception of Year 2 when a fixed admission 3-month temporary exhibition is assumed. The attendance projections are for persons who actually tour the AGS exhibits or take part in programs or rentals as opposed to people who might wander into the entrance area for curiosity.

We project that assuming free rent and that most building occupancy costs will be absorbed by the GSPL, the operating budget in a larger, better staffed and operated AGS will increase from the base level \$635,000 to the range of \$908,000 to \$927,000 in Years 1 and 3, with about \$1,053,000 required in the year of the major exhibition. The projected earned income and continuation of existing levels of government, endowment and private support minus operating expenses would leave an additional amount required from government, endowment and private sources to break even ranging from about \$65,000 to \$105,000 per year. Given an objective to limit the cash operating support from the City of Greater Sudbury to the current \$200,000 per year, it will be important that the AGS initiate an endowment fund drive and seek to increase annual private support for the new Gallery as well as additional support for operations from other levels of government.

Summary of Projections for Art Gallery of Sudbury (Franklin Carmichael Art Gallery) within Greater Sudbury Public Library								
	Base Level	Year 1	Year 2	Year 3	Base Level	Year 1 %	Year 2 %	Year 3 %
Total Attendance (rounded)	12,000	60,000	55,000	50,000				
Revenues (excluding in-Kind support)								
Pay What You Can Admissions	\$5,810	\$36,000	\$22,000	\$22,500	0.9%	3.9%	2.1%	2.5%
Fixed Admissions for Major Exhibition	\$0	\$0	\$59,811	\$0	0.0%	0.0%	5.7%	0.0%
Retail Sales	\$33,600	\$120,000	\$137,500	\$104,000	5.3%	12.9%	13.1%	11.5%
Membership	\$3,400	\$15,000	\$21,000	\$14,300	0.5%	1.6%	2.0%	1.6%
Educational and Public Programs	\$88,800	\$155,400	\$158,508	\$161,678	14.0%	16.8%	15.1%	17.8%
Rentals	\$3,200	\$20,000	\$24,480	\$29,131	0.5%	2.2%	2.3%	3.2%
Fundraising Events (net)	\$13,900	\$20,000	\$35,000	\$22,000	2.2%	2.2%	3.3%	2.4%
Other Earned	\$11,600	\$15,000	\$16,000	\$17,000	1.8%	1.6%	1.5%	1.9%
Existing Endowment	\$20,000	\$20,000	\$20,000	\$20,000	3.1%	2.2%	1.9%	2.2%
Existing Private Support	\$53,000	\$53,000	\$53,000	\$53,000	8.3%	5.7%	5.0%	5.8%
Existing Government Support	\$400,000	\$400,000	\$400,000	\$400,000	62.9%	43.1%	38.0%	44.0%
Total Revenue (rounded)	\$633,310	\$854,400	\$947,299	\$843,609	99.7%	92.1%	90.0%	92.9%
Expenses (excluding depreciation)								
Salaries, Wages, Benefits	\$332,800	\$476,475	\$489,630	\$482,615	52.4%	51.4%	46.5%	53.1%
Occupancy	\$96,000	\$2,000	\$4,000	\$5,000	15.1%	0.2%	0.4%	0.6%
Exhibitions	\$53,500	\$146,400	\$242,400	\$146,400	8.4%	15.8%	23.0%	16.1%
Programs	\$23,976	\$62,160	\$55,478	\$56,587	3.8%	6.7%	5.3%	6.2%
Conservation/Curatorial	\$47,400	\$70,000	\$60,000	\$60,000	7.5%	7.5%	5.7%	6.6%
General & Administrative	\$39,300	\$52,412	\$53,859	\$53,088	6.2%	5.7%	5.1%	5.8%
Marketing	\$9,800	\$36,000	\$44,000	\$30,000	1.5%	3.9%	4.2%	3.3%
Cost of Fundraising	\$11,000	\$15,800	\$27,650	\$17,380	1.7%	1.7%	2.6%	1.9%
Retail Cost of Goods Sold	\$21,700	\$66,000	\$75,625	\$57,200	3.4%	7.1%	7.2%	6.3%
Total Expenses (rounded)	\$635,476	\$927,247	\$1,052,642	\$908,270	100.0%	100.0%	100.0%	100.0%
Amount Required to Break Even from Additional Government, Endowment and Private Sources	(\$2,166)	(\$72,847)	(\$105,343)	(\$64,661)	-0.3%	-7.9%	-10.0%	-7.1%

APPENDIX A: ACKNOWLEDGMENTS

The consultants would like to acknowledge the valued assistance and advice of all those who took part in the Visioning/Assumptions Workshop or were interviewed as part the planning process. Particular thanks are extended to Eleethea Savage, Brian Harding and Demetra Christakos for their leadership, advice and assistance in coordinating the planning process.

Workshop Participants

- Meredith Armstrong, Manager of Tourism and Culture, City of Greater Sudbury
- Michael Bellmore, Board Chair, Greater Sudbury Public Library
- Demetra Christakos, Director/Curator, Art Gallery of Sudbury
- Cindy Derrenbacher, Board Member, Greater Sudbury Public Library
- Josée Forest-Niesing, Board Chair, Art Gallery of Sudbury
- Brian Harding, Manager of Libraries and Heritage Museums, City of Greater Sudbury,
- Lise Labine, Board Member, Art Gallery of Sudbury
- Steven Townend, Board Member, Greater Sudbury Public Library

Additional Interviews

- Ed Archer, Chief Administrative Officer, City of Greater Sudbury
- Brian Bigger, Mayor, City of Greater Sudbury
- David Boyce, Board Member, Greater Sudbury Chamber of Commerce
- Fern Cormier, Councillor, City of Greater Sudbury
- Kathryn Drury, CEO/Chief Librarian, Grimsby Public Library
- Nancy Gareh, Manager, Education and Programs, Art Gallery of Sudbury
- Terrence Galvin, Director, Laurentian University School of Architecture
- Robert Green, Project Coordinator, Vista Hospitality
- Ron Henderson, General Manager of Leisure Services, City of Greater Sudbury
- Ryan Humeniuk, Assistant to the Mayor, City of Greater Sudbury
- Matthew Hyland, Director/Curator, Oakville Galleries Og2

- Mette Kruger, Coordinator of Public Services, Greater Sudbury Public Library
- Guy Labine, Executive Director, Science North
- Ed Landry, Senior Planner, City of Greater Sudbury
- Maureen Luoma, Executive Director, Downtown Sudbury BIA
- Joyce Mankarios, Director of Policy and Public Relations, Greater Sudbury Chamber of Commerce
- Catharine Mastin, Franklin Carmichael Estate
- John Mastin, Franklin Carmichael Estate
- Jennifer Matotek, Director/Curator, Dunlop Art Gallery, Regina
- Rebecca McArthur, Community Librarian (New Sudbury/South End), Greater Sudbury Public Library
- Jeff McIntyre, Board Chair, Downtown Sudbury BIA
- Deanna Nebenionquit, Curator & Collections Manager, Art Gallery of Sudbury
- Debbi Nicholson, President, Greater Sudbury Chamber of Commerce
- Tracy Nutt, Board Chair, Greater Sudbury Chamber of Commerce
- Jeff Pafford, Manager of Arenas, City of Greater Sudbury
- Lynn Reynolds, Councillor, City of Greater Sudbury
- Eleethea Savage, Regional Business Centre Coordinator, City of Greater Sudbury
- Mary Searle, Coordinator of Library Collections, Greater Sudbury Public Library
- Peggy Simon, Executive Director, Ojibwe Cultural Foundation
- Mark Signoretti, Councillor, City of Greater Sudbury
- Al Sizer, Councillor, City of Greater Sudbury
- Karen Thistle, Manager, Development and Communications, Art Gallery of Sudbury
- Amin Visram, Chief Executive Officer, Vista Hospitality
- Rob Walz, Coordinator of Insurance and Risk Management, City of Greater Sudbury
- Aidan Ware, Galleries Director, Idea Exchange
- Wendy Watson, Board Chair, Greater Sudbury Development Corporation
- Jessica Watts, Coordinator of Outreach, Programs and Partnerships, Greater Sudbury Public Library
- Rhona Wenger, Director of Grimsby Art Gallery
- Kara West, Gallery Director, San Diego Central Public Gallery
- Ian Wood, Director of Economic Development, City of Greater Sudbury
- Dario Zulich, Owner, Sudbury Wolves

APPENDIX B: LITERATURE REVIEW BIBLIOGRAPHY

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APPENDIX C: DETAILED CAPITAL COST ESTIMATE



Sudbury Public Library & Art Gallery of Sudbury
Order of Magnitude (Class D) Estimate
Sudbury, Ontario

Project No. 101598

Date: June 15, 2017

EXECUTIVE ESTIMATE SUMMARY

The 'Hard' Construction Cost Estimate can be summarized as follows :

	Component	GFA(m2)	\$(m2)	GFA(SF)	\$/SF	ESTIMATE TOTAL
1	New Public Library & Art Gallery of Sudbury - Base Building	8,612	\$1,966	92,700	\$182.68	\$16,934,000
2	Public Library Fit Out	6,104	\$1,558	65,700	\$145	\$9,509,267
3	Art Gallery of Sudbury - Fit Out	2,508	\$1,536	27,000	\$143	\$3,853,665
Combined Total - Base Building + Fit Out		2,508	\$12,078	92,700	\$327	\$30,296,900
4	Site Development	2,508	\$37	92,700	\$42	\$3,871,700
Sub Total - GFA (excluding contingencies)		17,224	\$1,984	92,700	\$369	\$34,168,600
5	Design and Pricing Allowance 12.0%	17,224	\$238	92,700	\$44	\$4,100,300
Sub Total - GFA (including design allowance)		17,224	\$5	92,700	\$413	\$38,268,900
Contingencies:						
6	Escalation Contingency 6.0%	17,224	\$119	185,398	\$11	\$2,050,100
7	Construction Contingency 5.0%	17,224	\$98	92,700	\$18	\$1,680,500
TOTAL CONSTRUCTION COST (excluding HST)		17,224	\$2,438	92,700	\$453	\$41,999,500
8	Harmonized Sales Tax (HST) 0%					EXCLUDED
TOTAL CONSTRUCTION COST (excluding HST)		17,224	\$2,438	92,700	\$453	\$42,000,000

ITEMIZED ESTIMATES (Included Above): *(Itemized Estimates include the associated General Requirements, Fee & Contingencies)*

Separate Item Description	Quantity	Unit	Rate	Sub-Total	Estimate Total
1 Sudbury Public Library					
1.1 Public Library - Base Building	65,700	SF	\$219.27	\$14,406,079	
1.2 Public Library - Fit Out	65,700	SF	\$180.42	\$11,853,872	
1.3 Art Gallery of Sudbury - Site Development	65,700	SF	\$50.74	\$3,333,534	
Total for Itemized Estimate - Public Library	65,700	SF	\$450.43		\$29,593,000
2 Art Gallery of Sudbury					
2.1 Art Gallery of Sudbury - Base Building	27,000	SF	\$228.67	\$6,174,034	
2.2 Art Gallery of Sudbury - Fit Out	27,000	SF	\$142.73	\$4,803,824	
2.3 Art Gallery of Sudbury - Site Development	27,000	SF	\$43.02	\$1,428,657	
Total for Itemized Estimate - Art Gallery	27,000	SF	\$459.52		\$12,407,000
Combined Total (excluding HST)	92,700	SF	\$453.07		\$42,000,000



ELEMENTAL ESTIMATE SUMMARY

Order of Magnitude (Class D) Estimate

Project: Sudbury Public Library & Art Gallery of Sudbury
 Location: Sudbury, Ontario
 Owner/Client: LORD Cultural Resources
 Architect: Ted Silverberg

Project Number: 101598
 Date: 15-Jun-17

Gross Floor Area: 92,700 SF

Element	Ratio to GFA	Elemental Quantity	Elemental Unit Rate	Elemental Amount	Cost/SF	Total	%
A SHELL							
A1 SUBSTRUCTURE					\$9.60		
A11 Foundation	0.60	55,600 SF	\$16.00	\$889,600	\$9.60		
A12 Basement Excavation	0.00	0 cy	\$0.00	\$0	\$0.00	\$889,600	2.1%
A2 STRUCTURE					\$42.13		
A21 Lowest Floor Construction	0.60	55,600 SF	\$9.46	\$525,900	\$5.67		
A22 Upper Floor Construction	0.40	37,100 SF	\$36.88	\$1,368,100	\$14.76		
A23 Roof Construction	0.60	55,600 SF	\$36.18	\$2,011,600	\$21.70	\$3,905,600	9.3%
A3 EXTERIOR ENCLOSURE					\$54.08		
A31 Walls Below Grade	0.00	0 SF	\$0.00	\$0	\$0.00		
A32 Walls Above Grade	0.40	37,080 SF	\$83.57	\$3,098,800	\$33.43		
A33 Windows & Entrance	0.01	494 SF	\$109.72	\$54,200	\$0.58		
A34 Roof Covering	0.60	55,600 SF	\$27.52	\$1,530,100	\$16.51		
A35 Projections	1.00	92,700 SF	\$3.56	\$330,000	\$3.56	\$5,013,100	11.9%
B INTERIORS							
B1 PARTITIONS & DOORS					\$17.44		
B11 Partitions	0.60	55,620 SF	\$22.13	\$1,231,000	\$13.28		
B12 Doors	0.00	159 No	\$2,428.98	\$386,000	\$4.16	\$1,617,000	3.9%
B2 FINISHES					\$17.85		
B21 Floor Finishes	1.00	92,700 SF	\$9.18	\$850,763	\$9.18		
B22 Ceiling Finishes	1.00	92,700 SF	\$5.86	\$543,600	\$5.86		
B23 Wall Finishes	1.00	92,700 SF	\$2.80	\$260,000	\$2.80	\$1,654,363	3.9%
B3 FITTING & EQUIPMENT					\$18.92		
B31 Fitting & Fixtures	1.00	92,700 SF	\$17.19	\$1,593,700	\$17.19		
B32 Equipment	0.00	0 SF	\$0.00	\$0	\$0.00		
B33 Conveying Systems	0.00	2 NO	\$80,000.00	\$160,000	\$1.73	\$1,753,700	4.2%
C SERVICES							
C1 MECHANICAL					\$83.56		
C11 Plumbing & Drainage	1.00	92,700 SF	\$9.00	\$834,300	\$9.00		
C12 Fire Protection	1.00	92,700 SF	\$4.90	\$453,800	\$4.90		
C13 HVAC	1.00	92,700 SF	\$62.17	\$5,762,700	\$62.17		
C14 Controls	1.00	92,700 SF	\$7.50	\$695,250	\$7.50	\$7,746,050	18.4%
C2 ELECTRICAL					\$42.29		
C21 Service & distribution	1.00	92,700 SF	\$10.50	\$973,400	\$10.50		
C22 Lighting, Devices & Heating	1.00	92,700 SF	\$19.50	\$1,807,700	\$19.50		
C23 Systems & Ancillaries	1.00	92,700 SF	\$12.29	\$1,139,400	\$12.29	\$3,920,500	9.3%
NET BUILDING COST (Excluding Site)					\$285.87	\$26,499,913	63.1%
D SITE							
D1 SITE WORK					\$36.53		
D11 Site Development	0.29	27,000 SF	\$109.87	\$2,966,400	\$32.00		
D12 Mechanical Site Services	0.29	27,000 SF	\$6.85	\$185,000	\$2.00		
D13 Electrical Site Services	0.29	27,000 SF	\$8.70	\$235,000	\$2.54	\$3,386,400	8.1%
D2 ANCILLARY WORK					\$0.00		
D21 Demolition	0.00	0 SF	\$0.00	\$0	\$0.00		
D22 Alterations	0.00	0 SF	\$0.00	\$0	\$0.00	\$0	0.0%
NET BUILDING COST (Including Site)					\$322.40	\$29,886,313	71.2%
Z MARKUPS							
Z1 GENERAL REQUIREMENTS	14.0%				\$46.20		
Z11 General Requirements	11.0%			\$3,287,500	\$35.46		
Z12 Fee	3.0%			\$995,200	\$10.74	\$4,282,700	10.2%
TOTAL CONSTRUCTION ESTIMATE (Excluding Contingencies)					\$368.60	\$34,169,013	81.4%
Z2 CONTINGENCIES	23.0%				\$84.48		
Z21 Design Contingency	12.0%			\$4,100,300	\$44.23		
Z22 Escalation Contingency	6.0%			\$2,050,100	\$22.12		
Z23 Construction Contingency	5.0%			\$1,680,500	\$18.13	\$7,830,900	18.6%
13. Pr SALES TAX (HST)					0% EXCLUDED	\$0	0.0%
TOTAL CONSTRUCTION ESTIMATE (Including Allowances)					\$453.07	\$42,000,000	100.0%
GFA:	92,700 SF				per SF	\$453	
GFA:	8,612 m2				per m2	\$4,877	

Detailed Elemental Estimate

Gross Floor Area (SF): **92,700**

Description	Division	Quantity	Unit	Unit Rate	Extension	Comments
KEY STATISTICS						
Number of levels		2 Levels (assumed)				
1 Ground Floor		39,400	SF	60%	assumed 60% on Grd. Floor	
2 Second Floor		26,300	SF	40%	assumed 40% on Sec. Floor	
3 Subtotal for the Public Library		65,700	SF			
4 Ground Floor		16,200	SF	60%	assumed 60% on Grd. Floor	
5 Second Floor		10,800	SF	40%	assumed 40% on Sec. Floor	
6 Subtotal for the Art Gallery		27,000	SF			
7 Total Gross Floor Area (GFA)		92,700	SF			
A1 SUBSTRUCTURE						
9 A11 Foundations						
10 Allowance for conventional spread footing foundations including excavation, backfill, and dewatering		55,600	SF	\$16.00	\$889,600	
11 TOTAL A11 Foundations		55,600	SF	\$16.00	\$889,600	
12 A12 Basement Excavation						
13 Bulk excavation not required, assumed					Excluded	
14 TOTAL A12 Basement Excavation		0	CY	\$0.00	\$0	
15 TOTAL A1 SUBSTRUCTURE		55,600	SF	\$16.00	\$889,600	
A2 STRUCTURE						
17 A21 Lowest Floor Construction						
18 5" thick concrete slab-on-grade including:		55,600	SF	\$9.16		\$509,512
19 6 mil poly vapour barrier		55,600	SF	\$0.15	\$8,340	
20 50 mm rigid insulation under the slab		55,600	SF	\$3.00	\$166,800	
21 concrete - supply 25 Mpa - C4		908	CY	\$135.00	\$122,598	
22 concrete - place		908	CY	\$45.00	\$40,866	
23 concrete - accessories		908	CY	\$5.00	\$4,541	
24 concrete - finishing leveling		55,600	SF	\$0.85	\$47,260	
25 formwork edge of slab on grade		55,600	SF	\$0.35	\$19,460	
26 granular - 200mm thk (incl. labour)		1,449	CY	\$40.00	\$57,948	
27 steel trowel finish		55,600	SF	\$0.75	\$41,700	
28 Sawcutting and control joints		55,600	SF	\$0.25	\$13,900	
29 Allow for equipment housekeeping pads		1	LS	\$2,500.00	\$2,500	
30 TOTAL A21 Lowest Floor Construction		55,600	SF	\$9.46	\$525,900	



Sudbury Public Library & Art Gallery of Sudbury
Order of Magnitude (Class D) Estimate

Project No. 101598
Date: 15-Jun-17

Detailed Elemental Estimate

Gross Floor Area (SF): 92,700

Description	Division	Quantity	Unit	Unit Rate	Extension	Comments
31 A22 Upper Floor Construction						
32 Upper floor structure (assumed structural steel framed with composite metal deck and concrete topping)		37,100	SF	\$35.00	\$1,298,500	
33 Structural steel framing to floor opens and floor penetrations		1	LS	\$30,000.00	\$30,000	
34 Feature interior stair at Library & Art Gallery, structural steel with special floor finish (see Floor Finish element for stone treads)		176	LF	\$225.00	\$39,600	
35 Structural steel with formed metal pan treads and risers at the Exit Stairs (4 No) including:		352	LF	\$121.80		\$42,872
36 - stairs		352	LF	\$95.00	\$33,440	
37 - mid landings		4	NO	\$1,500.00	\$6,000	
38 - concrete fill		4	CY	\$550.00	\$2,200	
39 - screed, cure and steel trowel finish		352	LF	\$3.50	\$1,232	
40 TOTAL A22 Upper Floor Construction		37,100	SF	\$36.88	\$1,368,100	
41 A23 Roof Construction						
42 Allowance for roof construction (assumed some wood elements in the roof structure)		55,600	SF	\$36.00	\$2,001,600	
43 Structural steel framing to roof openings and penetrations		1	LS	\$10,000.00	\$10,000	
44 TOTAL A23 Roof Construction		55,600	m2	\$36.18	\$2,011,600	
45 TOTAL A2 STRUCTURE		92,700	SF	\$42.13	\$3,905,600	
46 A3 EXTERIOR ENCLOSURE						
47 A31 Walls Below Grade						
48 No scope					Excluded	
49 TOTAL A31 Walls Below Grade		0	SF	\$0.00	\$0	
50 A32 Walls Above Grade						
51 Assumed Cladding Ratio		0.40				
52 Assumed Total Cladding Area		37,080	SF			
53 Stone or masonry veneer exterior cladding including back up (assumed 40% of the total cladding area)		14,832	SF	\$58.00	\$860,256	
54 Aluminum framed glass curtainwall, double glazed thermally sealed, assumed 60% of the cladding area		22,248	SF	\$95.00	\$2,113,560	



**Sudbury Public Library & Art Gallery of Sudbury
Order of Magnitude (Class D) Estimate**

Project No. 101598
Date: 15-Jun-17

Detailed Elemental Estimate

Gross Floor Area (SF): 92,700

Description	Division	Quantity	Unit	Unit Rate	Extension	Comments
55 Allowance for exterior feature cladding		1	LS	\$125,000	\$125,000	
56 TOTAL A32 Walls Above Grade		37,080	SF	\$83.57	\$3,098,800	
57 A33 Windows & Entrances						
58 Aluminum framed glazed doors including supply, installation and hardware, standard colour		8	leafs	\$3,000.00		\$24,000
59 single, 1000 mm x 2250 mm		4	NO	\$3,000.00	\$12,000	
60 double, 1000 mm x 2250 mm		2	pair	\$6,000.00	\$12,000	
61 Hollow metal doors, frames, hardware and paint finish		4	NO	\$1,800.00		\$7,200
62 single, 950 mm x 2250 mm		4	NO	\$1,800.00	\$7,200	
63 Overhead doors and shipping & Receiving		2	NO	\$6,500.00	\$13,000	
64 Automatic door operators, allow		4	NO	\$2,500.00	\$10,000	
65 TOTAL A33 Windows & Entrances		494	SF	\$109.72	\$54,200	
66 A34 Roof Covering						
67 4 ply modified bituminous roofing system		55,600	SF	\$25.00	\$1,390,000	
68 Allowance sloped insulation (30% of roof area)		16,680	SF	\$7.50	\$125,100	
69 Flashings to roof penetrations		1	LS	\$5,000.00	\$5,000	
70 Allowance for vertical flashing		1	LS	\$5,000.00	\$5,000	
71 Allowance for precast roof pavers		1	LS	\$5,000.00	\$5,000	
72 TOTAL A34 Roof Covering		55,600	SF	\$27.52	\$1,530,100	
73 A35 Projections						
74 Parapet projection at the curtain wall locations, assumed 16" high including;		1,050	LF	\$99.97		\$104,963
75 composite panel cap flashing		1,050	LF	\$18.00	\$18,900	
76 wood blocking & framing		1,397	SF	\$3.50	\$4,888	
77 cladding system		1,397	SF	\$45.00	\$62,843	
78 air barrier membrane		1,397	m2	\$1.50	\$2,095	
79 5/8" plywood sheathing		1,397	SF	\$3.00	\$4,190	
80 insulation		1,397	SF	\$1.50	\$2,095	
81 5/8" plywood sheathing		1,397	SF	\$3.00	\$4,190	
82 4" x 4" fibre cant strip		1,050	LF	\$1.50	\$1,575	
83 roofing membrane		1,397	SF	\$3.00	\$4,190	
84 Allowance for prefinished metal roof screens to mechanical equipment		1	LS	\$50,000.00	\$50,000	

Detailed Elemental Estimate

Gross Floor Area (SF): 92,700

Description	Division	Quantity	Unit	Unit Rate	Extension	Comments
85 Allowance for entrance canopy		400	SF	\$250.00	\$100,000	
86 Allowance for unmeasured projections		1	LS	\$75,000.00	\$75,000	
87 TOTAL A35 Projections		92,700	m2	\$3.56	\$330,000	
88 TOTAL A3 EXTERIOR ENCLOSURE		92,700	SF	\$54.08	\$5,013,100	
89 TOTAL A SHELL		92,700	SF	\$105.81	\$9,808,300	
1 B1 PARTITIONS & DOORS						
90 B11 Partitions						
91 Assumed Partition Ratio		0.60				
92 Assumed Total Partition Area		55,620	SF			
93 Aluminum framed glazed partitions, assumed 20%		11,124	SF	\$60.00	\$667,440	
94 Concrete block walls - 190mm, assumed 15%		8,343	SF	\$18.50	\$154,346	
95 Gypsum board partition, assumed 45%		25,029	SF	\$11.50	\$287,834	
96 16mm gypsum board		25,029	m2	\$3.00	\$75,087	
97 150 mm metal stud		25,029	m2	\$4.50	\$112,631	
98 batt insulation		25,029	m2	\$1.00	\$25,029	
99 16mm gypsum board		25,029	m2	\$3.00	\$75,087	
100 Gypsum board partition, one sided, allow		5,562	SF	\$6.50	\$36,153	
101 16mm gypsum board		5,562	m2	\$3.00	\$16,686	
102 92mm metal stud		5,562	m2	\$3.50	\$19,467	
103 Extra over for waterproof gypsum board		2,000	SF	\$1.00	\$2,000	
104 Extra over for plywood backing to gallery partitions (assumed 50% of the gypsum drywall partitions)		12,515	SF	\$3.00	\$37,544	
105 Extra over for fire rated gypsum drywall		4,000	SF	\$1.00	\$4,000	
106 Sealing and caulking to partitions		55,620	SF	\$0.75	\$41,715	
107 TOTAL B11 Partitions		55,620	SF	\$22.13	\$1,231,000	
108 B12 Doors						
109 Assumed Elemental Door Area (6% of partition area)		3,337	SF			
110 Average SF per door leaf (21 SF)		159	NO			
111 Aluminum framed glazed doors including supply, installation and hardware, standard colour		16	NO	\$3,000.00	\$48,000	
112 single, 950 mm x 2250 mm		10	NO	\$3,000.00	\$30,000	
113 double, sliding		3	pair	\$6,000.00	\$18,000	

Detailed Elemental Estimate

Gross Floor Area (SF): 92,700

Description	Division	Quantity	Unit	Unit Rate	Extension	Comments
114 Hollow metal doors, frames, hardware and paint finish		68	NO	\$1,014.71		\$69,000
115 single, 950 mm x 2250 mm		58	NO	\$1,000.00	\$58,000	
116 double, 950 mm x 2250 mm		5	pair	\$2,200.00	\$11,000	
117 Solid core wood doors, frames, hardware and paint finish		75	NO	\$1,000.00		\$75,000
118 single, 900 mm x 2250 mm		75	NO	\$1,000.00	\$75,000	
119 Door hardware supply		159	NO	\$1,000.00	\$159,000	
120 Automatic door operator		6	NO	\$2,500.00	\$15,000	
121 Allowance for security hardware		1	LS	\$10,000.00	\$10,000	
122 Allowance for acoustic door seals		1	LS	\$10,000.00	\$10,000	
123 TOTAL B12 Doors		159	NO	\$2,429	\$386,000	
124 TOTAL B1 PARTITIONS & DOORS		92,700	SF	\$17.44	\$1,617,000	
125 B2 FINISHES						
126 B21 Floor Finishes						
127 PUBLIC LIBRARY						
128 ENTRY LEVEL LOBBY SPACES						
129 Vestibule, PT		200	SF	\$12.00	\$2,400	
130 Lobby, PT		1,750	SF	\$12.00	\$21,000	
131 Café, PT		450	SF	\$12.00	\$5,400	
132 Café kitchen and pantry, CT		175	SF	\$12.00	\$2,100	
133 Library Marketplace (new book displays, computer stations), WD		2,750	SF	\$14.00	\$38,500	
134 Material Returns Area, SV		75	SF	\$7.50	\$563	
135 Library Exhibition Space, WD		500	SF	\$14.00	\$7,000	
136 Customer Service Desk, PT		400	SF	\$12.00	\$4,800	
137 Self Checkout Stations, PT		200	SF	\$12.00	\$2,400	
138 Self Pickup Shelves, PT		100	SF	\$12.00	\$1,200	
139 Staff Workroom and storage, SV		900	SF	\$7.50	\$6,750	
140 Gross Up for Entry Lobby		3,750	SF	\$10.00	\$37,500	
141 MEETING ROOMS (CPT)						
142 Multi-Purpose space (100 people) that can be divided into two spaces – flexible		2,500	SF	\$5.50	\$13,750	
143 Meeting Rooms for up to 8 people (3 @250)		750	SF	\$5.50	\$4,125	
144 Meeting Rooms for up to 4 people (4 @ 200)		800	SF	\$5.50	\$4,400	
145 Board/Larger Group Room for up to 20		700	SF	\$5.50	\$3,850	
146 Quiet Study Rooms (8@100)		800	SF	\$5.50	\$4,400	
147 Gross Up for Meeting Rooms		2,775	SF	\$5.50	\$15,263	
148 AGE LEVEL SERVICES SPACES						
149 Children – includes Early Literacy Center, SV		3,500	SF	\$7.50	\$26,250	
150 -Story Hour/Crafts Room		500	SF	\$7.50	\$3,750	
151 Teens, WD		2,000	SF	\$14.00	\$28,000	
152 Adults- Circulating Collections-Print/Media (69,000 items), WD		7,000	SF	\$14.00	\$98,000	

Detailed Elemental Estimate

Gross Floor Area (SF): 92,700

Description	Division	Quantity	Unit	Unit Rate	Extension	Comments
153 Seating –varied types for 50 people, PT		2,000	SF	\$12.00	\$24,000	
154 Reference collection		1,500	SF	\$14.00	\$21,000	
155 Genealogy and Local History, WD		2,000	SF	\$14.00	\$28,000	
156 Maker Space and Digital Media Lab		3,000	SF	\$14.00	\$42,000	
157 Adult Services – Info Desk, PT		200	SF	\$12.00	\$2,400	
158 Technology Learning Center, WD		1,200	SF	\$14.00	\$16,800	
159 Gross Up for Age Level Services		11,450	SF	\$12.00	\$137,400	
 160 STAFF SPACES						
161 Staff workrooms - offices , CPT		2,600	SF	\$5.50	\$14,300	
162 Staff breakroom/small kitchen, PT		300	SF	\$12.00	\$3,600	
163 Administration Offices, CPT		450	SF	\$5.50	\$2,475	
164 Technical Services Staff Workrooms -Offices, CPT		950	SF	\$5.50	\$5,225	
165 Storage (compact shelving?) archives, etc. , VCT		1,500	SF	\$6.50	\$9,750	
166 Shipping and Receiving*, CS		1,150	SF	\$1.00	\$1,150	
167 Mail Room*, VCT		350	SF	\$6.50	\$2,275	
168 Staff Lockers, Mail Cubbies, Coat Rack, CT		150	SF	\$12.00	\$1,800	
169 Telecommunications Room, VCT		150	SF	\$7.50	\$1,125	
170 Electrical Room, CS		100	SF	\$1.00	\$100	
171 Custodial Services Closet, CT		50	SF	\$12.00	\$600	
172 Building Maintenance Office , VCT		100	SF	\$6.50	\$650	
173 Gross Up for Staff Spaces		3,925	SF	\$6.00	\$23,550	
 174 Subtotal - Public Library		65,700	SF			
 175 Allowance for special floor finishes in the Library Lobby		1	LS	\$10,000.00	\$10,000	
 176 ART GALLERY OF SUDBURY						
 177 PUBLIC AMENITIES						
178 Public Lockers/Cloakroom, VCT		150	SF	\$5.50	\$825	
179 Public and Staff Washrooms				Included in the Gross Up		
180 Retail Store + Art Rental Gallery, hardwood		600	SF	\$12.00	\$7,200	
 181 PUBLIC PROGRAM						
182 Family Art Studio, PT		800	SF	\$12.00	\$9,600	
183 Multi-Purpose Room, PT		800	SF	\$12.00	\$9,600	
184 Resource Centre/Art Studio, PT		500	SF	\$12.00	\$6,000	
185 Gross Up - Zone A		1,425	SF	\$12.00	\$17,100	
186						
187 PUBLIC COLLECTION (Epoxy)						
188 Temporary Exhibition Gallery, epoxy		1,500	SF	\$7.50	\$11,250	
189 Permanent Collection Gallery		1,500	SF	\$7.50	\$11,250	
190 Franklin Carmichael Gallery		1,000	SF	\$7.50	\$7,500	
191 First Nations Gallery		1,000	SF	\$7.50	\$7,500	
192 Francophone Gallery		1,000	SF	\$7.50	\$7,500	
193 Gross Up - Zone B		3,000	SF	\$7.50	\$22,500	
194						
195 NON-PUBLIC COLLECTION						
196 Collection Storage (Sculpture), CS		1,000	SF	\$1.00	\$1,000	
197 Collection Storage (Works on Paper/Photography), CS		500	SF	\$1.00	\$500	
198 Collection Storage (Oil Paintings) , CS		1,000	SF	\$1.00	\$1,000	
199 Collection Storage (New Media), CS		200	SF	\$1.00	\$200	
200 Temporary Exhibition Storage, CS		500	SF	\$1.00	\$500	
201 Enclosed Collections Loading Dock: Collections Shipping/Receiving, CS		600	SF	\$1.00	\$600	
202 Crating/Uncrating, CS		500	SF	\$1.00	\$500	
203 Isolation Room, Epoxy		130	SF	\$7.50	\$975	



**Sudbury Public Library & Art Gallery of Sudbury
Order of Magnitude (Class D) Estimate**

Project No. 101598
Date: 15-Jun-17

Detailed Elemental Estimate

Gross Floor Area (SF): 92,700

Description	Division	Quantity	Unit	Unit Rate	Extension	Comments
204 Clean Workshop, Epoxy		375 SF		\$7.50	\$2,813	
205 Curatorial Examination Room , Epoxy		375 SF		\$7.50	\$2,813	
206 Crate Storage, CS		300 SF		\$1.00	\$300	
207 Gross Up - Zone C		2,740 SF		\$1.00	\$2,740	
208 ADMINISTRATION						
209 Director/Curator, CPT		150 SF		\$5.50	\$825	
210 Curator Alternate and Collection Manager, CPT		100 SF		\$5.50	\$550	
211 Manager, Education and Public Programs, CPT		100 SF		\$5.50	\$550	
212 Education Coordinator, CPT		70 SF		\$5.50	\$385	
213 Front Desk, Membership and Facilities Coordinator, CPT		70 SF		\$5.50	\$385	
214 Project Staff - collections, marketing communications, (+ other needs), CPT		125 SF		\$5.50	\$688	
215 Manager, Revenue, Development and Marketing, CPT		100 SF		\$5.50	\$550	
216 Executive Assistant (Volunteer Coordinator and Bookins Clerk), CPT		100 SF		\$5.50	\$550	
217 Exhibition and Events Coordinator/Registrar, CPT		100 SF		\$5.50	\$550	
218 Administrative Assistant, CPT		50 SF		\$5.50	\$275	
219 Bookkeeper, CPT		50 SF		\$5.50	\$275	
220 Additional evening/Weekend Staff, CPT		50 SF		\$5.50	\$275	
221 Photocopy/Mailroom/Storage/Stockroom, VCT		100 SF		\$6.50	\$650	
222 Staff/ Volunteer Kitchenette + Lounge, CT		300 SF		\$12.00	\$3,600	
223 OPERATIONS						
224 Packing Supplies Storage, CS		150 SF		\$1.00	\$150	
225 Chemical Supplies Storage , CS		25 SF		\$1.00	\$25	
226 Lamp Storage, CS		25 SF		\$1.00	\$25	
227 Dirty' Workshop, CS		400 SF		\$1.00	\$400	
228 Moving Equipment Storage Area, CS		100 SF		\$1.00	\$100	
229 Exhibit Case/Prop Storage, CS		600 SF		\$1.00	\$600	
230 Education Program Storage, CS		30 SF		\$1.00	\$30	
231 Equipment Storage, CS		75 SF		\$1.00	\$75	
232 Storage - Tables and Chairs, CS		400 SF		\$1.00	\$400	
233 Information Services Server Room, non static VCT		50 SF		\$10.00	\$500	
234 Retail Stockroom, VCT		200 SF		\$6.50	\$1,300	
235 Collection Loading Dock Security Booth, VCT		100 SF		\$6.50	\$650	
236 Collection Loading Dock Security Guards' Toilet, CT		50 SF		\$12.00	\$600	
237 Gross Up - Zone D		1,835 SF		\$1.00	\$1,835	
238 Cut stone treads to the Feature Stairs		176 LF		\$100.00	\$17,600	
239 Allowance for special floor finishes, patterns, accents		1 LS		\$5,000.00	\$5,000	
240 Subtotal for the Art Gallery		27,000 SF				
241 TOTAL B21 Floor Finishes		92,700 SF		\$9.18	\$850,763	
242 B22 Ceiling Finishes						
243 PUBLIC LIBRARY						
244 ENTRY LEVEL LOBBY SPACES						
245 Vestibule, GYP DW		200 SF		\$10.00	\$2,000	
246 Lobby, GYP DW		1,750 SF		\$10.00	\$17,500	
247 Café, SAT		450 SF		\$6.50	\$2,925	
248 Café kitchen and pantry, GYP DW		175 SF		\$10.00	\$1,750	



**Sudbury Public Library & Art Gallery of Sudbury
Order of Magnitude (Class D) Estimate**

Project No. 101598
Date: 15-Jun-17

Detailed Elemental Estimate

Gross Floor Area (SF): 92,700

Description	Division	Quantity	Unit	Unit Rate	Extension	Comments
249 Library Marketplace (new book displays, computer stations), SAT		2,750	SF	\$5.50	\$15,125	
250 Material Returns Area, SAT		75	SF	\$5.50	\$413	
251 Library Exhibition Space, SAT		500	SF	\$5.50	\$2,750	
252 Customer Service Desk, GYP DW		400	SF	\$10.00	\$4,000	
253 Self Checkout Stations, GYP DW		200	SF	\$10.00	\$2,000	
254 Self Pickup Shelves, SAT		100	SF	\$5.50	\$550	
255 Staff Workroom and storage, SAT		900	SF	\$5.50	\$4,950	
256 Gross Up for Entry Lobby		3,750	SF	\$7.50	\$28,125	
257 MEETING ROOMS (SAT)						
258 Multi-Purpose space (100 people) that can be divided into two spaces – flexible		2,500	SF	\$5.50	\$13,750	
259 Meeting Rooms for up to 8 people (3 @250)		750	SF	\$5.50	\$4,125	
260 Meeting Rooms for up to 4 people (4 @ 200)		800	SF	\$5.50	\$4,400	
261 Board/Larger Group Room for up to 20		700	SF	\$5.50	\$3,850	
262 Quiet Study Rooms (8@100)		800	SF	\$5.50	\$4,400	
263 Gross Up for Meeting Rooms		2,775	SF	\$5.50	\$15,263	
264 AGE LEVEL SERVICES SPACES						
265 Children – includes Early Literacy Center, SAT		3,500	SF	\$5.50	\$19,250	
266 -Story Hour/Crafts Room		500	SF	\$5.50	\$2,750	
267 Teens, SAT		2,000	SF	\$5.50	\$11,000	
268 Adults- Circulating Collections-Print/Media (69,000 items), SAT		7,000	SF	\$5.50	\$38,500	
269 Seating –varied types for 50 people, SAT		2,000	SF	\$5.50	\$11,000	
270 Reference collection		1,500	SF	\$5.50	\$8,250	
271 Genealogy and Local History, SAT		2,000	SF	\$5.50	\$11,000	
272 Maker Space and Digital Media Lab, SAT		3,000	SF	\$5.50	\$16,500	
273 Adult Services – Info Desk, SAT		200	SF	\$5.50	\$1,100	
274 Technology Learning Center, SAT		1,200	SF	\$5.50	\$6,600	
275 Gross Up for Age Level Services		11,450	SF	\$5.50	\$62,975	
276 STAFF SPACES						
277 Staff workrooms - offices , SAT		2,600	SF	\$5.50	\$14,300	
278 Staff breakroom/small kitchen, GYP DW		300	SF	\$10.00	\$3,000	
279 Administration Offices, SAT		450	SF	\$5.50	\$2,475	
280 Technical Services Staff Workrooms -Offices, SAT		950	SF	\$5.50	\$5,225	
281 Storage (compact shelving?) archives, etc., SAT		1,500	SF	\$5.50	\$8,250	
282 Shipping and Receiving*, PT EXP		1,150	SF	\$2.50	\$2,875	
283 Mail Room*, SAT		350	SF	\$5.50	\$1,925	
284 Staff Lockers, Mail Cubbies, Coat Rack, GYP DW		150	SF	\$10.00	\$1,500	
285 Telecommunications Room, Exposed		150	SF	\$2.50	\$375	
286 Electrical Room, Exposed		100	SF	\$2.50	\$250	
287 Custodial Services Closet, GYP DW		50	SF	\$10.00	\$500	
288 Building Maintenance Office , SAT		100	SF	\$5.50	\$550	
289 Gross Up for Staff Spaces		3,925	SF	\$5.50	\$21,588	
290 Subtotal - Public Library		65,700	SF			
291 Allowance for suspended gypsum drywall bulkheads		1	LS	\$40,000	\$40,000	

Detailed Elemental Estimate

Gross Floor Area (SF): 92,700

Description	Division	Quantity	Unit	Unit Rate	Extension	Comments
292 ART GALLERY OF SUDBURY						
293 PUBLIC AMENITIES						
294 Public Lockers/Cloakroom, SDW		150 SF		\$10.00	\$1,500	
295 Public and Staff Washrooms, SDW				Included in the Gross Up		
296 Retail Store + Art Rental Gallery, SAT		600 SF		\$5.50	\$3,300	
297 PUBLIC PROGRAM						
298 Family Art Studio, SDW		800 SF		\$10.00	\$8,000	
299 Multi-Purpose Room, SAT + SDW		800 SF		\$7.50	\$6,000	
300 Resource Centre/Art Studio, SAT + SDW		500 SF		\$7.50	\$3,750	
301 Gross Up - Zone A		1,425 SF		\$7.50	\$10,688	
302						
303 PUBLIC COLLECTION						
304 Temporary Exhibition Gallery, PT EXP		1,500 SF		\$2.50	\$3,750	
305 Permanent Collection Gallery, PT EXP		1,500 SF		\$2.50	\$3,750	
306 Franklin Carmichael Gallery, PT EXP		1,000 SF		\$2.50	\$2,500	
307 First Nations Gallery, PT EXP		1,000 SF		\$2.50	\$2,500	
308 Francophone Gallery, PT EXP		1,000 SF		\$2.50	\$2,500	
309 Gross Up - Zone B		3,000 SF		\$2.50	\$7,500	
310						
311 NON-PUBLIC COLLECTION (PT EXP)						
312 Collection Storage (Sculpture)		1,000 SF		\$2.50	\$2,500	
313 Collection Storage (Works on Paper/Photography)		500 SF		\$2.50	\$1,250	
314 Collection Storage (Oil Paintings)		1,000 SF		\$2.50	\$2,500	
315 Collection Storage (New Media)		200 SF		\$2.50	\$500	
316 Temporary Exhibition Storage		500 SF		\$2.50	\$1,250	
317 Enclosed Collections Loading Dock: Collections		600 SF		\$2.50	\$1,500	
Shipping/Receiving						
318 Crating/Uncrating		500 SF		\$2.50	\$1,250	
319 Isolation Room		130 SF		\$2.50	\$325	
320 Clean Workshop		375 SF		\$2.50	\$938	
321 Curatorial Examination Room, SDW		375 SF		\$10.00	\$3,750	
322 Crate Storage		300 SF		\$2.50	\$750	
323 Gross Up - Zone C		2,740 SF		\$2.50	\$6,850	
324 ADMINISTRATION (SAT)						
325 Director/Curator		150 SF		\$5.50	\$825	
326 Curator Alternate and Collection Manager		100 SF		\$5.50	\$550	
327 Manager, Education and Public Programs		100 SF		\$5.50	\$550	
328 Education Coordinator		70 SF		\$5.50	\$385	
329 Front Desk, Membership and Facilities Coordinator		70 SF		\$5.50	\$385	
330 Project Staff - collections, marketing communications, (+ other needs)		125 SF		\$5.50	\$688	
331 Manager, Revenue, Development and Marketing		100 SF		\$5.50	\$550	
332 Executive Assistant (Volunteer Coordinator and Bookins Clerk)		100 SF		\$5.50	\$550	
333 Exhibition and Events Coordinator/Registrar		100 SF		\$5.50	\$550	
334 Administrative Assistant		50 SF		\$5.50	\$275	
335 Bookkeeper		50 SF		\$5.50	\$275	
336 Additional evening/Weekend Staff		50 SF		\$5.50	\$275	
337 Photocopy/Mailroom/Storage/Stockroom		100 SF		\$5.50	\$550	
338 Staff/ Volunteer Kitchenette + Lounge		300 SF		\$5.50	\$1,650	



Sudbury Public Library & Art Gallery of Sudbury
Order of Magnitude (Class D) Estimate

Project No. 101598
Date: 15-Jun-17

Detailed Elemental Estimate

Gross Floor Area (SF): 92,700

Description	Division	Quantity	Unit	Unit Rate	Extension	Comments
339 OPERATIONS (PT EXP)						
340 Packing Supplies Storage		150 SF		\$2.50	\$375	
341 Chemical Supplies Storage		25 SF		\$2.50	\$63	
342 Lamp Storage		25 SF		\$2.50	\$63	
343 Dirty' Workshop		400 SF		\$2.50	\$1,000	
344 Moving Equipment Storage Area		100 SF		\$2.50	\$250	
345 Exhibit Case/Prop Storage		600 SF		\$2.50	\$1,500	
346 Education Program Storage		30 SF		\$2.50	\$75	
347 Equipment Storage		75 SF		\$2.50	\$188	
348 Storage - Tables and Chairs		400 SF		\$2.50	\$1,000	
349 Information Services Server Room		50 SF		\$2.50	\$125	
350 Retail Stockroom, SAT		200 SF		\$5.50	\$1,100	
351 Collection Loading Dock Security Booth, SDW		100 SF		\$10.00	\$1,000	
352 Collection Loading Dock Security Guards' Toilet, SDW		50 SF		\$10.00	\$500	
353 Gross Up - Zone D		1,835 SF		\$2.50	\$4,588	
354 Allowance for suspended gypsum drywall bulkheads		1 LS		\$25,000	\$25,000	
355 Subtotal for Art Gallery		27,000 SF				
356 TOTAL B22 Ceiling Finishes		92,700 SF		\$5.86	\$543,600	
357 B23 Wall Finishes						
358 Public Library						
359 Paint to partitions		55,000 SF		\$1.50	\$82,500	
360 Ceramic wall tile to washrooms, backsplashes		4,000 SF		\$10.00	\$40,000	
361 Allowance for special wall finishes to public areas		1 LS		\$50,000.00	\$50,000	
362 Art Gallery of Sudbury						
363 Paint to partitions		25,000 SF		\$1.50	\$37,500	
364 Ceramic wall tile to washrooms, backsplashes		2,000 SF		\$10.00	\$20,000	
365 Allowance for special wall finishes to public areas		1 LS		\$30,000.00	\$30,000	
366 TOTAL B23 Wall Finishes		92,700 SF		\$2.80	\$260,000	
367 TOTAL B2 FINISHES		92,700 SF		\$17.85	\$1,654,363	
1 B3 FITTINGS & EQUIPMENT						
368 B31 Fittings & Fixtures						
369 Millwork						
370 Allow for misc. millwork - Library		65,700 SF		\$8.00	\$525,600	
371 Gallery storage shelving					Excluded	



**Sudbury Public Library & Art Gallery of Sudbury
Order of Magnitude (Class D) Estimate**

Project No. 101598
Date: 15-Jun-17

Detailed Elemental Estimate

Gross Floor Area (SF): 92,700

Description	Division	Quantity	Unit	Unit Rate	Extension	Comments
372 Allow for misc. millwork - Art Gallery		27,000	SF	\$13.00	\$351,000	
373 <u>Metals</u>						
374 Allowance for miscellaneous metals - Library		65,700	SF	\$1.25	\$82,125	
375 Allowance for miscellaneous metals - Art Gallery		27,000	SF	\$1.25	\$33,750	
376 <u>Rough Carpentry</u>						
377 Allowance for rough carpentry - Library		65,700	SF	\$1.00	\$65,700	
378 Allowance for rough carpentry - Art Gallery		27,000	SF	\$1.00	\$27,000	
379 Allow for caulking and sealing - Library		65,700	SF	\$0.50	\$32,850	
380 Allow for caulking and sealing - Art Gallery		27,000	SF	\$0.50	\$13,500	
1 <u>Specialties</u>						
381 Allowance for specialties - Library		65,700	SF	\$4.50	\$295,650	
382 Allowance for specialties - Art Gallery		27,000	SF	\$4.50	\$121,500	
383 Allowance for wayfinding signage, Library		1	LS	\$20,000.00	\$20,000	
384 Allowance for wayfinding signage, Art Gallery		1	LS	\$10,000.00	\$10,000	
385 Donor wall allowance, Art Gallery		1	LS	\$15,000.00	\$15,000	
386 TOTAL B31 Fittings & Fixtures		92,700	SF	\$17.19	\$1,593,700	
387 B32 Equipment						
388 Audio / visual equipment, not required					Excluded	
389 Computers / digital equipment, not required					Excluded	
390 Loose furniture, chairs, tables, etc					Excluded	
391 Workshop woodworking equipment					Excluded	
392 TOTAL B32 Equipment		0	SF	\$0.00	\$0	
393 B33 Conveying Systems						
394 Hydraulic passenger/freight elevator, 2 stops - Library		2	NO	\$40,000.00	\$80,000	
395 Hydraulic passenger/freight elevator, 2 stops - Art Gallery		2	NO	\$40,000.00	\$80,000	
396 TOTAL B33 Conveying Systems		2	NO	\$80,000	\$160,000	
397 TOTAL B3 FITTINGS & EQUIPMENT		92,700	SF	\$18.92	\$1,753,700	



Sudbury Public Library & Art Gallery of Sudbury
Order of Magnitude (Class D) Estimate

Project No. 101598
Date: 15-Jun-17

Detailed Elemental Estimate

Gross Floor Area (SF): 92,700

Description	Division	Quantity	Unit	Unit Rate	Extension	Comments
398 TOTAL B INTERIORS		92,700 SF		\$54.21	\$5,025,063	
399						
400 C1 MECHANICAL						
401 C11 Plumbing & Drainage						
402 Public Library						
403 Allowance for Base Building plumbing and drainage		65,700 SF		\$5.50	\$361,350	
404 Allowance for Fit Out plumbing and drainage		65,700 SF		\$3.50	\$229,950	
405 Art Gallery						
406 Allowance for Base Building plumbing and drainage		27,000 SF		\$5.50	\$148,500	
407 Allowance for Fit Out plumbing and drainage		27,000 SF		\$3.50	\$94,500	
408 TOTAL C11 Plumbing & Drainage		92,700 SF		\$9.00	\$834,300	
409 C12 Fire Protection						
410 Public Library						
411 Base Building sprinklers		65,700 SF		\$3.50	\$229,950	
412 Fit Out sprinklers		65,700 SF		\$1.25	\$82,125	
413 Art Gallery						
414 Base Building sprinklers		27,000 SF		\$4.00	\$108,000	
415 Fit Out sprinklers		27,000 SF		\$1.25	\$33,750	
416 TOTAL C12 Fire Protection		92,700 SF		\$4.90	\$453,800	
417 C13 HVAC						
418 Public Library						
419 Allowance for Base Building HVAC		65,700 SF		\$36.00	\$2,365,200	
420 Allowance for Fit Out HVAC		65,700 SF		\$25.00	\$1,642,500	
421 Art Gallery						
422 Allowance for Base Building HVAC		27,000 SF		\$40.00	\$1,080,000	
423 Allowance for Fit Out HVAC		27,000 SF		\$25.00	\$675,000	
424 TOTAL C13 HVAC		92,700 SF		\$62.17	\$5,762,700	



Sudbury Public Library & Art Gallery of Sudbury
Order of Magnitude (Class D) Estimate

Project No. 101598
Date: 15-Jun-17

Detailed Elemental Estimate

Gross Floor Area (SF): 92,700

Description	Division	Quantity	Unit	Unit Rate	Extension	Comments
425 C14 Controls						
426 Public Library						
427 Allowance for Base Building Controls		65,700	SF	\$5.00	\$328,500	
428 Allowance for Fit Out Controls		65,700	SF	\$2.50	\$164,250	
429 Art Gallery						
430 Allowance for Base Building Controls		27,000	SF	\$5.00	\$135,000	
431 Allowance for Fit Out Controls		27,000	SF	\$2.50	\$67,500	
432 TOTAL C14 Controls		92,700	SF	\$7.50	\$695,250	
433 TOTAL C1 MECHANICAL		92,700	SF	\$83.56	\$7,746,050	
434 C2 ELECTRICAL						
435 C21 Service & Distribution						
436 Public Library						
437 Service & Distribution - Base Building		65,700	SF	\$8.00	\$525,600	
438 Service & Distribution - Fit Out		65,700	SF	\$2.50	\$164,250	
439 Art Gallery						
440 Service & Distribution - Base Building		27,000	SF	\$8.00	\$216,000	
441 Service & Distribution - Fit Out		27,000	SF	\$2.50	\$67,500	
442 TOTAL C21 Service & Distribution		92,700	SF	\$10.50	\$973,400	
443 C22 Lighting, Devices & Heating						
444 Public Library						
445 Lighting , Devices & Heating - Base Building		65,700	SF	\$7.50	\$492,750	
446 Lighting , Devices & Heating - Fit Out		65,700	SF	\$12.00	\$788,400	
447 Art Gallery						
448 Lighting , Devices & Heating - Base Building		27,000	SF	\$7.50	\$202,500	
449 Lighting , Devices & Heating - Fit Out		27,000	SF	\$12.00	\$324,000	
450 TOTAL C22 Lighting, Devices & Heating		92,700	SF	\$19.50	\$1,807,700	



**Sudbury Public Library & Art Gallery of Sudbury
Order of Magnitude (Class D) Estimate**

Project No. 101598
Date: 15-Jun-17

Detailed Elemental Estimate

Gross Floor Area (SF): 92,700

Description	Division	Quantity	Unit	Unit Rate	Extension	Comments
451 C23 Systems & Ancillaries						
452 Public Library						
453 Systems & Ancillaries - Base Building		65,700	SF	\$4.50	\$295,650	
454 Systems & Ancillaries - Fit Out		65,700	SF	\$7.50	\$492,750	
455 Art Gallery						
456 Systems & Ancillaries - Base Building		27,000	SF	\$5.00	\$135,000	
457 Systems & Ancillaries - Fit Out		27,000	SF	\$8.00	\$216,000	
458 TOTAL C23 Systems & Ancillaries		92,700	SF	\$12.29	\$1,139,400	
459 TOTAL C2 ELECTRICAL		92,700	SF	\$42.29	\$3,920,500	
460 TOTAL C SERVICES		92,700	SF	\$125.85	\$11,666,550	
461 NET BUILDING COST (EXCLUDING SITE)		92,700	SF	\$285.87	\$26,499,913	
1 D1 SITE WORK						
462 D11 Site Development						
463 Allowance for site development - green field site		92,700	SF	\$32.00	\$2,966,400	
464 TOTAL D11 Site Development		92,700	SF	\$32.00	\$2,966,400	
465 D12 Mechanical Site Services						
466 Water main and connect to existing main		1	LS	\$20,000.00	\$20,000	
467 Sanitary and connect to existing main		1	LS	\$20,000.00	\$20,000	
468 Storm and connect to existing main		1	LS	\$20,000.00	\$20,000	
469 On site mechanical storm drainage		1	LS	\$125,000.00	\$125,000	
470 Gas - by local utility provider					Excluded	
471 TOTAL D12 Mechanical Site Services		92,700	SF	\$2.00	\$185,000	



Sudbury Public Library & Art Gallery of Sudbury
Order of Magnitude (Class D) Estimate

Project No. 101598
Date: 15-Jun-17

Detailed Elemental Estimate

Gross Floor Area (SF): 92,700

Description	Division	Quantity	Unit	Unit Rate	Extension	Comments
472 D13 Electrical Site Services						
473 Incoming hydro service		1	LS	\$100,000.00	\$100,000	
474 Incoming communicaitons duct bank		1	LS	\$15,000.00	\$15,000	
475 Electrical site services		1	LS	\$120,000.00	\$120,000	
476 TOTAL D13 Electrical Site Services		92,700	SF	\$2.54	\$235,000	
477 TOTAL D1 SITE WORK		92,700	SF	\$36.53	\$3,386,400	
1 D2 ANCILLARY WORK						
478 D21 Demolition						
479 Scope assumed not required (green field site)					Excluded	
480 Abatement of hazardous materials, assumed not required					Excluded	
481 TOTAL D21 Demolition		0	m2	\$0.00	\$0	
482 D22 Alterations						
483 Not required					Excluded	
484 TOTAL D22 Alterations			m2	\$0.00	\$0	
485 TOTAL D2 ANCILLARY WORK		0	SF	#DIV/0!	\$0	
486 TOTAL D SITE & ANCILLARY WORK		92,700	SF	\$36.53	\$3,386,400	
487 NET BUILDING COST (INCLUDING SITE)		92,700	SF	\$322.40	\$29,886,313	
488 Z1 GENERAL REQUIREMENTS & FEE						
489 Z11 General Requirements						
490 General Requirements		1	LS		\$3,287,500	11.0%
491 TOTAL Z11 General Requirements					\$3,287,500	
492 Z12 Fee						
493 Fee		1	LS		\$995,200	3.0%
494 TOTAL Z12 Fee					\$995,200	
495 TOTAL Z1 GENERAL REQUIREMENTS & FEE		92,700	SF	\$46.20	\$4,282,700	
496 TOTAL CONSTRUCTION ESTIMATE EXCLUDING ALLOWANCES		92,700	SF	\$368.60	\$34,169,013	



Sudbury Public Library & Art Gallery of Sudbury
Order of Magnitude (Class D) Estimate

Project No. 101598
Date: 15-Jun-17

Detailed Elemental Estimate

Gross Floor Area (SF): 92,700

Description	Division	Quantity	Unit	Unit Rate	Extension	Comments
497 Z2 CONTINGENCIES						
498 Z21 Design Contingency						
499 Design Contingency		1	LS		\$4,100,300	12.0%
500 TOTAL Z21 Design Contingency		92,700	SF	\$44.23	\$4,100,300	
501 Z22 Escalation Contingency						
502 Escalation Contingency - Construction planned for 2020		1	LS		\$2,050,100	6.0%
503 TOTAL Z22 Escalation Contingency		92,700	SF	\$22.12	\$2,050,100	
504 Z23 Construction Contingency						
505 Construction Contingency		1	LS		\$1,680,500	5.0%
506 Total Z23 Construction Contingency		92,700	SF	\$18.13	\$1,680,500	
507 TOTAL Z2 CONTINGENCIES		92,700	SF	\$84.48	\$7,830,900	
508 TOTAL Z GENERAL REQUIREMENTS & CONTINGENCIES		92,700	SF	\$130.68	\$12,113,600	
509 TOTAL BUILDING COST INCLUDING ALLOWANCES		92,700	SF	\$453.07	\$42,000,000	

BUSINESS PLAN FOR GREATER SUDBURY CONVENTION AND PERFORMANCE CENTRE

City of Greater Sudbury, ON
CBRE File No. :18-APPRHOTELS-0080

Date: June 15, 2018

Prepared for:
City of Greater Sudbury





CBRE Valuation & Advisory Services
CBRE Tourism & Leisure Group

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June 15, 2018

Ms. Eleethea Savage
Manager of Special Projects
City of Greater Sudbury

Via email: Eleethea.savage@greatersudbury.ca

RE: Business Plan for Greater Sudbury Convention and Performance Centre Project – Final Report

Dear Ms. Savage:

In accordance with the terms of our engagement, CBRE in association with Novita Interpares is pleased to submit the attached Final Business Plan for the Greater Sudbury Convention and Performance Centre ("GSCPC").

The Greater Sudbury Convention and Performance Centre ("GSCPC") is a multi-use convention centre and performing arts facility to be located in Downtown Sudbury. The recommended development program for the Greater Sudbury Convention and Performance Centre includes 19,500 square feet of rentable space, with a 13,000 square-foot main plenary/live performance hall featuring 950 theatre-style seats. At this size, the GSCPC could effectively compete with other Tier 3 Convention Centres and regional hotels and event venues for large convention groups in excess of 300 persons, with trade show capacity, banquets of up to 900 persons, and live performance events for up to 950 persons.

While the core business of the Greater Sudbury Convention and Performance Centre will be to attract conventions, meetings and trade shows, having the capacity to convert the largest room into a mid-size live performance venue will both serve the need for performing arts growth in Sudbury, but also attract new sources of demand and revenue for the City. Market and utilization forecasts show the Greater Sudbury Convention and Performance Centre hosting 221 M&C events and 274 event days, as well as 55 Performing Arts events over 70 event days by its stabilized year of operation (Year 5).

The value-added GDP impacts associated with the initial \$65.5 million in capital investment in the GSCPC have been estimated at \$26 million in direct and indirect impacts, with 93% (\$24 million) expected to directly benefit Greater Sudbury. Of this \$24 million in GDP, an estimated \$15 million in salaries and wages will be generated to support 174 direct jobs in Greater Sudbury, and a further \$9.2 million is estimated to result in direct taxes for Greater Sudbury.

The direct economic activity created by operating of the GSCPC in Greater Sudbury has been estimated at \$2.3 Million per year, with an additional \$1.8 million of GDP produced by indirect and induced sources. By 2023, the GSCPC is expected to contribute a combined \$7.6 Million in spending from both its operation and off-site visitor expenditures. At these demand levels, the subject GSCPC is projected to operate at an annual net loss of \$272,000 by Year 5. In comparison, Tier 3 Convention Centres in similar jurisdictions to Greater Sudbury across Canada operated at a net loss ranging from \$100,000 to over \$1 Million in 2015.

The new GSCPC has the potential to be a significant new demand generator. By 2023, the operation of the GSCPC represents a potential 25% increase in Meeting/Convention demand levels to the City compared to levels achieved today, which equates to about 8,000 room nights. In addition, the live entertainment and other events at the GSCPC will attract additional overnight accommodation demand into the downtown core. Additional convention visitors who previously did not utilize Sudbury as a convention location will be expected to induce new demand, thereby driving overnight demand levels higher in the City overall.

The subject Business Plan is based on the assumption that there is sufficient demand in the Greater Sudbury market to support one Convention Centre with 18,000 to 20,000 square feet of rentable space. Should another Convention or Conference Centre project of 14,000 square feet or more be developed in the City, this Business Plan would need to be reassessed.

This report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter. The intended use and user of our report are specifically identified in our report as agreed upon in our contract for services and/or reliance language found in the report. No other use or user of the report is permitted by any other party for any other purpose. Dissemination of this report by any party to non-client, non-intended users does not extend reliance to any other party and CBRE will not be responsible for unauthorized use of the report, its conclusions or contents used partially or in its entirety.

It has been a pleasure to assist you in this assignment. If you have any questions concerning the analysis or if CBRE can be of further assistance, please contact us.

Respectfully submitted,



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Senior Director
CBRE Tourism & Leisure Group
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EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

Background

The Greater Sudbury Convention and Performance Centre (“GSCPC”) is a multi-use convention centre and performing arts facility to be located in Downtown Sudbury.

In January 2017, the City of Greater Sudbury (with the financial support of the GSDC) retained CBRE to undertake an Assessment of Work completed to date on the Greater Sudbury Convention and Performance Centre (formerly known as the “Greater Sudbury Synergy Centre”) Project, and implications for moving the project forward. Following recommendations from CBRE’s Assessment of Work, CBRE was retained again in April 2017 to continue its assessment of the concept and development of a business plan for the facility. CBRE partnered with Brian Arnett, the founding partner of Novita Interpares and a specialist in live performance venues, to undertake the next steps in the process.

The Greater Sudbury Convention and Performance Centre project was presented to City Council on June 28, 2017 along with proposals for other major public projects for Sudbury’s downtown core. At that time, all aspects of the GSCPC were confirmed at a conceptual level including market position, building areas and configuration, technology to support a dual purpose convention and live performance venue, operations and staffing, and other features. In May 2018, CBRE was retained to update the subject Business Plan to include current site, market and financial analysis.

As such, the ultimate goal of the subject study has been to define the concept of the Greater Sudbury Convention and Performance Centre, inclusive of its core business function and sources of demand, and potential economic impact for the community. The GSCPC is part of a greater vision for Sudbury’s downtown core, in concert with other large scale projects that have yet to be approved. The subject Business Plan clearly defines the GSCPC’s market positioning and economic potential as an economic driver for Greater Sudbury.

GSCPC Objectives, Vision and Mission

Building on previous studies, the subject Business Plan has identified the following objectives, vision and mission statement for the Greater Sudbury Convention and Performance Centre:

Objectives

- To provide a multi-use convention and live performance complex;
- To be a catalyst for economic revitalization of Downtown Sudbury;
- To provide for the needs of the arts and culture community;
- To meet the future growth needs of the city; and
- To create a facility with operating efficiencies.

Vision

- Northeastern Ontario's most innovative venue for hosting scalable events for performing arts, conventions, meetings and trade shows.

Mission

- To create a dynamic multi-use facility in Downtown Sudbury that stimulates economic growth by attracting new opportunities to host large-scale conventions, arts/culture performances, trade shows, meetings and community celebrations.

GSCPC Concept

The Greater Sudbury Convention and Performance Centre represents an opportunity to increase the level of meeting/convention activity to City of Greater Sudbury by providing adequate meeting space to host functions in excess of 300 attendees, as well as live performances of over 650 persons.

The key to the success of the GSCPC will be in its ability to provide multi-use space through an automated seating system, which has the capability of transforming the space from a multi-tiered theatrical and concert space to a flat-floor exhibition, plenary or banquet space. The addition of the multi-use convention and performing arts venue will provide a meeting place for the city and an economic catalyst for the revitalization of Downtown Sudbury. Generally speaking, single-purpose Convention Centres and Performing Arts Theatres require annual operating subsidies. The goal will be to effectively program the GSCPC with multiple events (performances, meetings and conventions, banquets, award ceremonies, social events, receptions, trade shows, etc.) in order to reduce annual operating subsidies, while at the same time achieving the greatest economic benefits for downtown businesses and the overall City. In order to ensure effective programs and the greatest economic benefit for Greater Sudbury, the core business of the GSCPC will be to host meetings/conventions and banquet style events. When not in use for meetings and conventions, the Greater Sudbury Convention and Performance Centre will have the unique potential to host live performances and related events, offering 750 automated lift-style seats and 200 balcony seats in the main live performance hall.

The dual-function purpose of the GSCPC presents a new concept to the Sudbury market, combining performing arts, meeting/convention and banquet capacity. The unique model demonstrates both a commitment to the growth of the city's knowledge centre and to the existing arts and culture scene in Sudbury, giving the City the potential to attract professional talent from other urban centres, but also to attract a range of professionals to meet and exchange ideas relative to their industry in a unique location. Greater Sudbury is considered a world class mining centre, and supports a number of academic institutions, and the GSCPC will provide significant opportunities for regional and provincial associations to find a reason to visit.

GSCPC Site Analysis

A site evaluation process took place involving community partners as well as a variety of City staff, with input from the consultant. The objective was to lead to a recommended/assumed site for the development of GSCP project.. After reducing from a longer list, the four short listed sites considered by the Site Evaluation Committee were, in alphabetical order:

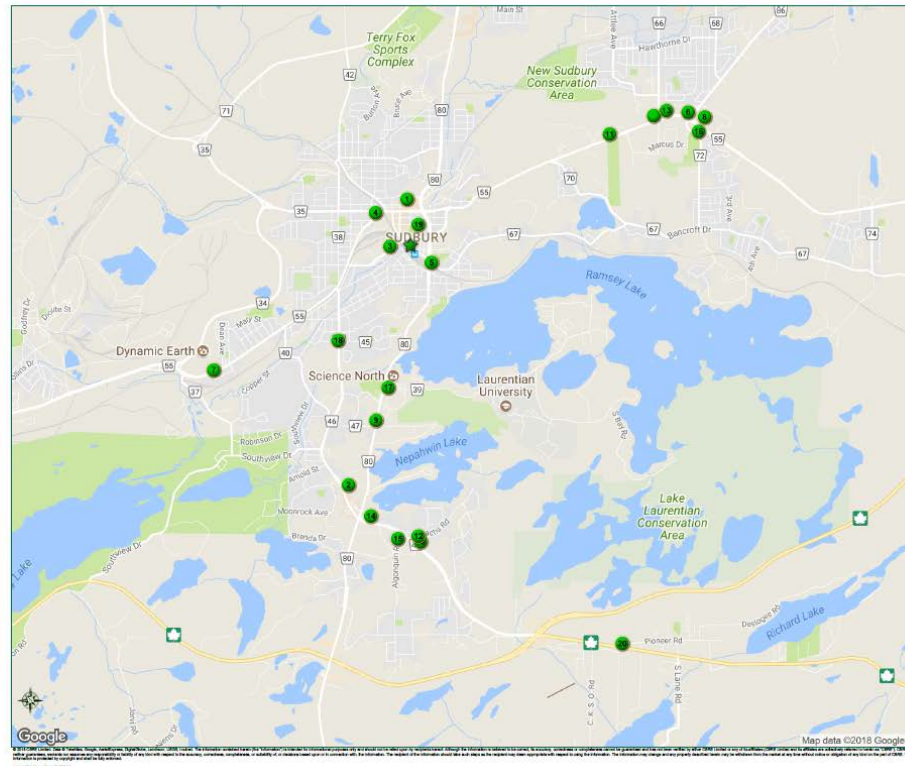
- Minto Parking Lot, Including Potential to Include Adjacent Lots
- Shaughnessy Parking Lot, Including Potential to Include Adjacent Lots
- Sudbury Community Arena, Assuming Demolition and New Construction
- Sudbury Community Arena, Assuming Renovation

The evaluation process included site tours, collection and analysis of data regarding each of the sites, the identification of evaluation criteria and a weighting and rating system, culminating in an all-day evaluation workshop. The results of this workshop led to the selection of the Sudbury Community Arena site assuming demolition and new construction on that site to offer the primary benefit of new, purpose-built construction as the highest ranking site. That being said, there are uncertainties regarding the timeliness of implementation.

From a Meeting & Convention market perspective, it will be very important for the subject GSCPC to be close to a critical mass of hotels, as the majority of meeting planners view this as a significant factor driving convention location selection. As shown in the following map, there are 5 hotels within walking distance of the subject site in Sudbury's downtown core, with 464 guest rooms, representing 27% of the total rooms supply in the Greater Sudbury Area (1,715 rooms). While much of the new hotel development in the Greater Sudbury market has taken place in the southern and eastern ends of the City, this is still within a 10-15 minute drive of the subject site.

Sudbury Accommodation

- ★ GSCPC Site
- ① Radisson Hotel Sudbury
- ② Holiday Inn Sudbury
- ③ Lexington Hotel
- ④ Clarion Hotel Sudbury (former Days Inn)
- ⑤ Quality Inn & Conf Ctr Sudbury
- ⑥ Ambassador Hotel
- ⑦ Econo Lodge Sudbury
- ⑧ TownePlace Suites Sudbury
- ⑨ Travelodge Sudbury
- ⑩ Hampton Inn Sudbury
- ⑪ Microtel
- ⑫ Homewood Suites Sudbury
- ⑬ Fairfield Inn & Suites Sudbury
- ⑭ Super 8 Sudbury
- ⑮ Comfort Inn Sudbury
- ⑯ Comfort Inn East Sudbury
- ⑰ Travelway Inn
- ⑱ Knights Inn Belmont Motel
- ⑲ Best Western Dtnw Sudbury
- ⑳ Motel 6 Sudbury
- ㉑ Hilton Garden Inn (under construction)

**CBRE****GSCPC Facility Program & Capital Cost**

Based on market and comparable research, the recommended development program for the GSCPC includes 19,500 square feet of rentable meeting/convention space and 950 theatre-style seats, 750 of which are incorporated into the automated lift seating system, while 200 are fixed balcony seats. This program is recommended in order for Greater Sudbury to compete effectively in the Ontario market, and reach its potential in the mid-term with the existing and future hotel supply. Inclusive of public areas and front and back of house support space, the full program calls for a building of 60,500 square feet.

**GREATER SUDBURY CONVENTION AND PERFORMANCE CENTRE
FACILITY PROGRAM**

RENTABLE SPACE	Sq.Ft.	Divisibility	Capacity M&C	Capacity Fixed Seats
Flat Floor Area (Ballroom / Main Hall / Main Theatre)	13,000	3	867	750
Balcony				200
Subtotal - Main Hall	13,000	3	867	950
Meeting/Breakout Rooms				
Meeting Room 1	3,500	2	292	
Meeting Room 2	2,500	3	208	
Meeting Room 3	250	1	21	
Meeting Room 4	250	1	21	
Subtotal - Breakout Rooms	6,500		542	-
TOTAL RENTABLE SPACE	19,500		1,408	950
SUPPORT SPACE				
Public Areas	11,500			
Administration	1,300			
Live Performance Support	1,200			
Convention Meeting Support	5,400			
Common Support Space	1,600			
Building Technology and Services	2,700			
Subtotal - Support Space	23,700			
NET BUILDING	43,200			
Gross up (40%)	17,300			
TOTAL BUILDING	60,500			

Notes: M&C Banquet capacity based on 15 sq.ft. per person; Meeting room capacity based on 12 sq.ft. per person

Source: CBRE Limited and Novita Interpares

Preliminary capital costs for the project, as defined, have been estimated at approximately **\$63 Million**, with an additional \$2.5 Million estimated for Production and Operational Development, for a total of approximately \$65.5 Million. Given the multiple uses of this facility and its location in the Downtown core, the City will be in a good position to leverage available Provincial and Federal government funding opportunities, which may not be the case for other large-scale development projects.

**GREATER SUDBURY CONVENTION AND PERFORMANCE CENTRE
PRELIMINARY CAPITAL COST ESTIMATES**

	Capital Cost Estimate	Per Sq.Ft.
Construction Cost (60,500 sq.ft.)	\$28,737,500	\$475
Vertical Lift Transformable Seating (see table below)	\$14,725,000	\$243
Presentation Systems and Equipment (see table below)	\$1,750,000	\$29
Furniture, Fixtures & Equipment	\$3,150,000	\$52
Subtotal Building Costs	\$48,363,000	\$799
Soft Costs	\$7,254,000	
Contingency	\$7,254,000	
Total Capital Cost (rounded)	\$63,000,000	\$1,041
Production & Operational Development	\$2,500,000	

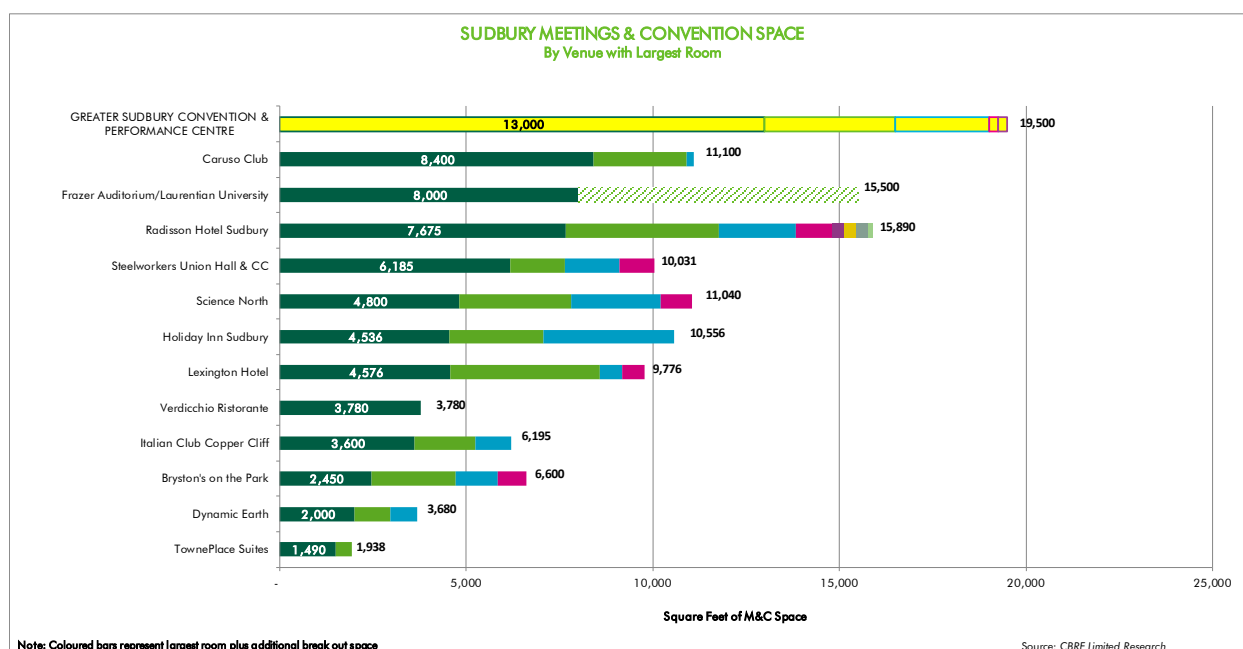
Vertical Lift Transformable Seating	Capital Cost Estimate	Per Seat
Fully Installed Gala System	\$6,500,000	\$8,667
Finished Floor (5,000 sq.ft.)	\$250,000	\$263
Chairs (750)	\$375,000	\$395
Mechanical Pit	\$7,500,000	\$7,895
Balcony Seating	\$100,000	\$500
Subtotal Seating System	\$14,725,000	\$15,500
Presentation Systems and Equipment	Capital Cost Estimate	Per Seat
Stage and Rigging	\$500,000	
Stage Lighting	\$350,000	
Video Presentation	\$300,000	
Audio and Video Program Monitoring	\$200,000	
Administration & Box Office Fit Up	\$150,000	
Loose Equipment and Furnishings	\$100,000	
Grand Piano	\$150,000	
Subtotal Presentation and Equipment	\$1,750,000	\$1,842

Source: CBRE & Novita Interpares Estimate

Disclaimer: Capital costs and preliminary in nature and subject to schematic drawings of the subject building on the designated site, review by Architect and Cost Consultant.

GSCPC Market and Utilizations Projections

From a **Meeting & Convention** market perspective, the Greater Sudbury Convention and Performance Centre will compete against other Tier 3 Conventions Centres across Canada for convention demand at the provincial and national level, with the majority of smaller meetings and social banquet demand derived from the local and regional hotel and resort market. The following tables highlight the positioning of the GSCPC in relation to these markets from a venue size perspective:



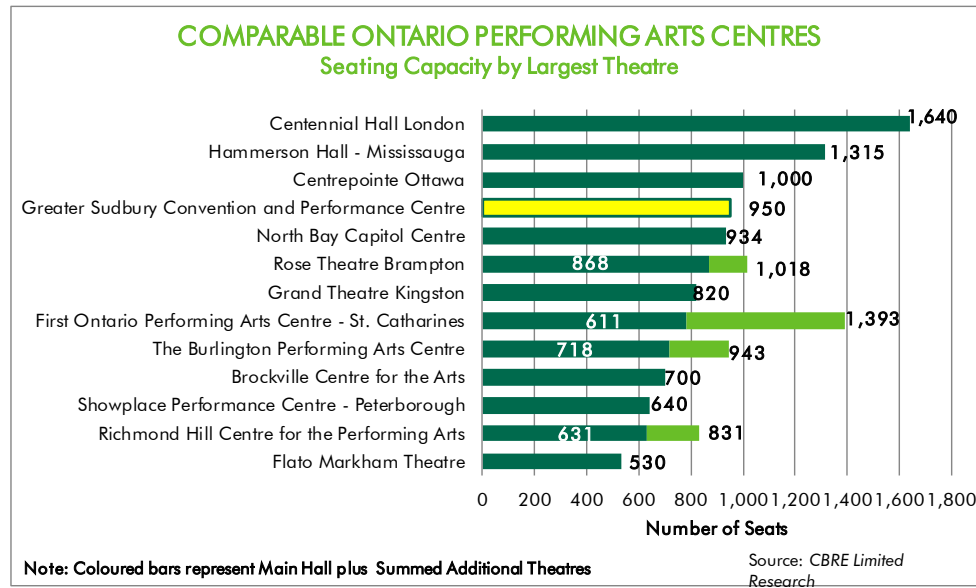
Convention Centre	Location	Total M&C Space	Hotel Rm Inventory	Sq.Ft. Per Hotel Rm	Est. CMA Population 2017
London Convention Centre*	London, ON	48,452	3,489	14	514,207
Blue Mountain Convention Centre	The Blue Mountains, ON	48,377	1,590	30	22,364
Chatham-Kent John D. Bradley Convention Centre	Chatham-Kent, ON	39,703	367	108	105,883
Prince Edward Island Convention Centre*	Charlottetown, PE	36,099	1,441	25	72,405
Penticton Trade and Convention Centre	Penticton, BC	34,165	1,498	23	43,455
St. John's Convention Centre*	St. John's, NL	33,332	2,937	11	214,784
Vancouver Island Conference Centre	Nanaimo, BC	24,853	922	27	107,434
Saint John Trade & Convention Centre*	Saint John, NB	24,735	1,560	16	127,064
Prince George Conference & Civic Centre	Prince George, BC	22,800	2,263	10	84,507
Fredericton Convention Centre**	Fredericton, NB	19,834	1,954	10	101,169
Greater Sudbury Convention and Performance Centre	Sudbury, ON	19,500	1,846	11	165,351

Notes: *Physically connected to a hotel (e.g. by pedway)

** To be connected by pedway to a new Hilton Garden Inn hotel, which is set to open in 2018

Sources: CBRE Limited, Environics Analytics Sitewise 2017

With respect to the GSCPC's positioning in the Ontario Performing Arts market, the following chart shows the subject facility at 950 seats as most comparable to North Bay, Brampton and Ottawa.



The following chart highlights historic demand at Tier 3 Convention Centres of a comparable size to the subject Greater Sudbury Convention and Performance Centre, as well as the Greater Sudbury hotel and event venue markets, in comparison to the GSCPC by event type.

M&C EVENT DEMAND	Greater Sudbury Avg Per Event Venue	TIER 3 Avg Per Centre	GSCPC Projection
Conventions	6	5-50	16
Trade Shows	0	0-7	2
Consumer Shows	0	0-12	2
Meetings	272	36-377	141
Social Events/Banquets	65	11-156	30
Other	14	0-200	30
TOTAL	357	108-586	221

Source: CBRE

As shown, by 2023, the GSCPC is projected to host **221 M&C events over 274 event days**. These events are projected to bring **38,000 attendees** generating 13,860 room nights. In terms of the convention market alone, an estimated 16 Conventions are expected to attract 5,000 delegates to the City, generating 5,470 room nights (about 40% of room nights overall). Furthermore, 50% of the room nights generated for the Greater Sudbury accommodation market through meetings and conventions will be incremental new demand for the City.

When not hosting meetings, conventions and other social banquets, the GSCPC is projected to host **55 live performance events over 70 event days**. Typical event types are expected to include performances through the Sudbury Symphony, events related to the Laugh Out Loud Festival, events generated by the Sudbury Theatre Centre, Sudbury-produced events, touring shows (i.e. through Ontario Presents), and private shows for attendees of conventions and meetings hosted at the GSCPC. These live performances are estimated to generated an estimated **47,000 attendees**, of which 68% are expected to be residents, and 32% will be visitors to Sudbury.

GREATER SUDBURY CONVENTION AND PERFORMANCE CENTRE DEMAND PROJECTIONS	
MEETINGS & CONFERENCE EVENTS	Projected Events
Conventions	14 - 16
Trade Shows / Consumer Shows	2 - 4
Meetings	130 - 141
Social Banquets	20 - 30
Other	21 - 30
SUBTOTAL M&C EVENTS	188 - 221
LIVE PERFORMANCES	Projected Events
Touring Shows	20 - 24
Sudbury Symphony	10 - 11
Sudbury Theatre Centre	2 - 3
Convention-related / Private Events	2 - 4
Other Sudbury Produced Events	11 - 13
SUBTOTAL LIVE PERFORMANCES	45 - 55
TOTAL PROJECTED EVENTS	233 - 276
TOTAL PROJECTED EVENT DAYS	291 - 344
M&C Delegate Days	39,000-50,000
Performing Arts Centre Attendees	37,000-47,000
Total Attendance	76,000 - 97,000

GSCPC Operating Projections

Operating Projections have been prepared for the GSCPC over a five-year projection period. In preparing these projections, we have compared the operating performance of other Tier 3 Canadian Convention Centres, and Greater Sudbury area hotels and other venues with meeting space, as well as mid-size Performing Arts Centres across Ontario. Projections for the subject Greater Sudbury Convention and Performance Centre's results are based on a number of variables, including, but not limited to: the size of the building, occupied space, the number of events/event days, the number of attendees/attendee days and inflation.

Other key assumptions made in the preparation of these projections include:

- The venue will be owned by the City of Greater Sudbury, and projections are net of property taxes and insurance;
- The venue will be operated by third party management firm, and incur an annual management fee of \$108,000 in Year 1, increasing by inflation thereafter;
- Food and Beverage will be outsourced to a third party operator;
- A reserve for asset replacement has been included to account for the replacement of furnishings and fixtures as required to maintain the quality of product offered by the GSCPC at 3.0% of revenues per year;
- Inflation rates have been estimated at 2% throughout the projection period; and
- An estimated 14 full-time equivalent positions have been recommended for Year 1, based on industry standards and comparable facilities, equating to approximately \$1 million in salaries and benefits.

Operating forecasts for the first five years of operation have been based on 19,500 square feet of rentable space and 950 seats, with the Greater Sudbury Convention and Performance Centre hosting 221 M&C events and 274 event days as well as 55 Performing Arts events over 70 event days by its stabilized year of operation (Year 5).

As shown in the following table, by 2025, Total Revenues are estimated to reach \$2.4 million, of which 58% will be from ticket sales (\$1 million); 25% from space rental income (\$619,000) and 8% from presentation sponsorships. Total Expenses, inclusive of departmental expenses (55%), undistributed operating costs (48%) and other fixed costs (8%) have been projected to reach \$2.7 million.

The GSCPC is projected to require approximately **\$272,000 in an annual operating grant by Year 5 of its operation.** In comparison, Tier 3 Convention Centres in comparable jurisdictions to Greater Sudbury operated at a net loss ranging from \$100,000 to over \$1 Million in 2015.

Market Support for One Convention Centre in Greater Sudbury

The subject Business Plan is based on the assumption that there is sufficient demand in the Greater Sudbury market to support one Convention Centre with 18,000 to 20,000 square feet of rentable space. Should another Convention or Conference Centre project of 14,000 square feet or more be developed in the City, this Business Plan would need to be reassessed.

PROFORMA STATEMENT of INCOME and EXPENSES - Year 5
GREATER SUDBURY CONVENTION AND PERFORMANCE CENTRE

2025		
REVENUES		
Event Revenues		
M&C Space Rentals	\$460,000	19%
PAC Space Rentals	\$159,000	7%
PAC Touring Show Ticket Sales	\$1,039,000	58%
Sponsorships	\$140,000	8%
Subtotal	\$1,798,000	74%
Other Service-Related Revenues		
Box Office Surcharge	\$76,000	3%
Retail / Merchandising	\$92,000	4%
Food & Beverage Commission	\$309,000	13%
AV Rentals	\$166,000	7%
Subtotal	\$643,000	26%
Total Revenues	\$2,441,000	100%
DEPARTMENTAL EXPENSES		
Space Rentals & Events	\$396,000	64%
Presentation Product - Artists Expense	\$488,000	47%
Other Related Presentation Costs	\$312,000	30%
Retail Cost of Goods Sold	\$46,000	50%
AV Rental Costs	\$105,000	63%
Total Departmental Expenses	\$1,347,000	55%
UNDISTRIBUTED OPERATING COSTS		
Administration & General	\$381,000	16%
Information & Telecommunications	\$53,000	2%
Sales and Marketing	\$267,000	11%
Property Operations & Maintenance	\$227,000	9%
Utilities	\$248,000	10%
Total Undistributed Expenses	\$1,176,000	48%
OTHER FIXED CHARGES		
Management Fee	\$117,000	6%
Reserve for Asset Replacement	\$73,000	3%
Total Fixed Charges	\$190,000	8%
NET OPERATING INCOME	-\$272,000	-11%

Source: CBRE Limited and Novita Interpares

Governing Structure

GSCPC will require professional service in terms of Management, Marketing and Sales, Programming Productions, Food and Beverage catering, and AV and technical logistical services.

The City of Greater Sudbury will own both the site and building for the GSCPC, and employ a separate **non-profit corporation to manage the facility, bid on and host large scale conventions, organize and host meetings, and deliver live performance programming, under contract to the City.** This model will rely on exceptional leadership, governing skills and financial management, and requires municipal approval of its budget, in order to secure an annual operating grant.

The non-profit corporation will be focused solely on achieving the success of the GSCPC, as opposed to the operation being one of several facilities requiring management services from the City. The performance arts component is a high risk entrepreneurial activity that requires flat management structures, as opposed to bureaucratic structures. This model has proved successful in other communities and provides an entrepreneurial environment, which is required to make a performance centre successful, and reduces financial risk for a community. A non-profit corporation also has greater access to fundraising opportunities and sources, and can make use of volunteers to reduce operating costs and enhance community involvement.

The non-profit corporation will have full-time responsibility for the management, operation, sales and marketing of the GSCPC, including full responsibility for the following functional areas of operation:

- Administration
- Sales/Marketing
- Event Programming
- Event Operations

It is assumed that the Food and Beverage operation will be outsourced to a 3rd party operator, reporting to management of the GSCPC.

Because of the dual functionality of the Centre, the GSCPC will also require a **live performance presenting and convention development organization/team**, included as part of the GSCPC's overall corporate structure, development plan and timetable. As its very first steps, this organization will need a statement of purpose and values, measurable goals, a comprehensive development plan, skilled staff and budgetary resources – and a governing structure with a clearly defined set of responsibilities. This latter point is key as the performing arts program will have a wide range of contractual and fiduciary obligations and will need to have the capacity to manage the risks associated with being a presenter.

Three years prior to opening day, the initial roles and functions of the organizations will include the following key tasks among others:

- Put initial development budget in place
- Form a working group to establish corporate structure
- Establish corporate goals, policies and strategies
- Establish an MOU between the governing board, the City of Greater Sudbury Development Corporation as the City's eligible tourism entity to establish a collaborative approach to marketing, sales and attraction efforts for meeting and convention business opportunities
- Create governance policy manual
- Set critical path timetable
- Confirm job description for Executive Director

Potential Capital and Operating Funding Sources

The following table identifies a range funding resources for potential capital and operating assistance for the GSCPC at various levels of government.

LEVEL OF GOVERNMENT	ORGANIZATION	ASSISTANCE AVAILABLE / PROGRAMS
Federal	FedNor / Industry Canada	<ul style="list-style-type: none"> FedNor has a specific mandate to invest in economic development, business growth and competitiveness, and innovation in Northern Ontario Northern Ontario Development Program – Community Economic Development, Business Growth & Competitiveness, Innovation Community Investment Initiative Community Futures Program Invest Canada – Community Initiatives
Federal	Canada Cultural Spaces Fund (CCSF)	<ul style="list-style-type: none"> Covers a wide range of cultural facility needs (i.e. construction and specialized equipment)
Provincial	Northern Ontario Heritage Northern Fund Corporation (NOHFC)	<ul style="list-style-type: none"> NOHFC invests in northern businesses and municipalities through conditional contributions, forgivable performance loans, incentive term loans and loan guarantees Northern Innovation Program Strategic Economic Infrastructure Program Northern Community Capacity Building Program Northern Business Opportunity Program Northern Ontario Internship Program
Provincial	Ontario Arts Council (OAC)	<ul style="list-style-type: none"> Assists in the development of arts infrastructure
Provincial	Ministry of Tourism, Culture and Sport – Investment & Development Office (IDO)	<ul style="list-style-type: none"> IDO identifies and develops opportunities for investment, and markets regional investment cases towards investors. Celebrate Ontario Program Tourism Development Fund
Provincial	Ontario Trillium Foundation (OTF)	<ul style="list-style-type: none"> OTF strive to strengthen the voluntary sector through investing in community-based initiatives in Ontario. Seed Grants Grow Grants Capital Grants Collective Impact Grants
Municipal	Municipal Accommodation Tax	<ul style="list-style-type: none"> A new Municipal Accommodation Tax will be implemented in Greater Sudbury in September 2018, based on 4% of rooms revenue applied to all accommodation providers. While no decisions have been made to date on how the funds will be allocated and spent, best practices suggest that some of the funds be allocated to meetings, conventions and event tourism.

Source: CBRE

Economic Impact Contributions

The value-added GDP impacts associated with the initial \$65.5 million in capital investment in the GSCPC have been estimated at \$26 million in direct and indirect impacts, with 93% (\$24 million) expected to directly benefit Greater Sudbury. Of this \$24 million in GDP, an estimated \$15 million in salaries and wages will be generated to support 174 direct jobs in Greater Sudbury, and a further \$9.2 million is estimated to result in direct taxes for Greater Sudbury.

The direct economic activity created by operating of the GSCPC in Greater Sudbury has been estimated at \$2.3 Million per year, with an additional \$1.8 million of GDP produced by indirect and induced sources. By 2023, the GSCPC is expected to contribute a combined \$7.6 Million in spending from both its operation and off-site visitor expenditures. Off-site delegate spending on conventions alone has been estimated at \$1.3 million, which equates to an average value of \$83,000 per convention in 2023.

The subject GSCPC is projected to operate at an annual net loss of \$272,000 by Year 5. In comparison, Tier 3 Convention Centres in similar jurisdictions to Greater Sudbury across Canada operated at a net loss ranging from \$100,000 to over \$1 Million in 2015.

The new GSCPC has the potential to be a significant new demand generator. By 2023, the operation of the GSCPC represents a potential 25% increase in Meeting/Convention demand levels to the City compared to levels achieved today, which equates to about 8,000 room nights. In addition, the live entertainment and other events at the GSCPC will attract additional overnight accommodation demand into the downtown core. Additional convention visitors who previously did not utilize Sudbury as a convention location will be expected to induce new demand, thereby driving overnight demand levels higher in the City overall.

Conclusion

As noted, while most Convention Centres and Performing Arts Centres are viewed by municipal ownership as “loss” leaders, it is recognized that they also contribute essential economic activity that drives new tax revenues, economic benefit and employment from other services and establishments like hotels, restaurants and retail stores. Unlike other developments being proposed for Sudbury’s CBD, the Greater Sudbury Convention and Performance Centre has the potential to not only put the City on the map with its unique dual-functionality model, but also provide the City with a competitive advantage by attracting high-yield conventions to the area and attracting professional talent in conjunction with the arts and culture community. Furthermore, the anticipated operating synergy benefits, including increased activities, increased hours for part-time staff, and shared personnel and building costs, put this project in a strong position to generate significant GDP impacts for the City of Greater Sudbury, and for the Province of Ontario.



INTRODUCTION

Study Background

In January 2017, the City of Greater Sudbury (with the financial support of the GSDC) retained CBRE to undertake an Assessment of Work completed to date on the Greater Sudbury Convention and Performance Centre (formerly known as the “Greater Sudbury Synergy Centre”) Project, and implications for moving the project forward. Following recommendations from CBRE’s Assessment of Work, CBRE was retained again in April 2017 to continue its assessment of the concept and development of a business plan for the facility. CBRE partnered with Brian Arnott, the founding partner of Novita Interpares and a specialist in live performance venues, to undertake the next steps in the process.

The Strategic Business Plan for the Greater Sudbury Convention and Performance Centre project was presented to City Council on June 28, 2017 along with proposals for other major public projects for Sudbury’s downtown core. At that time, all aspects of the GSCPC were confirmed at a conceptual level including market position, building areas and configuration, technology to support a dual-purpose convention and live performance venue, operations and staffing, and other features. In May 2018, CBRE was retained to update the subject Business Plan to include current site, market and financial analysis.

As such, the ultimate goal of the subject study has been to define the concept of the Greater Sudbury Convention and Performance Centre, inclusive of its core business function and sources of demand, and potential economic impact for the community. The GSCPC is part of a greater vision for Sudbury’s downtown core, in concert with other large scale projects that have yet to be approved. The subject Business Plan clearly defines the GSCPC’s market positioning and economic potential as an economic driver for Greater Sudbury.

Study Scope

In meeting the current study objectives, CBRE has undertaken the following tasks:

- Met with the GSCPC Working Group and GSCPC facility partners, as well as numerous stakeholders in the community, identified in the following chart:
- Researched the current and projected size of the Greater Sudbury performing arts and meeting/convention markets, with consideration given to the local resident and visitor markets within a 1-hour drive time radius;
- Undertook a competitive supply and demand analysis of key performing arts venues and meeting/convention facilities in Sudbury and other Northern Ontario destinations; as well as Tier 3 Canadian Convention Centres;
- Undertook an historic overview of Sudbury’s hotel sector, including the level of demand generated by meetings and convention activity;
- Prepared a facility program for the GSCPC inclusive of functional area quantifications related to live performance and meeting/convention facilities;

- Developed Delegate and Attendee projections for the GSCPC during the first 5 years of operations;
- Prepared Financial Operating Projections for the GSCPC for the first 5 years of operations;
- Undertook an assessment the Economic Impacts of the GSCPC derived through its construction, operation and incremental visitor spending to Greater Sudbury and its downtown;
- Provided commentary on the potential sources of capital and operating funds and the benefits of an adjacent hotel development to the GSCPC site and potential parking requirements for the site with and without an adjacent hotel; and
- Compiled all findings into the subject Business Plan.

This report has been prepared for the party named above for the purpose stated. Any other use or user is unintended by the consultant. The report is subject to those Assumptions and Limiting Conditions contained in Addendum "B" in addition to any assumptions, which may be stated in the body of the report.

GREATER SUDBURY STAKEHOLDER DISCUSSION LIST

	Name	Position	Company/Organization	Interviewed	Date Interviewed
GSCPC Working Committee Members	Wendy Watson	Director, Co-Chair	Greater Sudbury Development Corporation	✓	Apr-17
	John Caruso	Co-Chair	Retired from Public Sector/Consultant	✓	Apr-17
	Brian Koivu	Executive Director	Sudbury Community Foundation	✓	Apr-17
	Carmen Simmons		Retired from Public Sector	✓	Apr-17
	Debby Nicholson	President & CEO	Greater Sudbury Chamber of Commerce	✓	Sep-17
	Doug Morrison	President & CEO	CEMI		
	Jean Leblanc	Partner/Broker	Mallette-Goring Real Estate Brokerage	✓	Apr-17
	Brian Tremblay	Owner	LeadSource Marketing & Advertising	✓	Apr-17
	Michael Luciw	Principal Architect	Architecture 49	✓	Apr-17
		Chief Communications and Community Engagement			
	Viviane Lapointe		Health Sciences North	✓	Jan-17
	Scott Overton	Freelance Writer and Author		✓	Apr-17
	Alex Freedman	Chief of Staff	Laurentian University	✓	Sep-17
	Brenda Temblay	Chief Operating Officer	Science North	✓	Apr-17
	Erin Danyliw	Director	Greater Sudbury Development Corporation	✓	Jan-17
	Shelley Ahmed	Communications	City of Greater Sudbury	✓	Sep-17
	Ian Wood	Director, Co-Chair	City of Greater Sudbury	✓	Apr-17
	Elethea Savage	Special Projects	City of Greater Sudbury	✓	Sep-17
	Dana Jennings	Business Development Officer	City of Greater Sudbury	✓	Apr-17
Hoteliers	Peter Nykilchuk	General Manager	Hampton Inn	✓	Feb-17
	Karim Khamisa	General Manager	Holiday Inn	✓	May-17
	Jim Pitts	Director of Sales	Holiday Inn	✓	Jan-17
	Shelley Peever	General Manager	Lexington Hotel	✓	May-17
	Manoj Nair	General Manager	Radisson Hotel & Conference Centre	✓	May-17
	Abraham Jose	Sales Manager	Radisson Hotel & Conference Centre	✓	May-17
	Brian Dodds	General Manager	Quality Inn	✓	May-17
			Super 8 Sudbury & Best Western Downtown Sudbury	✓	May-17
	Vina Makkar	Owner/Operator			
	Tim Lee	General Manager	Fairfield Inn	✓	May-17
	Nadia Pilon	General Manager	Clarion Hotel	✓	May-17
	Xavier Icardo	General Manager	TownePlace Suites	✓	May-17
	Jessica Myerscough	General Manager	Travelway Inn		
	Michelle Wolfe-Bayard	General Manager	Microtel Inn & Suites		
Meeting & Conference Venues	John Cimino	General Manager	Caruso Club	✓	May-17
	Marika Urso	General Manager	Italian Club Copper Cliff	✓	May-17
	Renee LeBera	Senior Manager Visitor Services	Science North / Dynamic Earth	✓	May-17
	Kathryn Huneault		Science North / Dynamic Earth	✓	May-17
	Brad Parkes		Laurentian University	✓	Jan-17
		President and Vice-Chancellor, Office of the President			
	Dominic Giroux		Laurentian University	✓	Feb-17
	Guy Gagne	Food Service Director	Compass Group - Laurentian Catering	✓	May-17
	Mark Gregorini	Owner	Verdicchio	✓	May-17
	Melanie Edy	Owner	Bryston's on the Park	✓	Jan-17
	Katerina Grigull / Roger	Hall Manager / Treasurer	Steelworkers Union Hall		
Performing Arts Venues / Users	Scott Florence	General Manager	Sudbury Theatre Centre	✓	May-17
	Caleb Marshall	Artistic Executive Director	Sudbury Theatre Centre	✓	Jan-17
	Jennifer McGillvray		Sudbury Symphony	✓	Jan-17
			Rainbow District School Board (Sheridan Centre)	✓	May-17
	Carol Koziar	Facilities Clerk		✓	May-17
	Tammy Frick	Executive Director	Cinefest	✓	May-17
Other Stakeholders	Jason Ferrigan	Planner	City of Greater Sudbury	✓	May-17
	Keith Forrester		Real Estate / Parking City of Sudbury	✓	Jan-17
	Jeff Pafford	Director of Leisure Services	City of Greater Sudbury	✓	Jan-17
	Ron Bidulka	Partner	Price Waterhouse Coopers	✓	Feb-17
	Meredith Armstrong	Manager of Tourism	Greater Sudbury Development Corporation	✓	Jan-17
	Paul Schwyer	Manager Major Event Development Office	City of Greater Sudbury		
			Northern Ontario Business, Sudbury.com, Sudbury Mining Journal and other companies	✓	Feb-17
	Michael Atkins	Owner		✓	Feb-17
	Bob Deeth	Principal	Sudbury Secondary School	✓	May-17
	Melissa Zanette	Mayor's Chief of Staff	City of Greater Sudbury		
	Mark Signoretti	Councillor	City of Greater Sudbury	✓	Apr-17
	Lynn Reynolds	Councillor	City of Greater Sudbury	✓	Apr-17
	Lisa Bonin	Owner	Eventful Times	✓	May-17
		General Manager, Citizen and Leisure Services			
	Ron Henderson		City of Greater Sudbury	✓	Apr-17

Source: CBRE Limited and Novita Interpares



GSCPC CONCEPT AND SITE ANALYSIS

GSCPC Concept

The Greater Sudbury Convention and Performance Centre ("GSCPC") is a multi-use convention centre and performing arts facility to be located in Downtown Sudbury.

By definition, such a facility would serve multiple purposes, functioning as a large-scale convention centre capable of hosting multiple meetings and conventions simultaneously, and as a dedicated space for live performances, including: dance, music and theatre.

From the meeting/convention standpoint, having a facility to host large groups and fill hotel accommodations can bring prestige and economic impact to a destination. A Convention Centre can also host trade shows, which are typically revenue generators for associations, and unlike a Trade & Exhibition Centre, delegates can meet, and attend breakout sessions, trade shows, banquets in the same facility. From a size perspective, the City of Greater Sudbury would be considered a Tier 3 Convention Centre, as it typically attracts a regional drive market, with less non-stop or direct airlift than a major metropolitan hub. Tier 3 Convention Centres in Canada are defined as convention facilities offering less than 50,000 square feet of rentable space. Adding a Performance Centre to a Convention Centre facility provides delegates with additional activities, and has the ability to attract professionals to enjoy local talent and touring shows, thereby bringing added social and economic benefits to a destination.

Dating back to the early 1970s, the former City of Sudbury and the City of Greater Sudbury have undertaken approximately four feasibility studies that proposed constructing large performing arts and convention/trade facilities in the city. In all cases, these single purpose buildings were not deemed to be financially sustainable. As a result, the development of local performing arts product in Sudbury has played out mostly in small venues, while meetings/conventions and banquets have been hosted at local hotels and other venues with other core functions (i.e., Fraser Auditorium at Laurentian University and local banquet halls/restaurants). These venues have proven to be constraining for product growth and development, as well as the City's ability to attract larger conventions and other live performance talent. While this condition has not prevented Greater Sudbury from having a vibrant performing arts scene, there are very few presenters in Sudbury who have product capable of drawing up to 1,000 or more, and meetings and conventions have been largely limited in size to groups of up to 300 delegates.

In addition to research on single-purpose facilities, the City commissioned research to identify multi-use facilities in Canada which, by their design, meet a broad spectrum of community needs. Contact was made with a Quebec firm, Gala Systems, which designs and builds automated lift systems for seating and stages, and suggested positive results from operators wherein these facilities had been installed.

Based on the research undertaken, and extensive community consultations, the Synergy Project working group (as it became known) concluded that there was a broad base of support among the groups and individuals consulted for the development of a multi-use community space in the city's downtown core, and

that a multi-use facility would present the best operating model with the greatest economic impact for Greater Sudbury. As a result, the concept of the Greater Sudbury Convention and Performance Centre came to the forefront, as a multi-use facility that can meet a broad spectrum of community needs and draw new visitor dollars to the City.

Building on previous studies, the subject Business Plan has identified the following objectives, vision and mission statement for the Greater Sudbury Convention and Performance Centre:

Objectives

- To provide a multi-use convention and live performance complex;
- To be a catalyst for economic revitalization of Downtown Sudbury;
- To provide for the needs of the arts and culture community;
- To meet the future growth needs of the city; and
- To create a facility with operating efficiencies.

Vision

- Northeastern Ontario's most innovative venue for hosting scalable events for performing arts, conventions, meetings and trade shows.

Mission

- To create a dynamic multi-use facility in Downtown Sudbury that stimulates economic growth by attracting new opportunities to host large-scale conventions, arts/culture performances, trade shows, meetings and community celebrations.

The proposed Greater Sudbury Convention and Performance Centre represents an opportunity to increase the level of meeting/convention activity to City of Greater Sudbury by providing adequate meeting space to host functions in excess of 300 attendees, as well as live performances of over 650 persons.

The key to the success of the GSCPC will be in its ability to provide multi-use space through an automated seating system, which has the capability of transforming the space from a multi-tiered theatrical and concert space to a flat-floor exhibition, plenary or banquet space. The addition of the multi-use convention and performing arts venue will provide a meeting place for the city and an economic catalyst for the revitalization of Downtown Sudbury. Generally speaking, single-purpose Convention Centres and Performing Arts Theatres require annual operating subsidies. The goal will be to effectively program the GSCPC with multiple events (performances, meetings and conventions, banquets, award ceremonies, social events, receptions, trade shows, etc.) in order to reduce annual operating subsidies, while at the same time achieving the greatest economic benefits for downtown businesses and the overall City. In order to ensure effective programs and the greatest economic benefit for Greater Sudbury, the core business of the GSCPC will be to host

meetings/conventions and banquet style events. When not in use for meetings and conventions, the Greater Sudbury Convention and Performance Centre will have the unique potential to host live performances and related events, offering 750 automated lift-style seats and 200 balcony seats in the main live performance hall.

Both the challenge and opportunity of the Centre will be in balancing the needs of the arts and culture community, while providing additional entertainment options for residents and tourists, and at the same time attracting meeting and convention delegates to the City. Despite the potential challenges, the greatest benefits of the multi-use facility include:

- Generating economic benefits to the City of Greater Sudbury, with greater impacts in the downtown core;
 - The value-added GDP impacts associated with the initial capital investment in the GSCPC have been estimated at \$26 million in direct and indirect impacts, with 93% (\$24 million) expected to directly benefit Greater Sudbury. By 2023, the GSCPC is expected to contribute a combined \$7.3 Million in spending from both its operation and off-site visitor expenditures.
- An opportunity to attract different markets to a unique “jewel box” space in Greater Sudbury’s downtown core, that draws more visitors and residents to the downtown;
 - The new GSCPC has the potential to be a significant new demand generator. By 2023, the operation of the GSCPC represents a potential 25% increase in Meeting/Convention demand levels to the City compared to levels achieved today, which equates to approximately 7,000 room nights. In addition, the live entertainment and other events at the GSCPC will attract additional overnight accommodation demand into the downtown core.
- The potential to produce a building that is beyond the customer’s expectations with more amenities and public space, while saving money with only one development;
 - The live performance function of the Greater Sudbury Convention and Performance Centre will be accommodated in the same physical space as the main function room through the use of a convertible seating system that will transform the space from a flat floor (banquet) format to a tiered seating (theatre) format. The Gala Systems seating optimizes architectural and structural design, but also allows for optimal usage with fewer “dark days,” as compared to building two single purpose facilities.
- Providing increased density in the urban core;
 - The majority of new development in the Greater Sudbury market has taken place in the southern and eastern ends of the City, drawing business away from the urban core. Building the GSCPC at a site located in the downtown core will provide strong economic spinoff for the downtown’s concentration of retail, restaurants, businesses, services and attractions.
- Reducing the cost of land and infrastructure requirements in the downtown core, with only one development site;
 - A multi-use facility of 60,500 square feet can be accommodated on a smaller building footprint than two single-use facilities, requiring less parking infrastructure and benefitting from shared back of house and public spaces internally.
- Operating synergy benefits, including increased activities, increased hours for part-time staff, and shared personnel and building costs.

- o In addition to shared building facilities, an estimated 14 full-time equivalent positions are required, and with reduced building costs and operating synergies, the subject GSCPC is projected to operate at an annual net loss of \$272,000 by Year 5. In comparison, Tier 3 Convention Centres in similar jurisdictions to Greater Sudbury across Canada operated at a net loss ranging from \$100,000 to over \$1 Million in 2015.

Municipal governments are increasingly benefitting from this development trend, as evidenced by twin pad arenas, multi-use recreational centres, and the proposed co-location of the Sudbury Library and Art Gallery. In the private sector, the flexibility and competitive advantages of multi-branded hotels or “duplexes” where two brands coexist in the same building footprint (i.e. Courtyard and Residence Inn by Marriott, or Hampton Inn and Homewood Suites by Hilton) is well documented. These properties work particularly well in urban locations where space is minimal, and where there are two distinct demand segments (i.e. extended stay and leisure transient), allowing the two branded portions to share the same staff, back of house, amenities and potentially food and beverage outlets. This concept is already present at the Homewood Suites and Hampton Inn double pad on Regent Street in Greater Sudbury.

The dual-function purpose of the GSCPC presents a new concept to the Sudbury market, combining performing arts, meeting/convention and banquet capacity. The unique model demonstrates both a commitment to the growth of the city’s knowledge centre and to the existing arts and culture scene in Sudbury, giving the City the potential to attract professional talent from other urban centres, but also to attract a range of professionals to meet and exchange ideas relative to their industry in a unique location. Greater Sudbury is considered a world class mining centre, and supports a number of academic institutions, and the GSCPC will provide significant opportunities for regional and provincial associations to find a reason to visit.

Furthermore, performing arts markets tend to benefit from having a range of venues that can offer a variety of product, appealing to the many tastes and preferences of the audiences in their catchment area. Markets with large populations make it possible for a wide range of facilities to co-exist and for each to operate at an efficient level. Smaller markets, such as Greater Sudbury, need to cater to the same wide range of tastes and preferences but have fewer ticket buyers. Facilities that can do “double duty,” as the Greater Sudbury Convention and Performance Centre, therefore make sense in these markets.

In order to achieve the greatest economic benefits to the community, it is essential that the GSCPC be situated in a central and accessible downtown Sudbury location with its concentration of retail, restaurants, businesses, services and attractions. It will also be very important for the subject GSCPC to be close to a critical mass of hotels, particularly from a meeting/ convention market perspective, as the majority of meeting planners view this as a significant factor driving convention location selection. There are currently 5 hotels within walking distance of the subject site in Sudbury’s downtown core, offering a total of 464 guest rooms. Although the majority of new hotel development in the Sudbury market has taken place in the southern and eastern ends of the City, these properties are still within a 10-15 minute drive of the subject site, providing a significant level of accommodation capacity in proximity to the identified site.

GSCPC Site

In August 2017, CBRE and Novita developed site evaluation criteria and a checklist for identifying candidate sites for the proposed GSCPC facility. On October 5, 2017, the project Working Group and City staff met to complete a full site evaluation on four potential options:

- Site A: Minto Parking Lot
 - 2.9 acres (including purchase of existing improvements to the east)
 - Bounded by Minto Street on the west; 2 additional buildings and Van Horne Street on the south; 4 building improvements, additional parking and Shaunessy Street on the east; and Brady Street on the north.
- Site B: Shaunessy East (Sudbury Theatre Centre Parking Lot)
 - 1.37 acres
 - Bounded by Shaughnessy Street on the west; 3 properties and Van Horne Street on the south; Paris Street on the east, and the Sudbury Theatre Centre and Brady Street on the north.
- Site C-1: Existing Sudbury Community Arena Renovation
 - 2.9 acres
 - Bounded by Grey Street on the west; Elgin Street on the south; Minto Street on the east; and Brady Street on the north
- Site C-2: Existing Sudbury Community Arena Demolition
 - 2.9 acres
 - Bounded by Grey Street on the west; Elgin Street on the south; Minto Street on the east; and Brady Street on the north

GREATER SUDBURY CONVENTION AND PERFORMANCE CENTRE – SITE A: MINTO PARKING LOT



Source: City of Greater Sudbury

The results of the site evaluation revealed two recommended sites for the GSCPC: Site A - Minto Parking Lot and Site C-2: Existing Sudbury Community Arena site, subsequent to demolition of the existing arena facility. Both sites are currently owned by the City of Greater Sudbury.

Site A: Minto Parking Lot

The location of Site A has been provided in the adjacent map. It should be noted that the Minto Parking Lot site is only considered suitable in terms of size (2.9 acres) if the City purchased the properties to the east of the highlighted site.

Minimal exaction would be required for development, based on design type, but there is high risk of contamination due to proximity of rail lands. Traffic counts are estimated at 3,000 on Minto Street frontage, however, the impact to the City's parking inventory would be a loss of 159 stalls.

Site C-2: Existing Sudbury Community Arena Demolition

The location of Site C-2 has been provided in the following map, which includes the existing Sudbury Community Arena and associated parking, for a total of 2.9 acres. Cost implications for demolition of the Arena and development of this site are projected to be lower, as compared to the renovation to the existing Arena. Minimal exaction would be required for development, based on design type, but there is also high

risk of contamination on this site. Traffic counts are estimated at 4,500 on Elgin Street frontage, and, the impact to the City's parking inventory would be a gain of 150 stalls. If the Sudbury Community Arena were demolished, and an alternate site were chosen, there would be potential for 300 additional spaces.

GREATER SUDBURY CONVENTION AND PERFORMANCE CENTRE – SITE C-2: EXISTING ARENA DEMOLITION



Source: City of Greater Sudbury

The two preferred sites are considered to be a good fit for the subject development from a locational aspect, due to size, proximity to other tourism infrastructure, and the potential economic spinoff for Greater Sudbury's downtown core.



GREATER SADBURY MARKET ANALYSIS

Introduction

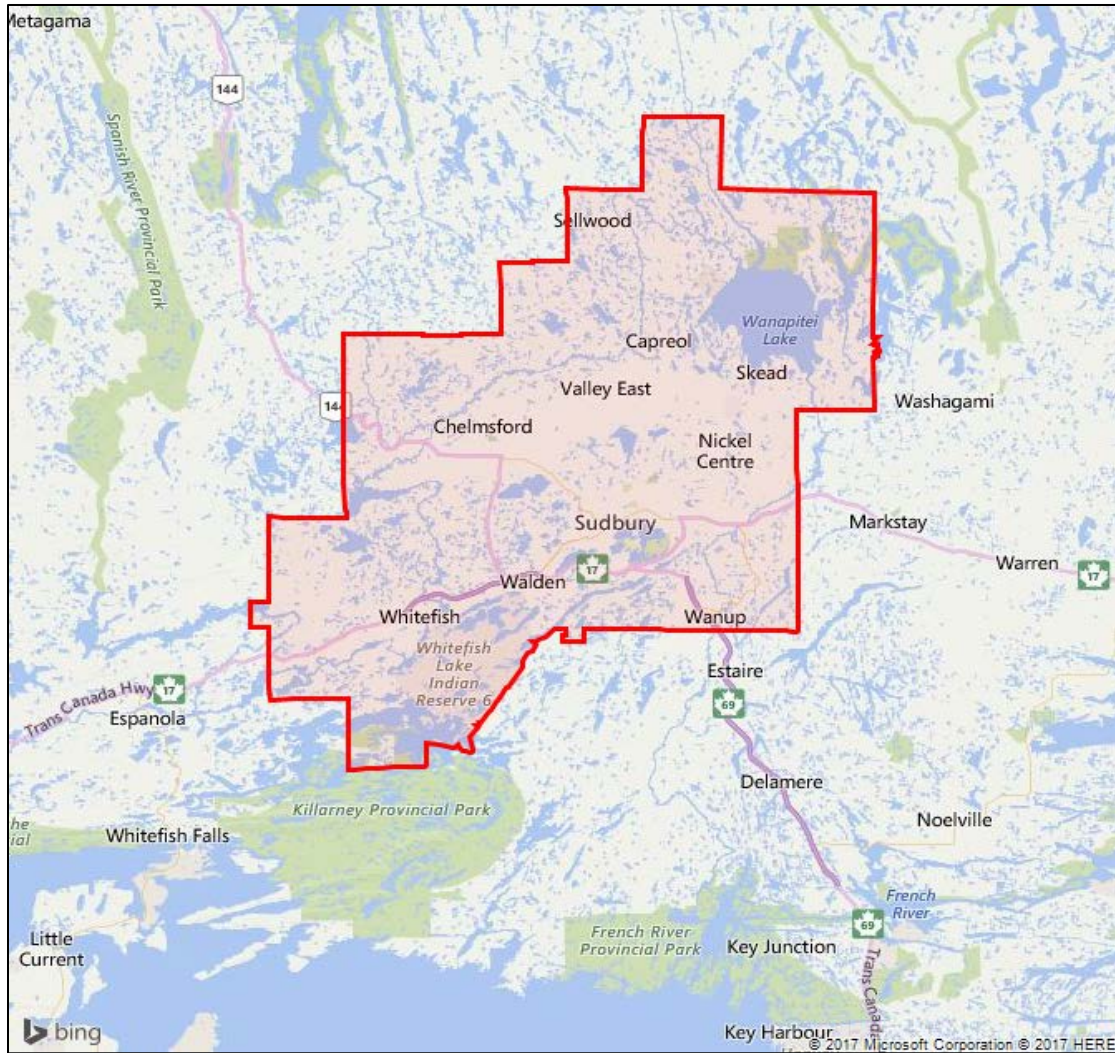
Spanning 3,627 square kilometres in area, the City of Greater Sudbury is the largest municipality in Ontario and second largest in Canada in terms of land mass. Sudbury is centrally located in Northeastern Ontario and is situated on the Canadian Shield in the Great Lakes Basin. As a world class mining centre, Greater Sudbury's mining companies employ an estimated 6,000 people and support a mining supply and service sector cluster of 300 companies that provide an additional 10,000 jobs. In addition, the City is a major regional centre for business and financial services, health care and related research, tourism, education and government; while offering significant post-secondary education, health care institutions and acting as a retail hub for Northeastern Ontario.

The following section provides a summary of the demographics and visitor volumes for Greater Sudbury, where the subject GSCPC is to be located. Census Metropolitan Area 580 (CMA 580) has been used to prepare the demographic and tourism market profile of Greater Sudbury, while the subject GSCPC site location has been used to calculate the drive time population catchment.

Census Metropolitan Areas (CMAs) are defined as very large urban areas that are combined with adjacent urban and rural areas that include a high degree of social and economic integration within the core. Specifically, CMA 580 encompasses the entire City of Greater Sudbury, which represents the amalgamation that took place in 2001 of the former Regional Municipality of Sudbury (former municipalities of Capreol, Nickel Centre, Onaping Falls, Rayside-Balfour, Sudbury, Valley East and Walden) and several unincorporated townships (Aylmer, Cleland, Dill, Dryden, Fraleck, Mackelcan, Parkin, Rathbun and Scadding), as well as Whitefish Lake First Nation and Wanapitei First Nation.¹ The boundaries of Greater Sudbury are detailed on the following map.

¹ Source: Statistics Canada; 2011 Census of Canada, 2001 Census Dictionary

MAP OF GREATER SUDBURY (CMA 580)



Source: Sitewise Environics Analytics 2017

Greater Sudbury Resident Population

Greater Sudbury's demographic profile has been prepared based on Sitewise Environics Analytics 2016 data and is summarized in the table below.

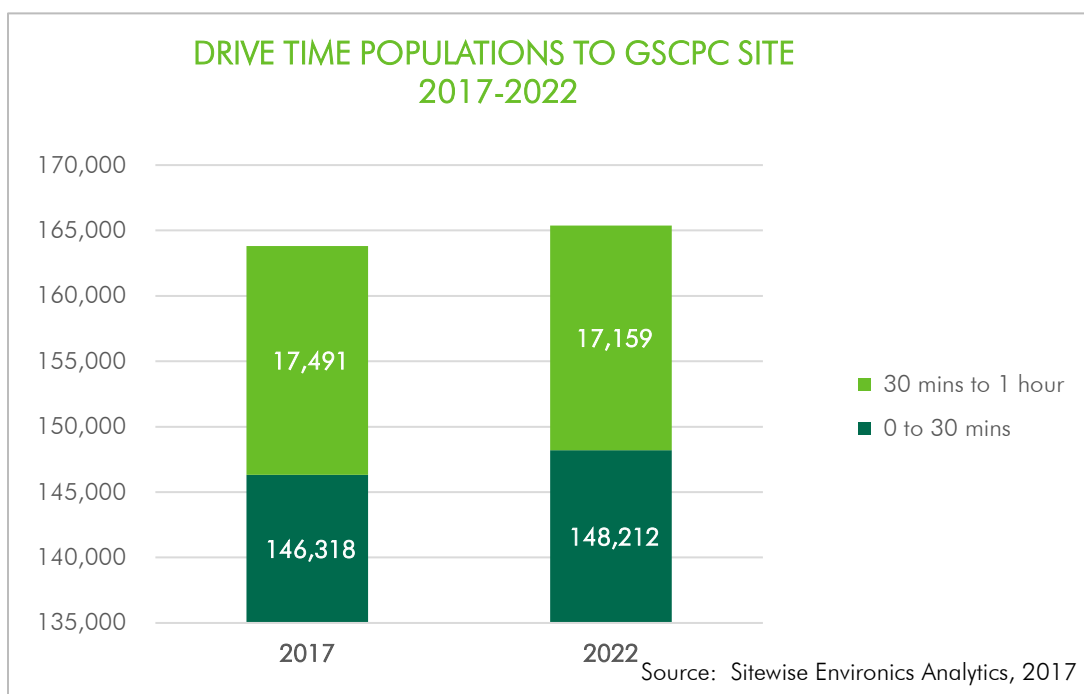
GREATER SUDBURY (CMA 580) DEMOGRAPHIC PROFILE

Population 2017 Census	% of Canadian Total	% Change 2012-2017	Average Annual Growth Rate 2012-2017	
165,351	0.4%	0.1%	0.2%	
Household Income – 2017 Average				
% Above/Below National Average	Total Income 2017	% Canadian Total	Per Capita	Hhlds. \$100,000+
3.2% above	\$7,050,789,000	0.5%	\$42,651	38.5%
Household Spending – 2017 Average				
% Above/Below National Average	Total Household Spending 2017	% Canadian Total	Per Capita	Per Household
0.4% Below	\$7,667,546,276	0.5%	\$46,371	\$107,845

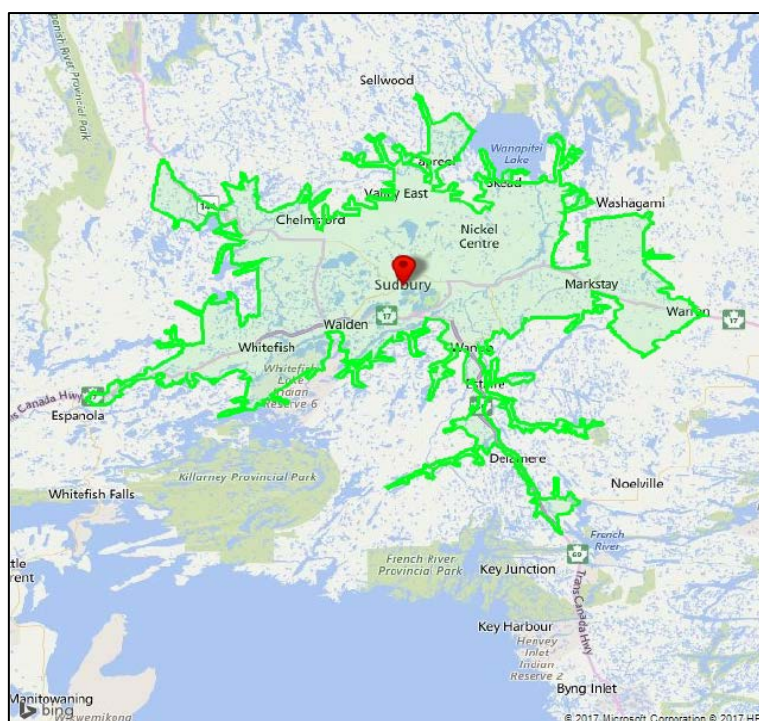
Source: Sitewise Environics Analytics, 2017

- As Northern Ontario's largest centre, Greater Sudbury was home to 165,350 residents in 2017, achieving 0.1% growth over 2012 levels and accounting for 0.5% of the Canadian population. Sudbury's population is expected reach 167,640 by 2022, an increase of 1.4% over 2017.
- Greater Sudbury residents made up about 71,100 households, at an estimated 2.29 persons per household.
- At \$99,170 in 2017, the average household income in Greater Sudbury was estimated to be 3.4% above the national average; with about 38.5% of households making more than \$100,000 per year at a per capita income of \$42,650.
- Dissimilar to household income, household spending in Greater Sudbury is about 8% below the national average; with a per capita spend of approximately \$46,400.
- The median age in Greater Sudbury was 42.9 years in 2017, with a fairly equal distribution of men to women. The population is two years older than the provincial average.
- Household income was about 3% higher than the National average, while household spending was less than 1% lower than the National average.
- About 28% of the people in the City identify as francophone.

As shown below, the total available population within a 1-hour drive of the GSCPC site is approximately 164,000 people, accounting for 99% of the Greater Sudbury residential population. By 2022 the population of this catchment area is expected to increase by 1% to 165,400 residents.



DRIVE TIME MAP CATCHMENT WITHIN 1-HOUR OF GSCPC SITE



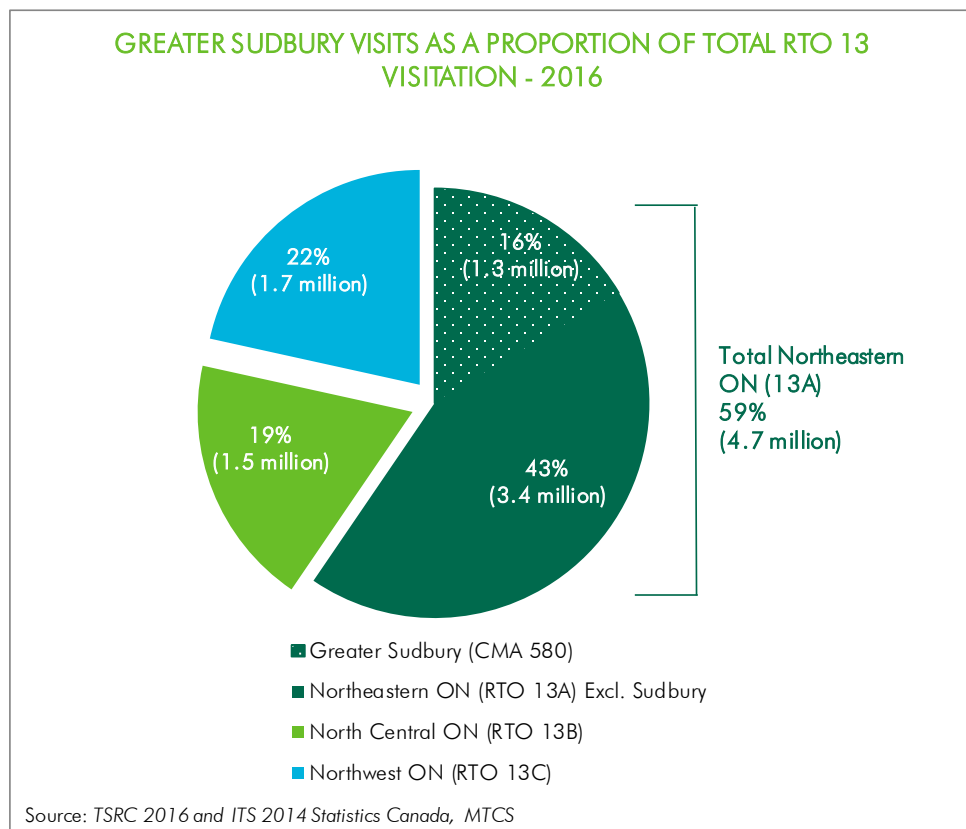
Source: Sitewise Environics Analytics 2017

Greater Sudbury Visitor Market

The volume and value of tourism in Canada is measured by Statistics Canada through two primary surveys: the Travel Survey of Residents of Canada (TSRC) and International Travel Survey (ITS). In turn, the Ontario Ministry of Tourism, Culture and Sport (MTCS) customizes the data to reflect specific sub-regional provincial regions and the formats required by MTCS's Tourism Regional Economic Impact Model (TREIM). In Canada, a domestic tourist is someone who takes an "out-of-town" trip for one or more nights, or a same day out-of-town trip that takes them at least 40 km one-way from his/her home.

Regional Tourism Organization 13 (RTO 13) encompasses all of Northern Ontario and is further broken down into 3 smaller regions: Northeastern Ontario (RTO 13A), specifically consisting of Nipissing, Sudbury, Timiskaming and parts of Cochrane, North Central Ontario (RTO 13B) and Northwest Ontario (RTO 13C). Within Northeastern Ontario (RTO 13A) is Census Metropolitan Area 580 (CMA 580), which is defined as the Greater Sudbury area.

In 2016, there were approximately 8 million visits to Northern Ontario, of which Northeastern Ontario comprised approximately 59%. Specifically, an estimated 16% of Northern Ontario's person visits were made to Greater Sudbury, while 43% were made to other Northeastern Ontario areas.



In total, Northeastern Ontario attracted an estimated 5 million person visits in 2016, achieving a 28% increase over 2010. Of total Northeastern Ontario visitation, Greater Sudbury accounted for approximately 28%, attracting 1.3 million visits in 2016 and achieving growth of 20% over 2010 visitation levels. As a proportion of Northeastern Ontario's overall person visits, Greater Sudbury has showed slight fluctuations over the historic 8-year period, from a high of 31% in 2006 to a low of 27% in 2008 largely due to slower person visit growth in comparison to that of overall Northeastern Ontario.

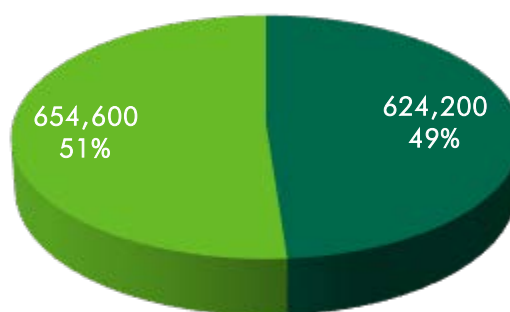
GREATER SUDBURY HISTORIC PERSON VISITS

Year	Greater Sudbury (CMA 580)	Northeastern ON (RTO 13A)	Greater Sudbury Mkt Share
2016	1,279,000	4,638,000	28%
2010	1,068,000	3,627,000	29%
2008	875,000	3,186,000	27%
2006	1,151,000	3,769,000	31%

Source: TSRC/ITS 2006-16, Statistics Canada, MTCS

As shown below, overnight visits to Greater Sudbury comprised 51% of total trips (654,600 visits), while same day visits accounted for the remaining 49% (624,200 visits).

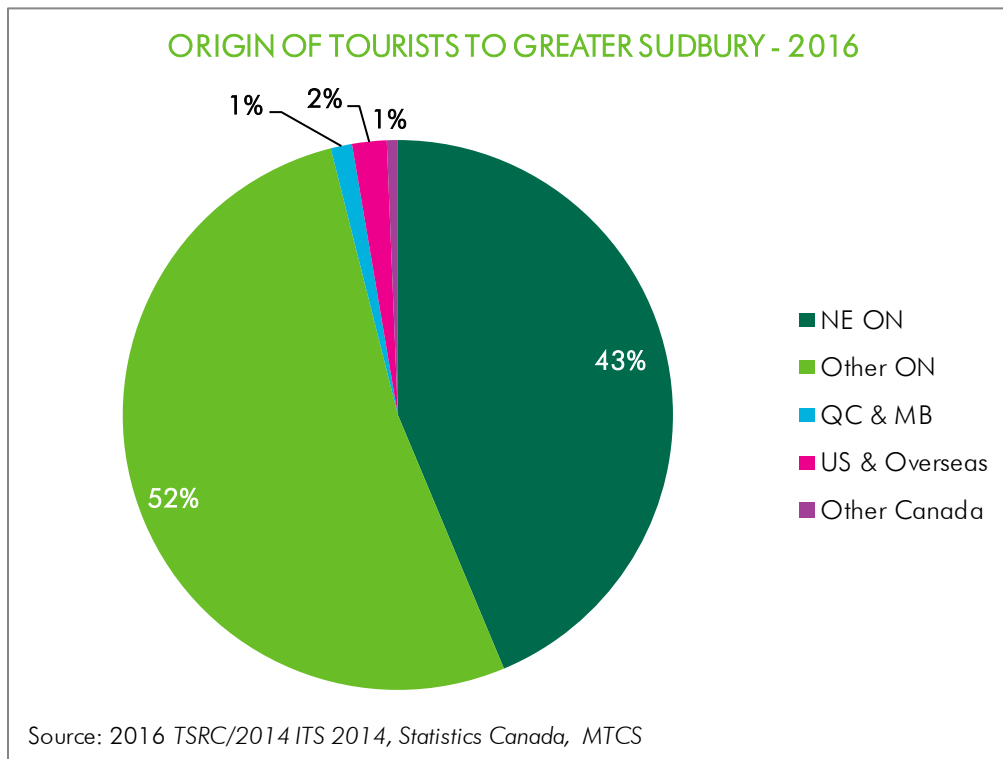
GREATER SUDBURY TOURISM VOLUMES BY LENGTH OF STAY-2016



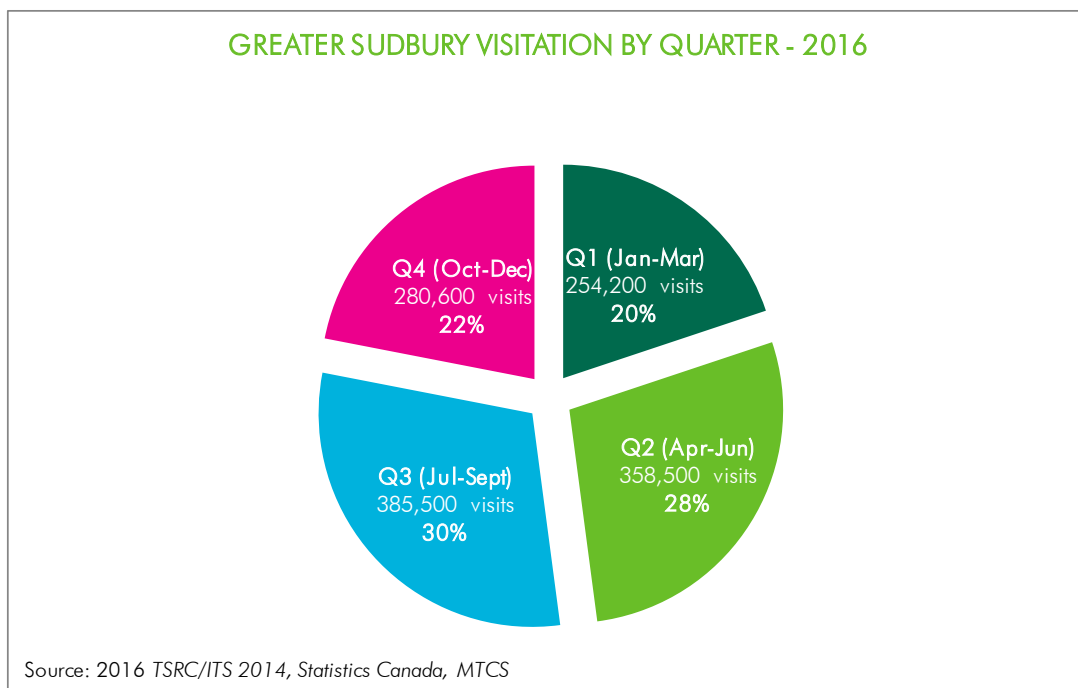
■ Overnight Person Visits ■ Same-day Person Visits

Source: TSRC 2016/ITS 2014, Statistics Canada, MTCS

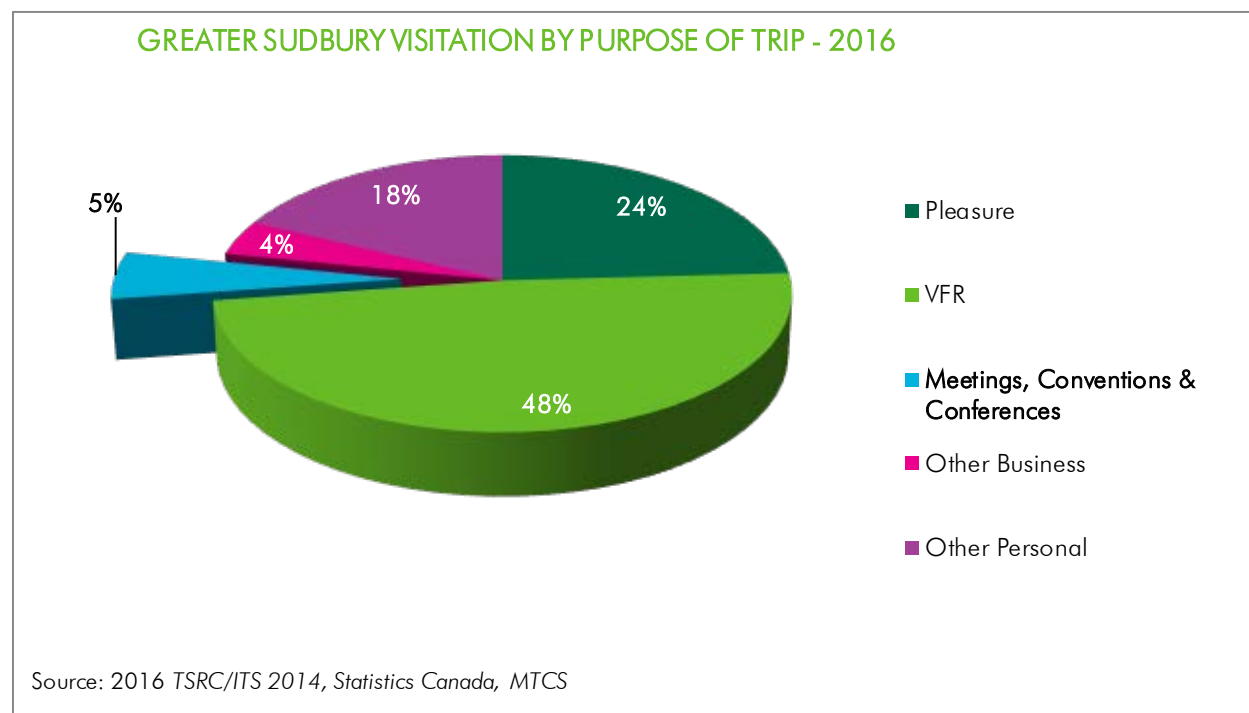
Northeastern Ontario residents travelling to Greater Sudbury comprise 43% of overall visitation (554,500 trips), while other Ontario residents accounted for 52% (664,600 trips) and residents from Quebec and Manitoba made up 1% (15,900) of total visits. Visitation from the U.S. and overseas generated 2% of the total (25,700 visits), while other Canadian provinces constituted approximately 1% of visits (8,200).



From a seasonality perspective, visitation to Greater Sudbury was highest from July to September (Quarter 3) with 30% of total visits, followed closely by April to June (Quarter 2) with 28%. Slight fluctuations in visitation were seen in the remaining period, with October to December (Quarter 4) accounting for about 22% of visitation and January to March (Quarter 1) slightly lower at 20%.



As a regional hub for many Northeastern Ontario residents, the majority of trips to Greater Sudbury are made to visit friends and relatives (48%), followed by trips made for other personal reasons such as shopping (18%) and those made for pleasure purposes (24%). The remaining trips are made for the primary purpose of business (9%), comprised of 5% of trips made for meetings, conventions and meetings, and 4% for other business matters.



In 2016, there were 121,000 business visitors to Greater Sudbury, of which **70,000 were convention delegates**. This represents just under one-quarter of the total business volumes to Northeastern Ontario, and 19% of business volumes to Northern Ontario. Given that the City of Greater Sudbury is the largest centre in Northern Ontario and home to approximately 25% of Northern Ontario's population, the City is currently attracting less than its fair share of business travellers and meeting/convention delegates at 19% of total demand.

BUSINESS VISITOR VOLUMES TO NORTHERN ONTARIO - 2016

	Greater Sudbury	Northeastern ON	Northern ON	Greater Sudbury Share NE ON	Greater Sudbury Share N ON
Convention, Meeting & Conferences	69,800	308,200	376,300	23%	19%
Other Business	51,200	234,900	557,100	22%	9%
Total Business Visits	121,000	543,100	933,400	22%	13%

Source: 2016 TSRC/ITS 2014, Statistics Canada, MTCS

Compared to other regions in Northern Ontario, RTO13A attracts the greatest share of convention and meetings delegates at approximately 308,000 visits, representing 82% of total convention and meetings visits to Northern Ontario in 2016. However, Greater Sudbury only attracted approximately 1-in-every-4 of the meetings and convention visits to Northeastern Ontario and 1-in-every-5 meetings and convention visits to

Northern Ontario. At the same time, Greater Sudbury attracts twice as many meetings and convention delegates as RTO 13C and RTO 13B.

BUSINESS VISITOR VOLUMES BY REGION IN NORTHERN ONTARIO - 2016

	Greater Sudbury	RTO 13A	RTO 13B	RTO 13C	Total RTO 13
Convention, Meeting & Conferences	69,800	308,200	33,500	34,600	376,300
Other Business	51,200	234,900	210,300	116,000	557,100
Total Business Visits	121,000	543,100	243,800	150,600	933,400

Source: 2016 TSRC/ITS 2014, Statistics Canada, MTCS

Greater Sudbury's Cultural & Performing Arts Market

Within an Ontario context, the performing arts market in Sudbury has the following notable features: it is substantially bi-cultural, with 28% of the population reporting (2017) French as their mother tongue; it is relatively small, having a CMA population of about 165,000 with less disposable income than the provincial average; and it also has less competition in terms of market demand, as there is only one other city (North Bay) within a two-hour drive.

A custom 2014 Statistics Canada reports that Canadian households spend an average of \$1,068 on Entertainment annually, of which \$115 is spent on live sporting AND performing arts.² As discussed, Sudbury has about 71,100 households which equates to approximately \$7.7 million in available spending annually. While this may seem a large number at first glance, a single sold-out championship Sudbury Wolves game in the new 5,800 seat arena at \$20 average ticket would represent consumer spending of \$115,000. Similarly, a single show in a sold-out 1,000 seat venue at \$50 average would represent consumer spending of \$50,000. In other words, the available spending in Greater Sudbury for live sporting events and performing arts can be more quickly depleted by large-scale events.

Consumer spending on live performance and live sporting events has been fluctuating in recent years. However, the introduction of new facilities, such as the GSCPC and other large-scale developments in Sudbury, will help to generate increases in ticket prices for all venues, thereby improving overall revenues for existing facilities. New cultural facilities will also add both to Sudbury's destination appeal and to its potential to generate incremental income since cultural tourists spend nearly twice as much as non-cultural tourists per visit at \$667 vs. \$374 (based on the afore-mentioned 2014 Statistics Canada report).

Consumer spending on live sporting events and performing arts is often combined with retail expenditure. Based on retail sales per capita, the Greater Sudbury CMA is ranked 15th of 39 Canadian urban markets of 100,000 or more population. According to FP Markets Canadian Demographics, the total retail sales

² Spending on Live Performing Arts Events only accounted for \$6.7 Million of Greater Sudbury resident spending, or \$94 per household.

estimate of \$2.4 billion in 2011 confirmed Greater Sudbury as the premier retail centre of Northeastern Ontario. Thus, new facilities also have the potential to augment retail sales for the City.

Sudbury's Visitor Market – Cultural Activities

Of the total 1.3 million visits made to Greater Sudbury, about 6% (71,400 visits) included a cultural activity component. Specifically, 1% of visits to Greater Sudbury (14,300 person visits) included trips to cultural performances. This represents about 20% of the total visitor volume that frequented cultural performances as part of their trip to Northeastern Ontario, and 9% to Northern Ontario.

PERSON VISITS BY THOSE THAT PARTICIPATED IN CULTURAL ACTIVITIES - 2016

	Greater Sudbury	% of Total Person Visits	Northeastern ON	Northern ON	Greater Sudbury Share NE ON	Greater Sudbury Share N ON
Festivals/Fairs	12,300	1%	22,800	74,300	54%	17%
Cultural Performances	14,300	1%	39,000	94,400	37%	15%
Museums/Art Galleries	44,800	4%	86,400	163,800	52%	27%
Total Visits W Cultural Activity Participation	71,400	6%	148,200	332,500	48%	21%

Source: 2016 TSRC/ITS 2014, Statistics Canada, MTCS

The following chart shows the volume of visitors engaging in cultural activities on trips to North Central and Northwest Ontario, in relation to Northeastern Ontario, in 2015.

PERSON VISITS BY THOSE THAT PARTICIPATED IN CULTURAL ACTIVITIES - RTO 13 - 2016

	Greater Sudbury	% of Total Activities	Northeastern ON (RTO 13A)	% of Total Activities	North Central ON (RTO 13B)	% of Total Activities	Northwest ON (RTO 13C)	% of Total Activities
Festivals/Fairs	12,300	1%	22,800	1%	14,900	1%	44,900	2%
Cultural Performances	14,300	1%	39,000	1%	12,000	1%	45,400	2%
Museums/Art Galleries	44,800	3%	86,400	2%	41,800	3%	46,200	2%
Total Visits W Cultural Activity Participation	71,400	5%	148,200	3%	68,700	5%	136,500	7%
Total Number of Activities Participated In	1,365,000	100%	4,301,300	100%	1,438,200	100%	1,986,600	100%

Source: TSRC/ITS 2014-16, Statistics Canada, MTCS

Science North represents a core leisure, cultural and educational demand generator for visitors to Greater Sudbury and Northeastern Ontario overall. As another indicator of visitor interest to cultural institutions, attendance levels at Science North, including the Dynamic Earth attraction, grew from approximately 194,000 in 2014/15 to 207,000 in 2015/16, to 292,000 in 2016/17.

Sudbury's Cultural & Performing Arts Market – Demographics

PRIZM5 classifies Canadians into one of 68 Lifestyle Segments, based on their demographics, marketplace preferences and psychographic social values. The top 5 lifestyle types in Greater Sudbury by population include a mix of segments comprised largely of older residents, as well as some young and middle-aged clusters. With a significant proportion of Greater Sudbury's population comprised of older/aging individuals,

a few of the top resident groups have been classified as having a general interest in attending local venue concerts, theatre and/or playhouse productions, as identified below.

These 5 Prizm5 lifestyle types represent an available market of almost 65,000 residents with an interest in attending performances at the Greater Sudbury Convention and Performance Centre, representing 39% of the existing population, which is considered a strong sample in relation to other jurisdictions.

GREATER SUDBURY TOP 5 PRIZM5 LIFESTYLE TYPES BY POPULATION - 2017 ESTIMATES

PRIZM5 Lifestyle Segment (#)	Population in Greater Sudbury	% of Total Population	Description
Fresh Air Families (24)	20,514	13%	<ul style="list-style-type: none"> Middle-aged, middle-income exurbanites Feature a mix of middle-aged couples and families with children of all ages Enjoy the great outdoors, particularly fishing, boating, snowmobiling and camping
Aging & Active (51)	14,653	9%	<ul style="list-style-type: none"> Older and mature, lower-middle-income town households Close to half the household maintainers are over the age of 55 and many are now retired Members of this segment spend much of their free time outdoors, walking, hunting and fishing. Residents are involved in their local communities and spend evenings at local venues, taking in concerts and community theatre productions
Low-Rise Renters (68)	10,908	7%	<ul style="list-style-type: none"> Young, low-income city singles and families Nearly a third of household maintainers are under 35 years old With tight budgets they fashion low-cost lifestyles, engaging in outdoor activities like skateboarding and playing basketball, going to the movies, and enjoying the city parks and gardens near their communities
Satellite Burbs (09)	9,117	6%	<ul style="list-style-type: none"> Older, upscale exurban couples and families A mix of middle-aged families and older couples Their idea of entertainment is going to a community theatre, music concert or movie theatre, and for vacations, they're more likely than average Canadians to go camping, boating or touring in a recreational vehicle.
Our Time (39)	8,954	6%	<ul style="list-style-type: none"> Older and mature, lower-middle-income suburbanites Filled with over-60 singles, couples and widowed individuals Their low-key lifestyle revolves around close-to-home leisure activities and travel. Enjoy evenings at the local community playhouse or dinner theatre with friends, as well as concerts by a favourite rock or pop performer.
TOTAL AVAILABLE POPULATION	64,146	39%	

Source: Environics Analytics, Sitewise 2017

Greater Sudbury Accommodation Market Overview

In order to more precisely identify hotel market trends as they relate to the potential GSCPC, CBRE has prepared an accommodation market overview using data collected by CBRE Hotels. CBRE Hotels collects top line (occupancy and average daily rate) data on close to 1,900 properties across Canada representing over 60% of the Canadian industry's 380,000 rooms. Our database is considered a standard source of reliable data for most markets.

Hotel Supply

The Sudbury accommodation market is currently comprised of 20 properties, which offer a total of 1,715 rooms. In terms of new supply, the Hilton Garden Inn is under construction and expected to open by Spring 2019, and a 150-room hotel is planned adjacent to the new Arena/Event Centre in the Kingsway Entertainment District. Meeting and convention space offered within Sudbury hotels equates to approximately 62,750 square feet, ranging from approximately 300 square feet offered at the Best Western and Super 8 to almost 16,000 square feet offered at the Radisson Hotel. Overall, the Radisson Hotel Sudbury, Holiday Inn Sudbury and Lexington Hotel offer the largest spaces, with approximately 10,000 to 16,000 square feet of meeting and convention space each. The Radisson Hotel in downtown Sudbury offers the most banquet capacity at 400 persons, followed by the Holiday Inn and Lexington Hotel which can accommodate approximately 300 persons for a banquet. A map showing the location of each hotel property in relation to the GSCPC site is included on the next page.

HOTEL MEETING SPACE SUDBURY, ON

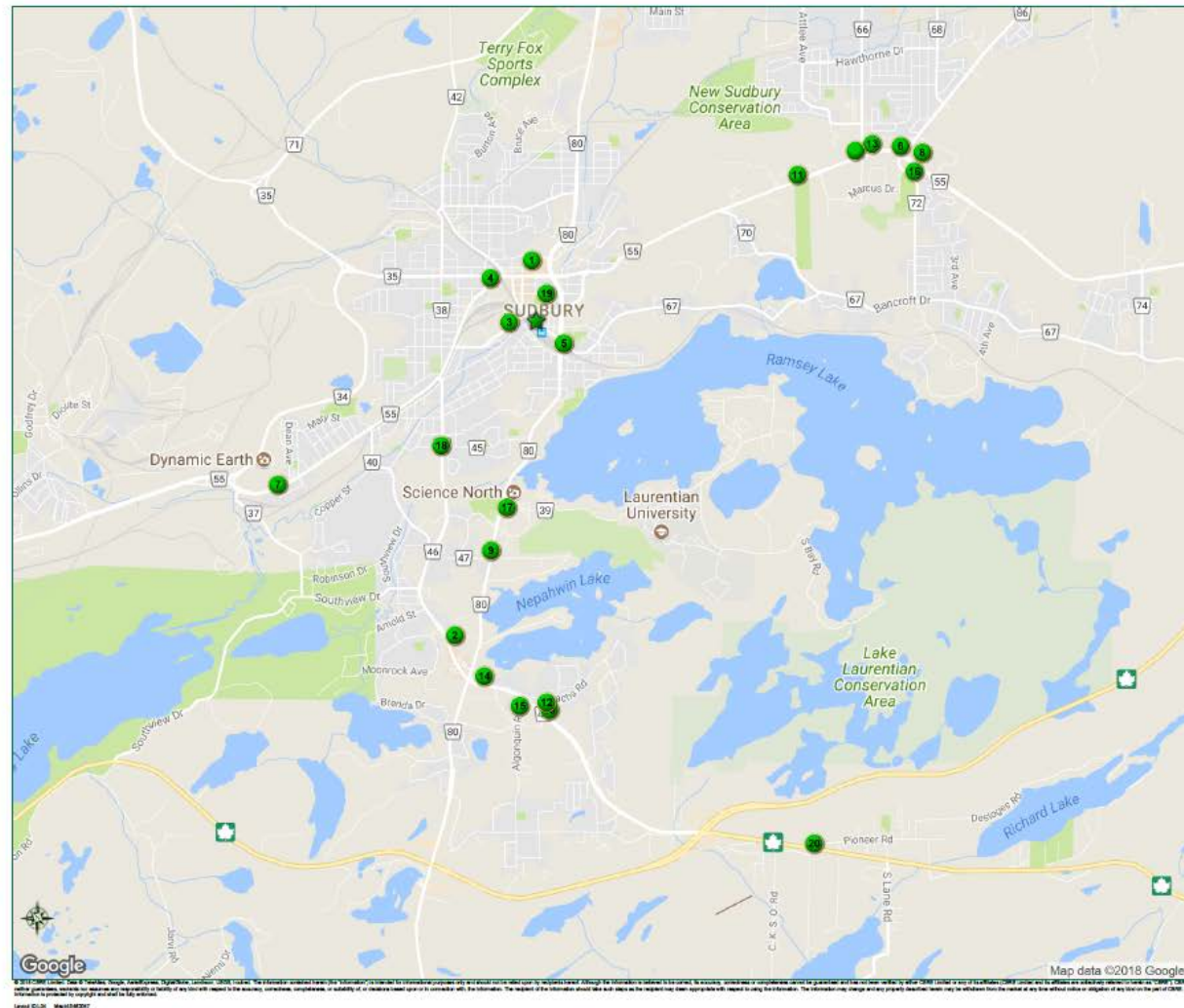
No.	Property	Rooms	Location	Banquet Capacity	M&C SF
1	Radisson Hotel Sudbury	143	Downtown	400	15,890
2	Holiday Inn Sudbury	139		335	10,566
3	Lexington Hotel	77	Downtown	300	9,776
4	Clarion Hotel Sudbury (former Days Inn)	103	Downtown	250	5,618
5	Quality Inn & Conf Ctr Sudbury	98	Downtown	125	5,318
6	Ambassador Hotel	45			5,000
7	Econo Lodge Sudbury	34			3,375
8	TownePlace Suites Sudbury	105			1,938
9	Travelodge Sudbury	140			1,872
10	Hampton Inn Sudbury	121			874
11	Microtel Inn & Suites	100			750
12	Homewood Suites Sudbury	85			635
13	Fairfield Inn & Suites Sudbury	81			538
14	Super 8 Sudbury	85			300
15	Comfort Inn Sudbury	78			
16	Comfort Inn East Sudbury	79			
17	Travelway Inn	84			
18	Knights Inn	23			
19	Best Western Dtnw Sudbury	45	Downtown		300
20	Motel 6 Sudbury	50			
2018 Accommodation Supply		1,715			62,750
21	Hilton Garden Inn (Under Construction)	119		Not Confirmed	
22	Proposed True North Hotel (In Planning Stage)	150		Not Confirmed	
Total		1,984			62,750

Source: CBRE Limited Research

ACCOMMODATION MARKET MAP

Sudbury Accommodation

- ★ GSCPC Site
- 1 Radisson Hotel Sudbury
- 2 Holiday Inn Sudbury
- 3 Lexington Hotel
- 4 Clarion Hotel Sudbury (former Days Inn)
- 5 Quality Inn & Conf Ctr Sudbury
- 6 Ambassador Hotel
- 7 Econo Lodge Sudbury
- 8 TownePlace Suites Sudbury
- 9 Travelodge Sudbury
- 10 Hampton Inn Sudbury
- 11 Microtel
- 12 Homewood Suites Sudbury
- 13 Fairfield Inn & Suites Sudbury
- 14 Super 8 Sudbury
- 15 Comfort Inn Sudbury
- 16 Comfort Inn East Sudbury
- 17 Travelway Inn
- 18 Knights Inn Belmont Motel
- 19 Best Western Dtnw Sudbury
- 20 Motel 6 Sudbury
- 21 Hilton Garden Inn (under construction)



CBRE

Historic Accommodation Performance

Based on our research, the Greater Sudbury hotel market has achieved the following results in recent years:

GREATER SUDBURY ACCCOMMODATION MARKET PERFORMANCE RESULTS											
Year	Hotel Rooms*	Rooms Available	% Change	Rooms Occupied	% Change	Occupancy	Change	ADR	% Change	RevPAR	% Change
2013	1,640	598,600	-	377,088	-	63.0%	-	\$109.61	-	\$69.05	-
2014	1,640	598,776	0.0%	372,533	-1.2%	62.2%	-0.8	\$109.05	-0.5%	\$67.84	-1.7%
2015	1,574	574,510	-4.1%	389,197	4.5%	67.7%	5.5	\$113.54	4.1%	\$76.92	13.4%
2016	1,620	591,300	2.9%	398,089	2.3%	67.3%	-0.4	\$112.60	-0.8%	\$75.81	-1.4%
2017	1,688	616,120	4.2%	402,096	1.0%	65.3%	-2.1	\$115.06	2.2%	\$75.09	-0.9%
Compounded Annual Growth Rate		0.7%		1.6%		0.9%		1.2%		2.1%	
April 2017 YTD	1,679	203,159	-	112,982	-	55.6%	-	\$113.51	-	\$63.12	-
April 2018 YTD	1,690	204,546	0.7%	126,045	11.6%	61.6%	6.0	\$116.53	2.7%	\$71.81	13.8%

* Based on Hotel Room Inventory on an annualized basis
Source: CBRE Hotels

- The hotel market represents a range of property types, inclusive of full service, limited service, focused service and extended stay-properties in Sudbury, Ontario.
- Over the past five years, room supply has fluctuated. In 2015, the market experienced a decline of 4% in supply, as a result of 57 rooms coming out of inventory for renovation in January 2015 at the Holiday Inn Sudbury. In 2016, 42 rooms were added back to the overall inventory on an annualized basis, with the opening of the new 100-room Microtel Inn & Suites Sudbury in July 2016.
- In line with a decrease in supply, demand growth increased to 4.5% in 2015. This was followed by demand growth of 2.3% in 2016, accompanied by a 2.9% increase in supply.
- Market Average Daily Rate ("ADR") increased at a compounded annual rate of 1.2% over the historic period, increasing from \$109.61 in 2011 to \$114 in 2015. After achieving growth of 4.1% in 2015, ADR fell by 0.8% in 2016 to \$112.60. In 2017, the market achieved a rate growth of 2.2% to close the year at an ADR of \$115.06.
- As a result of increased room night demand and ADR growth, Revenue Per Available Room ("RevPAR") growth reached 13.4% in 2015. With larger growth in supply than in occupied room nights and ADR, RevPAR decreased by 1.4% in 2016 and a further 1.0% in 2017 to \$75.09.
- As of year-to-date April 2018, the market occupancy has improved by 11.5% to 61.6%, up 6 percentage points, suggesting that the recent growth in supply (Microtel Inn and Motel 6) is being absorbed. At the same time, ADR has improved by 2.7% to \$116,53, compared to the January to April 2017 period, at \$113.51.

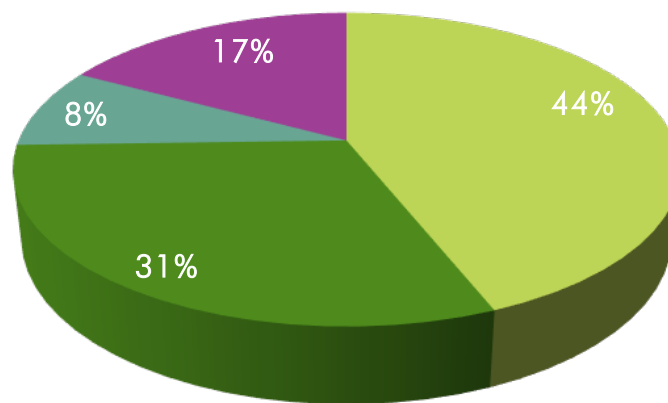
Market Segmentation

In most markets, overall demand varies based on the nature of travel. Lodging demand is typically generated from four different segments: Corporate, Group/Meeting, Leisure travelers, and Other which includes government, contract, and/or crew business.

On the basis of CBRE Hotels market research, and discussions with local hoteliers, the estimated market segmentation for the Sudbury hotel market in 2017 is presented below:

MARKET SEGMENTATION

■ CORPORATE ■ LEISURE ■ M&C ■ GOVT/OTHER



Source: CBRE Hotels

DEMAND SEGMENTATION - HOTEL MARKET 2017

Segments	Room Night Demand	%
CORPORATE	176,489	44%
LEISURE	123,097	31%
M&C	33,243	8%
GOVT/OTHER	69,064	17%

Compiled by CBRE Hotels

- With approximately 176,500 occupied room nights, or 44% of total nights, the corporate segment made up the largest proportion of demand within the market in 2017.
- The leisure segment accounted for about 123,100 occupied room nights, comprising 31% of market demand.
- The government/other segment generated about 69,100 occupied room nights or 17% of demand within the competitive market.
- The meeting/convention segment generated the least amount of demand at approximately 33,200 room nights, or 8% of demand within the market.

Room Supply Changes

Based on discussions with local hotel operators and representatives of the City of Greater Sudbury planning and economic development departments, there are several new hotel developments proposed or under construction within the Sudbury accommodation market. These projects are summarized below:

SUMMARY OF PROPOSED NEW SUPPLY

No.	Name	Rooms	Probability	Type	Opening Date	Status
1	Motel 6 Sudbury	50	100%	Limited Service Hotel	1-Jul-17	OPEN
2	Hilton Garden Inn	119	100%	Limited Service Hotel	1-Apr-19	UNDER CONSTRUCTION
3	Proposed True North Entertainment Hotel	150	100%	Full Service Hotel	1-Jan-22	PLANNING STAGES
Total		319				

Source: CBRE Hotels

- The Motel 6 Sudbury opened in July 2017, at 1222 Pioneer Road with 50 rooms.
- A 119-room Hilton Garden Inn is under construction at the corner of Kingsway and Barrydowne Road (1400 Kingsway) within a busy shopping district.³ The hotel recently received building permits and construction of the hotel began in Summer 2017, with completion slated for early 2019; and
- A 150 room focused-service hotel has been proposed as part of the Entertainment District. At this stage, the project is preliminary in nature, with no definite plans.

CBRE has made several attempts to determine the level of new hotel supply entering the marketplace, however, it is impossible to determine every hotel that will be developed in the future, when they will be completed, or their potential impact on the market. As such, we have only included those properties that have received final building permits and the projects have been confirmed by Planning officials.

Implications for GSCPC

Approximately 164,000 people reside within a 1-hour drive of the GSCPC, and this population is expected to increase by over 1% to reach about 165,400 residents by 2022. Furthermore, with about 65,000 Sudbury residents or 39% of the population represented by Prizm5 groups demonstrating a general interest in attending local venue concerts, theatre and/or playhouse productions, expectations bode well for continued growth in residential interest for the performing arts centre component of the GSCPC.

The introduction of new live performance and sporting facilities, such as the GSCPC, will help to generate increases in ticket prices for all venues, thereby improving overall revenues for existing facilities. New cultural facilities will also add both to Sudbury's destination appeal and to its potential to generate incremental income, such as retail sales for the City.

³ Source: www.thesudburystar.com

With regard to visitation levels, Greater Sudbury attracted 1.3 million visits in 2016, achieving growth of 20% over 2010. Looking at length of stay, overnight visits comprised 51% (654,600 visits) of total trips to Sudbury. Of total Greater Sudbury visits, approximately 5% of trips (70,000 visits) were made for meetings and conventions and about 1% of total visits (14,300 visits) included trips to cultural performances. These statistics are strongly tied to the availability of accommodations in the Sudbury market.

Sudbury currently hosts 20 accommodation properties, which offer a total of 1,715 rooms and approximately 62,750 square feet of meeting and convention space. In 2016 and 2017, with the opening of the new 100-room Microtel Inn & Suites Sudbury in July 2016 and the 50-room Motel 6 in July 2017, a 7% supply increase was accompanied by 3% demand growth, but Market Average Daily Rate ("ADR") increased to a 5-year high of \$115. As of year-to-date April 2018, the market occupancy has improved by 11.5% to 61.6%, up 6 percentage points, suggesting that the recent growth in supply (Microtel Inn and Motel 6) is being absorbed. At the same time, ADR has improved by 2.7% to \$116.53, compared to the January to April 2017 period, at \$113.51.

From a demand segmentation perspective, Sudbury is largely a corporate transient market (44%), with the meeting/convention segment generating only 8% of hotel room night demand. This is largely a function of the capacity of existing meeting and convention venues, as well as booking windows for large-scale events. Based on a 2015 survey by Professional Convention Management Association, more than two-fifths of meeting planners report that they are booking their large meetings more than 3 years in advance; 24% are booking 2 to 3 years ahead; 24% are booking only 1 to 2 years out; and 10% are booking their large meetings in under one year. Overall the average booking window for large events was 2.5 years in 2015.⁴

The City of Greater Sudbury is known as both a world class mining centre, and regional centre for business and financial services, health care and research, tourism, education and government for Northeastern Ontario. In general, Greater Sudbury is well positioned for future increased visitation to the area. However, despite efforts to promote Sudbury as a cultural tourism centre and an attractive destination to hold meetings and conventions and, without a dedicated facility for either purpose it has been difficult to effectively grow these markets directly.

Further, the live performance function of the Convention and Performance Centre will not be a visitor attraction in itself. Visitors will be drawn to the performing arts product on offer in the venue at any given time. While visitor numbers for live performance events in the Convention and Performance Centre would not be expected to be large, particularly in the early years, there is significant potential for growth in this market segment both in the number of visitors and in visitor spending – as previously noted in this report, cultural tourists spend nearly twice as much per visit as non-cultural tourists.

⁴ Convene's 26th Annual Meetings Market Survey, Feb 2017



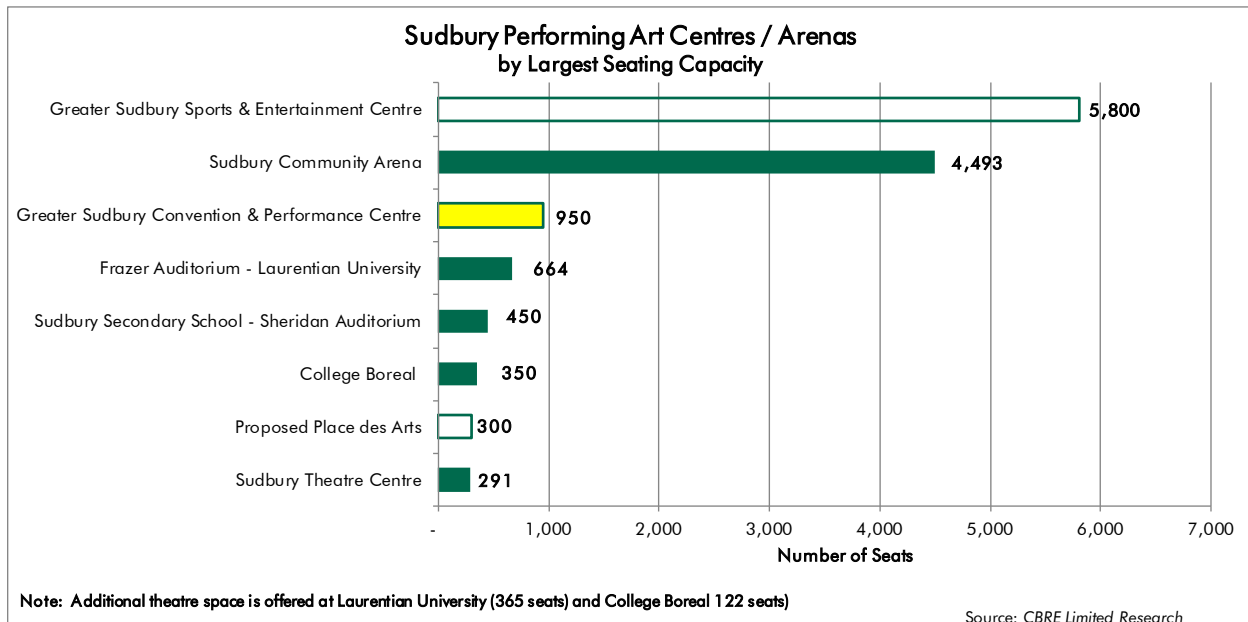
COMPETITIVE PERFORMING ARTS CENTRE SUPPLY AND DEMAND ANALYSIS

Introduction

In order to define the size of the market in which the GSCPC will compete and to give insight into what the facility program should include, the following section examines existing and proposed performing arts centres/arenas in Greater Sudbury, other comparable Northern Ontario facilities and other competitive mid-size Ontario performing arts centres.

Greater Sudbury Performance Centre Supply & Demand

In the local marketplace, there are currently 5 venues that are being used to host performing arts events and concerts, offering in the range of 291 to 4,493 seats. The only purpose-built arts centre is the Sudbury Theatre Centre, while the other venues would all be categorized as having an alternative primary use (Secondary School, University, College or Arena). The comparative seating capacity of existing and proposed Sudbury performing arts centres/arenas has been summarized in the graph below. While this list is not exhaustive, it captures the primary venues offering in excess of 275 seats for live performance events in Greater Sudbury.



Since the founding of Northern Lights Festival Boreal in 1972, Greater Sudbury has been a destination for cultural tourism in the summer with festival attendance at the Grace Hartman Amphitheatre of more than 10,000 every year. Estimates provided to the GSCPC Working Group by previous consultants identified 500,000 attendees at 2,000 events by 31 organizations in 2012 in Greater Sudbury. According to stakeholder feedback and CBRE/Novita analysis, competitive performance venues in Greater Sudbury generated an audience of approximately 160,000 in 2016.

Types of live performance events hosted at comparable Sudbury performance venues include the following:

- Concerts
- Classical / Symphony
- Seasonal Events / Family Shows
- Plays / Dramas
- Dance
- Comedy (i.e. Laugh Out Loud festival)
- Sporting Events
- Fundraising / Galas

Live performance attendance levels have been limited by the fact that excluding the Sudbury Theatre Centre, these venues have an alternate primary use. The Sudbury Symphony, for instance, hosted 4 events at the Fraser Auditorium in 2016. Availability at this venue is limited to Thursdays and Fridays (after 4:30 pm) and weekends during the academic year; available during the fall and winter break, as well as during the December exam sessions; with full availability starting the 2nd week of April until the end of August.

Although the Sudbury Community Arena provides the most seats among current venues, it is home to the OHL's Sudbury Wolves and is primarily utilized for large scale concert-type events during the non-ice season from May to August. Further it has received poor feedback from high profile producers and talent. Other major events, such as the Laugh Out Loud Comedy Festival, formerly hosted 2 large mainstage shows attracting 2,000-4,000 visitors each at the Arena, but without the ability to attract mainstage talent, the Festival has only hosted 5 smaller shows averaging 140 visitors each in recent years.

While Laurentian University's Fraser Auditorium is a mid-size venue, it is essentially a lecture hall. Its location and ownership – within an academic building at Laurentian University – are additional disadvantages. By comparison, although the Sudbury Theatre Centre only has 291 seats, it has presented a full season annually for over four decades. Under the right conditions, STC could potentially produce larger events at the subject GSCPC, but only on an occasional basis.

In terms of proposed facilities, according to the Feasibility Study completed for the Place des Arts in July 2015, this venue is projected to attract more than 50,000 visitors to the marketplace on an annual basis⁵. The arrival of Place des Arts will formalize and sustain Sudbury's tradition of small venues, yet the 300-seat theatre will be housed within a multi-use building with 7 other tenants focusing primarily on the needs of the Francophone market in Sudbury.

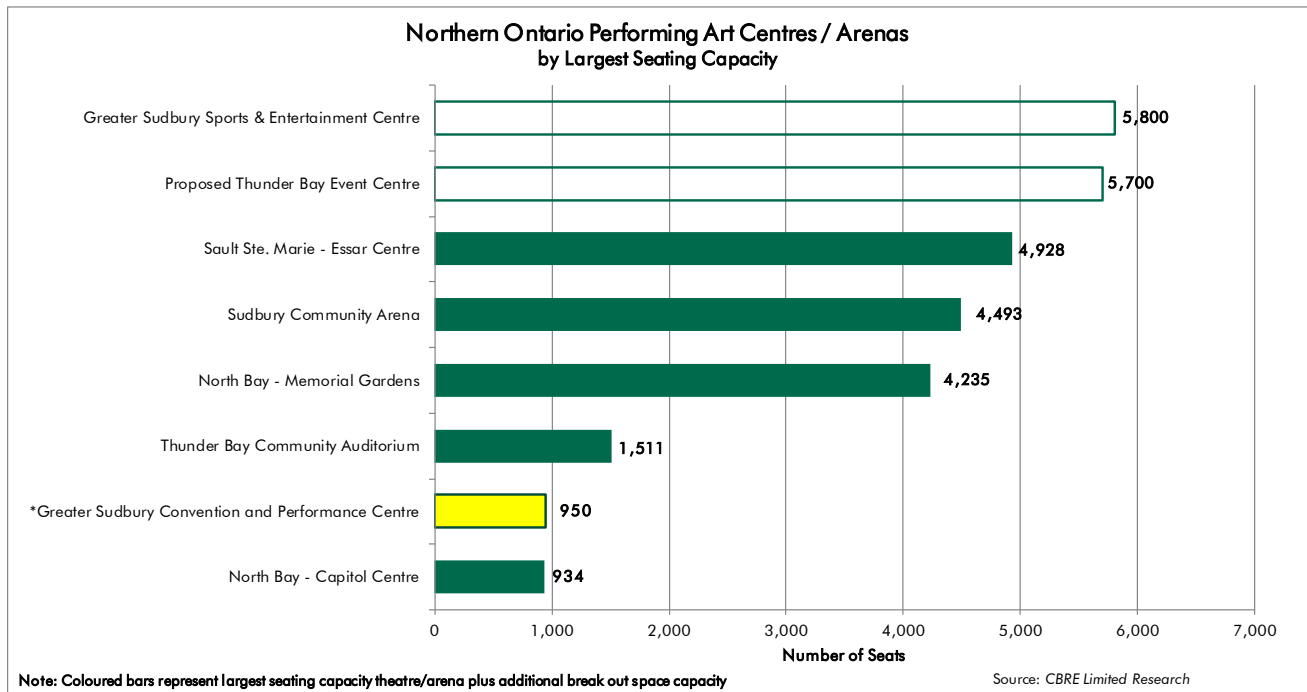
Similarly, the advent of a new arena/entertainment centre will satisfy the need to accommodate popular music concerts drawing 2,000 or more. The core business of the new arena/entertainment centre will be ice sports and large-scale trade shows. The arena will have the capacity to create a temporary "concert bowl" within this venue, which will provide the capacity and reduce the risk associated with a dedicated facility for large concerts. It will also be effectively replacing the existing Sudbury Community Arena.

⁵ Gagné LeClerc Group Conseil, July 2015. Sudbury Place des Arts – Summary of the Feasibility Study.

Northern Ontario & Other Ontario Performance Venue Supply & Demand

Northern Ontario Performance Centre Supply

In addition to local competition, the GSCPC will compete for attracting productions, as well as demand amongst large Northern Ontario venues with over 900 seats each. As shown below, Northern Ontario venues are primarily comprised of arenas/sports complexes that have large amounts of fixed seating for events such as concerts, as well as convertible ice surfaces for trade shows. Existing facilities in Northern Ontario offer in the range of 934 to 4,928 seats.



Other Ontario Performance Venue Supply

In addition to other Northern Ontario venues, a survey of 10 selected mid-size live performance venues in various performing arts markets across Ontario was undertaken to assist in determining the market potential for performance demand in Greater Sudbury. The venues selected for the subject survey are located outside of major metropolitan areas, with the exception of Burlington, which is part of the Greater Toronto Area. The 9 other venues draw their audiences predominantly from within their local communities, as will be the case with the GSCPC in Greater Sudbury. As such, the correlation between seat count and market size is more comparable. While many of these venues also have smaller program rooms within their complex, this survey concentrates on the offerings in the main hall, as this will be the primary offering for live performances at the GSCPC.

The following chart highlights the total number of theatre style seats available in the main hall at competitive Ontario performance venues that are considered comparable to the GSCPC recommended facility program. These comparable Ontario facilities offer in the range of 626 to 1,640 seats. Survey findings indicate that

the average seating capacity at these 10 facilities is in the order of 946, which is on par with the recommended seating complement of the GSCPC.

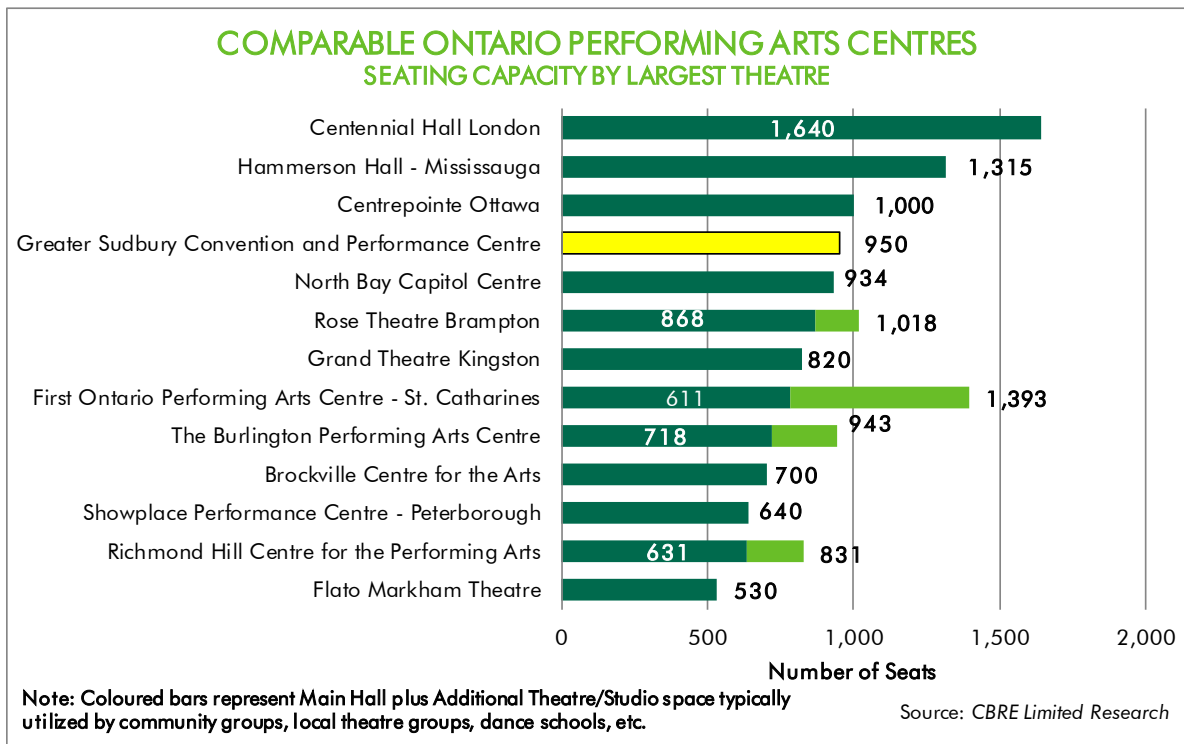
COMPARABLE MID-SIZE ONTARIO PAC AND COMMUNITY POPULATION

Venue	City	2017 Population Est	Approximate Seats in Main Hall
Centennial Hall	London	514,207	1,640
Thunder Bay Community Auditorium	Thunder Bay	124,825	1,511
Sanderson Centre	Brantford	146,081	1,125
Greater Sudbury Convention and Performance Centre	Sudbury	165,351	950
North Bay Capitol Centre	North Bay	66,421	934
River Run Centre	Guelph	155,877	785
FirstOntario PAC	St. Catharines	411,995	775
Burlington PAC	Burlington	199,858	718
Brockville Centre for the Arts	Brockville	39,378	700
Showplace Theatre	Peterborough	123,858	640
Capitol Theatre	Windsor	334,533	626
AVERAGE		207,489	946

Source: CBRE Limited & Novita Interpares

In the Northern Ontario sample, the most comparable facility to the GSCPC is North Bay's Capitol Centre, which is a conversion of a former movie theatre. However, North Bay is a much smaller market than Greater Sudbury, and less of a regional hub. As such, from a demand perspective, Greater Sudbury will also be considered comparable to Burlington, Kingston and Guelph, which offer main halls of 718 to 820 seats respectively within their primary performance venues.

The following chart highlights the total seating capacity available at comparable mid-sized venues across Ontario.



Spending on Live Performances in Ontario

The following chart further defines household spending on live performances at other comparable jurisdictions in Ontario. Based on Statistics Canada data compiled by Environics Analytics for Sitewise software, the average spending on live performing arts events in the comparable Ontario sample was \$7.8 Million, or approximately \$93 per household in 2017. As shown, at \$94 per household, spending in Greater Sudbury is slightly above the average in non-metropolitan centres across Ontario with performing arts centres, and comparable from a demographic perspective to Guelph, Burlington and Kingston.

COMPARABLE MID-SIZE ONTARIO CITY SPENDING ON LIVE PERFORMANCE - 2017

City	2017 Population	2017 Total Spending on Live Performing Arts Events	2017 Live Performance Spending Per Household	PAC Main Hall Seats
1 Peterborough	123,858	\$12,550,027	\$242	650
2 Thunder Bay	124,825	\$6,738,366	\$124	1,500
3 Guelph	155,877	\$6,759,888	\$111	785
4 Burlington	199,858	\$7,883,105	\$101	720
5 Windsor	334,533	\$12,941,530	\$96	1,200
6 Greater Sudbury	165,351	\$6,681,654	\$94	950
7 Brantford	146,081	\$4,368,715	\$77	1,125
8 North Bay	66,421	\$2,231,533	\$77	930
9 London	514,207	\$14,962,305	\$70	1,600
10 St. Catharines	411,995	\$12,717,250	\$75	775
11 Kingston	171,292	\$4,729,026	\$65	820
12 Brockville	39,378	\$939,946	\$54	700
AVERAGE	204,000	\$7,792,000	\$93	980

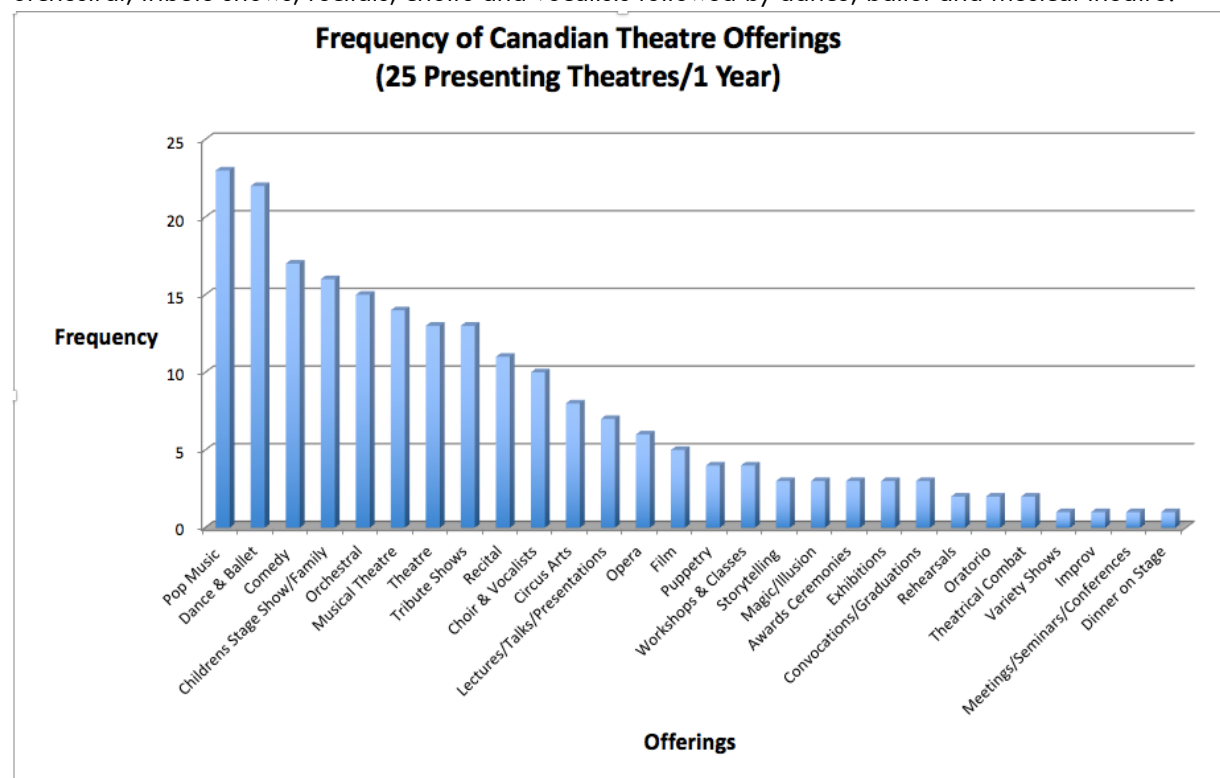
Source: Sitewise Household Spend Recreation 2017 Estimate, Environics Analytics based on Statistics Canada data

Live Performance Programming Trends in Comparable Ontario Markets

A program of live performance events forms a large part of the business plan for the Greater Sudbury Convention and Performance Centre. The following section examines the existing market for live performance product in terms of both touring and local product across Canada, and at 10 comparable Ontario facilities, which has formed the basis for the subject GSCPC event projections.

The following graph represents the profile of live performance offerings in 25 public venues across Canada for the 2015/2016 programming season. As such, it describes the live performance industry in Canada as it manifests itself in venues such as the proposed GSCPC.

Within the 28 listed event categories, the overwhelming majority of the offerings is music: popular music, orchestral, tribute shows, recitals, choirs and vocalists followed by dance, ballet and musical theatre.



Source: Novita Interpares

At the present time, there is a considerable amount of product touring throughout Ontario (identified in this Business Plan as the “Ontario Presents” network) that could be attracted to Greater Sudbury both to serve local audiences and to provide usage for the Convention and Performance Centre. Ontario Presents is a province-wide network of performing arts touring and presenting organizations that work collaboratively to facilitate the distribution of live, performing arts shows into communities across Ontario. Its members include municipal performing arts centres; not-for-profit, volunteer, community presenters; touring artists/arts organizations, artists’ agents, and industry service consultants.

Based on the current season at the 10 comparable Ontario venues surveyed for the subject Business Plan, five broad trends in product offerings have been identified based on the 2016/2017 performance calendars, which have been described in the following pages.

Group 1: Products which occur as Many Events in Every Venue

- **Tribute Bands/Classic Albums/Nostalgia Music**
 - By far the most ubiquitous offering, this product is generally targeted at audiences who came of age in the 1970s and 1980s and is therefore time limited as a main source of programming.
- **Popular Music Concerts – Current Acts**
 - The next most prevalent offering, this product consists of solo performers and small ensembles, mostly Canadian artists, and it covers a wide range of genres and styles. This is an evergreen source of programming.
- **Stand-up Comedy**
 - This popular product includes both performers who are associated with television shows and performers who are marquee artists from the stand-up comedy circuit. Some venues arrange connections with festivals and producers such as Just for Laughs. As social commentary, this type of programming has broad appeal and is an perennial source -- even as social norms change.
- **Shows for Kids**
 - Every venue offers programming for children. However, this product is aimed at parents and grandparents who will be looking for brand value that children recognize (e.g., The Wiggles, anything Disney) or that they themselves recognize. Due to the size of the Main Halls in this survey (averaging well over 700 seats), events rely on spectacle more than storytelling. This is an timeless source but highly dependent on available product.

Group 2: Products which occur as Many Events in Most Venues

- **Classical Music Concerts and Orchestral Music**
 - “Classical” music is still a universal product which has many genres and styles and often has the local symphony orchestra at its centre. This product includes concerts by the orchestra, with imported soloists, concerts with imported soloists and ensembles, as well as local outreach concerts. There is a wide variety of product on the touring market and this product is most prevalent where there is a robust local orchestra presence.
- **Dance and Ballet**
 - There is relatively little touring product of dance and ballet, but communities which have dance and ballet schools contain a small but dedicated audience. Dance competitions are a sub-set of this group and have both their own product and their own audience. Dance is also often a big part of ethno-cultural identity.
- **Annual and Seasonal Presentations**
 - Programming can be created for any annual or seasonal celebration. Productions of “The Nutcracker” occur annually in many communities. In places where there are dance schools, recitals typically occur in December and June and can occupy multiple days. Editions of the

Kiwanis Music Festival occur in many communities. Depending upon the ethnic and national origins of community members, ethno-culturally events and celebrations appropriate to a public venue can be developed.

Group 3: Products which occur as Some Events in Many Venues

- Public Celebrations, Awards Shows and Special Events
 - This group of products is generally classified as “non-theatrical” and tend to be one-of-a-kind or events that occur in different locations every year. This product requires active solicitation by the program management.
- Cabaret Concerts
 - This type of product can occur in various genres including classical “pops,” Broadway show tunes or music around a theme. This product is locally developed and often produced by the program management.
- Musical Plays
 - There is very little of this product on the touring market but perennial favourites are often locally produced. Many local high schools produce shows such “Grease” and “Bye Bye Birdie.”
- Drama and Spoken Word
 - There is very little of this product on the touring market but many places have a community theatre group (or in Sudbury’s case, professional) that can produce locally. Venue size becomes an issue above 500 seats.

Group 4: Product which occurs as Some Events in Several Venues

- Jazz and Blues Festivals
 - This product tends to be available in a festival format rather than individual concerts. While folk festivals which have stayed attached to rural locations and the great outdoors, jazz and blues festivals have become the prevalent urban music festival and occur both indoors and outside. Jazz and blues festivals occur mostly in the summer.
- Choral Concerts
 - There is a limited supply of this product on the touring market. The potential for this product depends on choral music programs in the local schools and the amount of choral music in the local churches.
- Graduations and Convocations
 - The size of the market for these events is proportional to the number of secondary and post-secondary institutions and programs within a given community. Event organizers are looking for large seating capacity and good quality of facility and services.

- Film Screenings and Film Festivals
 - This increasingly popular product includes screenings of single films often related to a theme, style or cause and short duration festivals where many screenings occur in a short period of time including feature films, documentaries and short subjects.

Group 5: Other Noteworthy Product Offerings

- Famous Persons/Speakers
 - The appeal of this type of product (which appears to be under-utilized) is to see and hear a famous person make a live presentation. This is often a premium ticket offering and is usually related to current events. Program opportunities related to famous people may also be tied to other events (e.g., the most famous author in town for a literary festival.)
- Concert Bands
 - This product includes military bands, “big” bands, jazz bands, etc. A small but loyal audience exists especially in communities with military connections or with a strong high school band program.
- Gospel and Inspirational Concerts
 - The appeal of this product is the uplifting experience of an exuberant sing-a-long. The size of the audience for these concerts is often related to the styles of worship within the local religious communities and runs the gamut from spirituals and hymn-sings to Handel’s Messiah.
- Camp Programs for March Break and Summer
 - Only two of the venues surveyed offered school-break programs. This is a product which could be a supplementary offering after other core business programs are up and running.
- Live Stream Video – Sport and Culture
 - While many such programs are pre-licensed to local vendors (e.g., cinema chains), the potential for events such as e-game competitions is enormous.
- Circus Arts, Acrobats, Illusionists
 - This type of offering has universal appeal but there is very little product to choose from. Subsets such as kung-fu demonstrations have brand value and appeal where there is a martial arts community.

The following chart provides a summary of event performance at the 10 comparable mid-sized Ontario venues over the 2016/2017 season.

2016/2017 LIVE PERFORMANCE DEMAND AT COMPARABLE ONTARIO VENUES

10 COMPARABLE ONTARIO PERFORMING ARTS CENTRE	TOTAL EVENTS	RANGE of EVENTS per PAC	TOTAL EVENT DAYS	AVG EVENT DAYS PER PAC
Group 1: Products which occur as Many Events in Every Venue	126	3 to 44	157	16
Tribute Bands/Classic Albums/Nostalgia Music Popular Music Concerts – Current Acts Stand-up Comedy Shows for Kids				
Group 2: Products which occur as Many Events in Most Venues	95	6 to 29	119	12
Classical Music Concerts and Orchestral Music Dance and Ballet Annual and Seasonal Presentations				
Group 3: Products which occur as Some Events in Many Venues	27	0 to 9	34	3
Public Celebrations, Awards Shows and Special Events Cabaret Concert Musical Plays Drama and Spoken Word				
Group 4: Products which occurs as Some Events in Several Venues	22	1 to 9	27	3
Jazz and Blues Festivals Choral Concerts Graduations & Convocations Film Screenings and Film Festivals				
Group 5: Other Noteworthy Product Offerings	26	1 to 8	33	3
Famous Persons/Speakers Concert Bands Gospel & Inspirational Concert Camp Programs for March Break and Summer Live Stream Video - Sport and Culture Circus Arts, Acrobats, Illusionists				
TOTAL EVENTS	296	25 to 80	370	37

Source: CBRE Limited and Novita Interpares

As shown, the 10 comparable Ontario venues hosted a total of 296 events or 370 event days in 2017. (An “event day” is a day when one or more public performances occur and does not include days specifically for set-ups, rehearsals, etc.) Each of the 10 venues hosted 25 to 80 events in 2017, and an average of 37 event days. At 126 events in 2017, or 42% of total events, the most prolific event types were those identified as “Group 1”, including: tribute band and popular music concerts, stand-up comedy and shows for kids.

It should be noted that existing local capacity and interest can produce a high level of specific type of programming; for example, the amount of dance in the River Run Centre in Guelph and the amount of orchestral programming in the Capitol Theatre in Windsor.

Implications for GSCPC

Within Greater Sudbury there are 5 venues that range in size from 290 to 4,500 seats and are currently used to host performing arts events/concerts. Of these, the only purpose-built arts centre is the Sudbury Theatre Centre, which offers 291 seats. In addition to current supply, there are three proposed venues including Place des Arts (300 seats), the Library (100 seats) and the planned Event Centre (5,800 seats). Based on current and proposed supply, it appears that there is a gap in Sudbury’s mid-sized live performance facility inventory. A survey of selected mid-size live performance venues in various performing arts markets across Ontario

further indicates that the average seating capacity is approximately 946 seats, and average household spending on live performances was in the range of \$93 in 2017. At average household spending of \$94 in Greater Sudbury, according to Environics Analysis data in 2017, and a similar size population to Guelph and Kingston, the recommended facility program of 950 seats for the GSCPC is considered reasonable.

In terms of other proposed facilities in Sudbury, the Place des Arts would not be directly competitive with the offerings in a larger venue such as that proposed for the Greater Sudbury Convention and Performance Centre, but it would add new competition for leisure spending, as would the new Sports and Entertainment Centre. Increased seating capacity for live events in a new arena/entertainment centre would add a considerable number of tickets, even without increasing the number of concerts which have been typically offered per season. All performing arts markets benefit from having a range of venues which can offer a variety of product appealing to the many tastes and preferences of the audiences in their catchment area. Markets with large populations make it possible for many facilities to co-exist and operate at efficient levels. Small markets need to cater to the same wide range of tastes and preferences but have fewer people to purchase tickets in each sub-market segment. Sudbury is in this latter category. However, should all of these facilities be developed, Sudbury would still have a gap in its cultural facility inventory – that being a mid-size live performance centre (which typically seats 700 to 1,200).

In terms of demand, while Greater Sudbury has a vibrant live performance scene, there is currently very limited capacity in the cultural community to produce or present events for a mid-size venue. Apart from festivals, the Sudbury Symphony Orchestra is currently the only local product source with a proven record of filling more than 700 seats (at a current rate of 6 to 10 times a year.) No other current local producer appears to have product for a mid-size venue. Some of these producers may have the ability to grow, but this is most likely a longer term proposition. The creation of a mid-size venue would definitely help in the development of local product but this is a longer-term process requiring a deliberate effort toward defined cultural goals. Consequently, in the near term future, most product for a mid-size venue in Sudbury would come from the touring circuit.

Programming in the Convention and Performance Centre can also be built on the established market base at venues such as the Grace Hartman Amphitheatre and Sudbury Theatre Centre, both through complimentary summer programming and through offerings throughout the season which would appeal to these market segments. Further, many conventions offer attendees a private concert as part of the convention experience. This amenity is most common in corporate events and the Greater Sudbury Convention and Performance Centre would be adding value to its sales appeal to meeting planners if it had the capacity for concerts.

Through its block booking program, Ontario Presents will be a prime source for product which is already touring in Ontario but not otherwise coming to Greater Sudbury. By participating in the Ontario Presents touring network, the Convention and Performance Centre will have access to a wide range of live performance attractions catering to local tastes and preferences which are not currently being served. Greater Sudbury may not be part of a large metropolitan area such as the GTA; however, it is considered a regional hub in Northeastern Ontario. As such, if the GSCPC is on the Ontario Presents circuit, it will have the potential to offer the same level of touring product as North Bay, due to its larger accommodation and population base.

There are several commercial presenters who provide touring product across Ontario and who have been active over the years in the Greater Sudbury market. These presenters include Canadian companies such as Jones Entertainment Group and US companies such as Live Nation. These and other presenters offer popular entertainment acts and have tended to focus on the Sudbury Community Arena with its large seating capacity, better income potential and reduced risk.

As noted in this Business Plan, the core business of the GSCPC will be space rental. The Convention and Performance Centre will rent space to meeting and convention organizers and to presenters of live entertainment. There are local live entertainment presenters such as the Sudbury Symphony Orchestra who are already presenting in Sudbury and there are other organizations which may respond to the opportunities created by a new facility. Service clubs are occasional but regular presenters in many communities. A new local presenting organization could also be created specifically to present in the Convention and Performance Centre. Such a local presenting organization would likely access product from the Ontario Presents network or it might partner with managers and promoters which represent product suitable for a 950-seat venue. Managements such as the Feldman Agency have a large roster of suitable popular acts and promoters such as JCL Productions and Sonic Concerts also represent current music talent. Some live acts can be booked through genre organizations (e.g., Bluegrass Canada) or specialist promoters such as Balkanto. The Jones Entertainment Group has also had a relationship with Sudbury's Summerfest.

It should be noted that the City of Greater Sudbury recently released a Greater Sudbury Cultural Plan (2015-2020) and Cultural Action Plan, which incorporates a Vision for Greater Sudbury as "a Northern cultural capital," with goals set to integrate cultural assets and spaces in future planning by merging the Cultural Plan with other CGS strategic plans, and creating a centralized events calendar. These are significant initiatives that bring together local arts and culture organizations, artists, media and City staff, and provide excellent platform for the GSCPC as its production and development gets underway.



COMPETITIVE MEETING AND CONFERENCE VENUE SUPPLY ANALYSIS

Introduction

The following section examines the meeting and convention venue supply in which the GSCPC facility would compete. Locally, there are a number of hotels and other unique meeting/convention venues in Sudbury that would compete with the GSCPC for small to mid-scale meeting, conventions, and social event business. With a centralized location in Northeastern Ontario, the subject venue would also compete with sizeable hotel venues in other areas of Northern Ontario for meeting and event business and on a larger scale with Tier 3 Convention Centres for national convention demand.

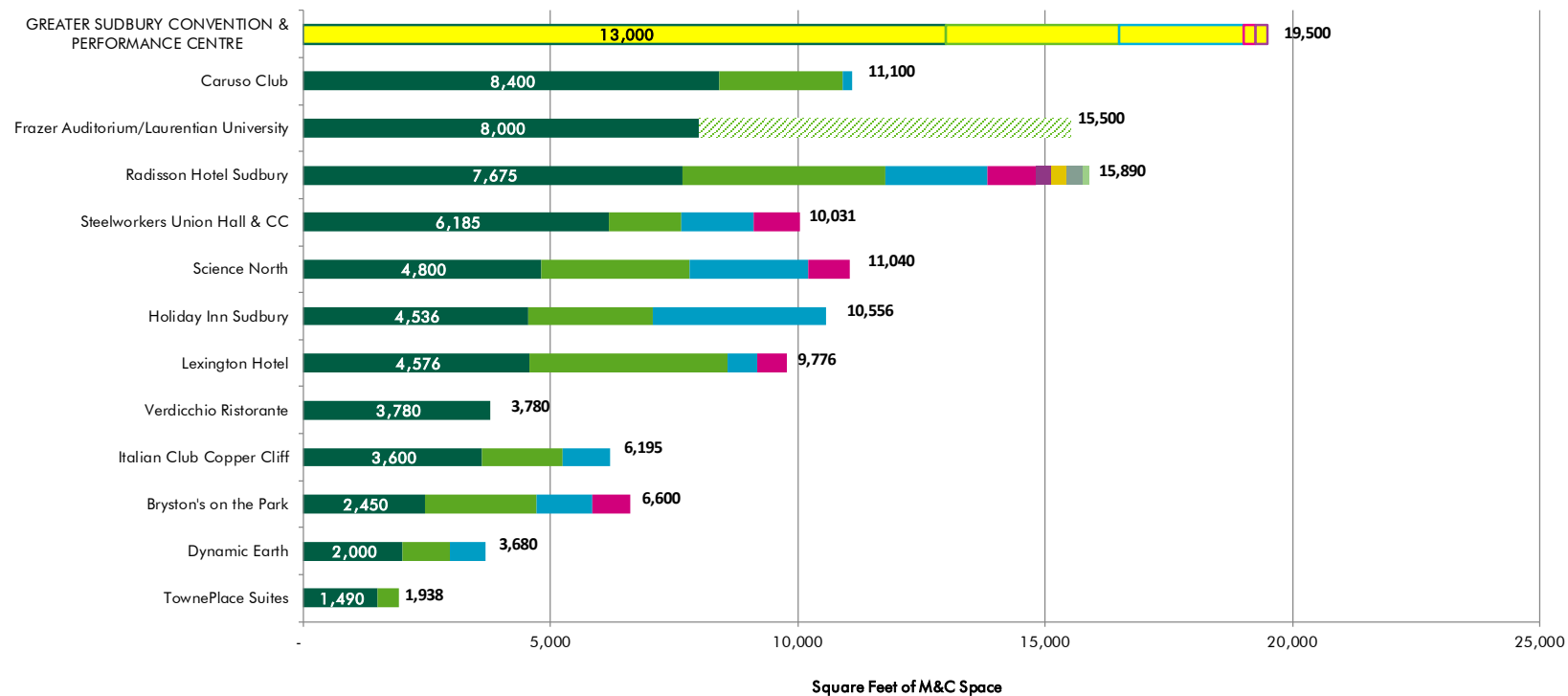
For the purposes of analysis, venues examined in the following discussion have been presented in order of largest contiguous room offered, to give insight into the maximum size of conventions that can be hosted. It should also be noted that capacity estimates per room/venue have been estimated at 12 square feet per person.

Greater Sudbury Meeting and Banquet Venues

Within the local Sudbury market, three hotels offer approximately 10,000 to 16,000 square feet of rentable space and would compete with the GSCPC for regional social and corporate events such as banquets, holiday parties, and corporate meetings and training sessions. They would also compete for small to mid-sized association, and convention business at the local, provincial and national level. In addition to hotels, other venues such as Societa Caruso, Laurentian University, Steelworkers Union Hall and Convention Centre and Science North are positioned effectively to attract local groups hosting social or business-related meetings and events. The following graph provides a summary of competitive Sudbury meeting and convention venue offerings, sorted by the largest contiguous room available.

The total size of local competitive meeting and banquet facilities equates to approximately 106,400 square feet of space offered at 11 venues. Total space offerings range from a low of just under 2,000 square feet provided at the TownePlace to a high of approximately 16,000 square feet offered at the Radisson Hotel Sudbury. With regard to the largest meeting room offered, square footage ranges from 1,500 square feet to an estimated 8,400 square feet at Societa Caruso, which equates to a maximum meeting capacity of 125 to 700 attendees respectively. Due to a shortage of venues that have the ability to host functions in excess of 350 persons in one space, as well as a low level of audiovisual capabilities and a lack of consistency in quality service at some local venues, it appears that there is an opportunity to increase meeting/convention activity in Sudbury by providing adequate meeting space.

SUDBURY MEETINGS & CONVENTION SPACE By Venue with Largest Room



Note: Coloured bars represent largest room plus additional break out space

Source: CBRE Limited Research

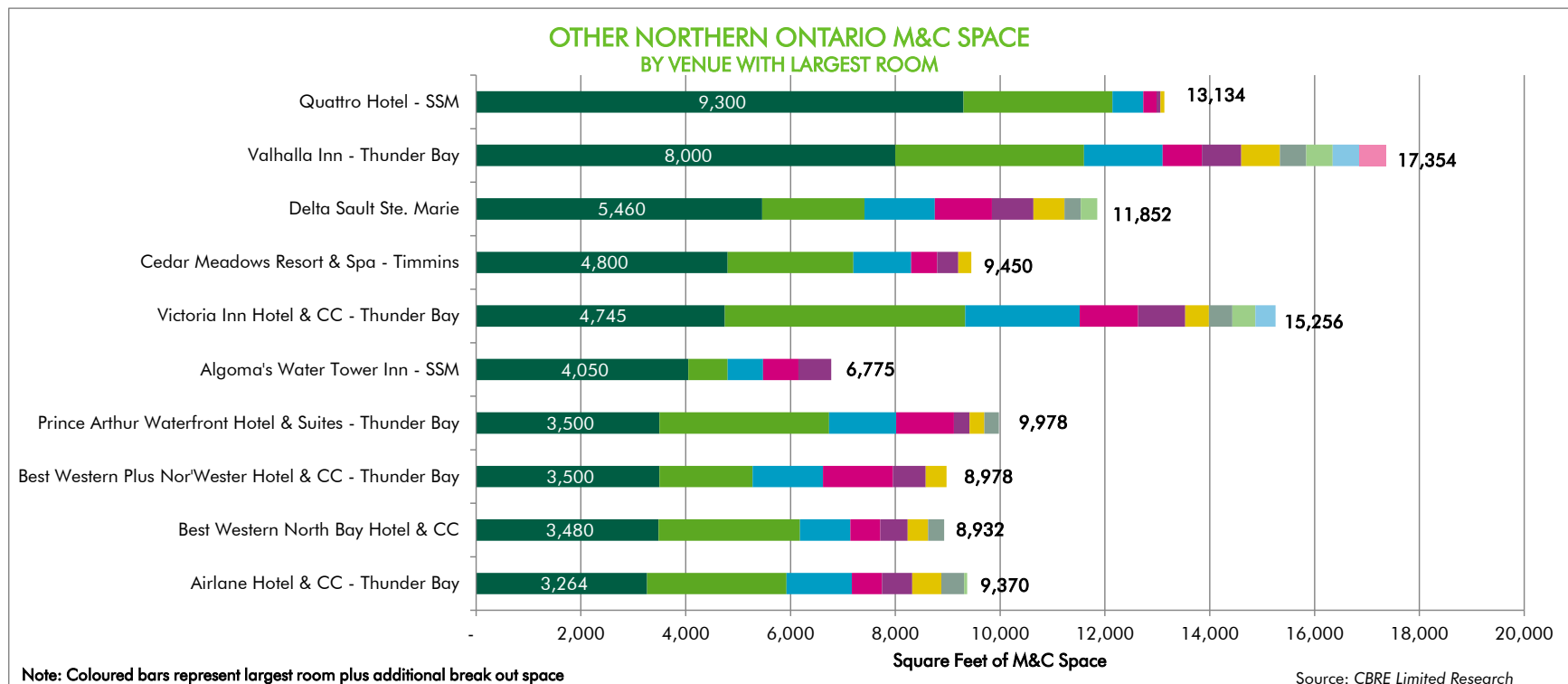
**SUDBURY PRIMARY MEETING & BANQUET SPACE BY VENUE
ESTIMATED CAPACITY BY LARGEST MEETING ROOM**

Property	Largest Meeting Room	Estimated Capacity (Based on 15 SF per person)	Total M&C SF
Caruso Club	8,400	560	11,100
Laurentian University	8,000	533	15,500
Radisson Hotel Sudbury	7,675	512	15,890
Steelworkers Union Hall & CC	6,185	412	10,031
Science North	4,800	320	11,040
Holiday Inn Sudbury	4,536	302	10,566
Lexington Hotel	4,576	305	9,776
Verdicchio Ristorante	3,780	252	3,780
Italian Club Copper Cliff	3,600	240	6,195
Bryston's on the Park	2,450	163	6,600
Dynamic Earth	2,000	133	3,680
TownePlace Suites	1,490	99	1,938
AVG	4,791	319	8,841

Source: CBRE Limited Research

Other Northern Ontario Meeting and Banquet Venues

Within other major Northern Ontario cities, there are a number of hotels that offer more than 7,000 square feet of meeting and event space and as such would also compete with the subject GSCPC. The total size of these competitive facilities range from 7,000 square feet offered at the Airline Hotel and Conference Centre to 17,000 square feet offered at Valhalla Inn. When considering largest room offerings, the Quattro Hotel offers the biggest room at 9,300 square feet (estimated capacity of 620 persons/banquet style), followed by the Valhalla Inn which offers an 8,000 square feet room (capacity of 533 persons/banquet style).



OTHER NORTHERN ONTARIO M&C SPACE -ESTIMATED CAPACITY OF LARGEST MEETING ROOM

Property	Largest Meeting Room	Estimated Capacity (Based on 15 SF per person)
Quattro Hotel – SSM	9,300	620
Valhalla Inn – Thunder Bay	8,000	533
Delta Sault Ste. Marie	5,460	364
Cedar Meadows Resort & Spa – Timmins	4,800	320
Victoria Inn Hotel & CC – Thunder Bay	4,745	316
Algoma's Water Tower Inn – SSM	4,050	270
Prince Arthur Waterfront Hotel & Suites – Thunder Bay	3,500	233
Best Western Plus Nor'Wester Hotel & CC – Thunder Bay	3,500	233
Best Western North Bay Hotel & CC	3,480	232
Airlane Hotel & CC – Thunder Bay	3,264	218
AVG	5,010	334

Source: CBRE Limited Research

Tier 3 Canadian Convention Centres

Tier 3 Convention Centres are defined as stand-alone Canadian convention facilities, offering less than 50,000 square feet of rentable space. Tier 3 Convention Centres tend to be municipally-owned and located in centres with populations ranging from 20,000 to 510,000 persons. As a Tier 3 Canadian Convention Centre, the subject GSCPC would compete for national convention demand amongst other national Tier 3 Centres. The following table provides a summary of the rentable space provided within Tier 3 Canadian Convention Centres, as well as total city hotel room inventory and estimated 2016 population.

The size of the convention centres ranges from 19,500 square feet provided by the subject Greater Sudbury Convention and Performance Centre to 48,500 offered at the London Convention Centre. As shown below, Tier 3 Centres offer approximately 11 (Sudbury, Prince George, Fredericton) to 108 square feet (Chatham-Kent) of meeting space per hotel room.

Tier 3 Canadian Convention Centre Supply, Hotel Room Inventory and Estimated Population - 2017

Convention Centre	Location	Total M&C SF	Estimated Capacity (based on 15 SF)	Hotel Room Inventory	M&C SF Per Hotel Rm	Est. CMA Population 2017
London Convention Centre*	London, ON	48,452	3,230	3,489	14	514,207
Blue Mountain Convention Centre	The Blue Mountains, ON	48,377	3,225	1,590	30	22,364
Chatham-Kent John D. Bradley Convention Centre	Chatham-Kent, ON	39,703	2,647	367	108	105,883
Prince Edward Island Convention Centre*	Charlottetown, PE	36,099	2,407	1,441	25	72,405
Penticton Trade and Convention Centre	Penticton, BC	34,165	2,278	1,498	23	43,455
St. John's Convention Centre*	St. John's, NL	33,332	2,222	2,937	12	214,784
Vancouver Island Conference Centre	Nanaimo, BC	24,853	1,657	922	27	107,434
Saint John Trade & Convention Centre*	Saint John, NB	24,735	1,649	1,560	16	127,064
Prince George Conference & Civic Centre	Prince George, BC	22,800	1,520	2,263	11	84,507
Fredericton Convention Centre**	Fredericton, NB	19,834	1,322	1,954	11	101,169
Greater Sudbury Convention & Performance Centre***	Sudbury, ON	19,500	1,300	1,846	11	165,351

Notes: *Physically connected to a hotel (e.g. by pedway)

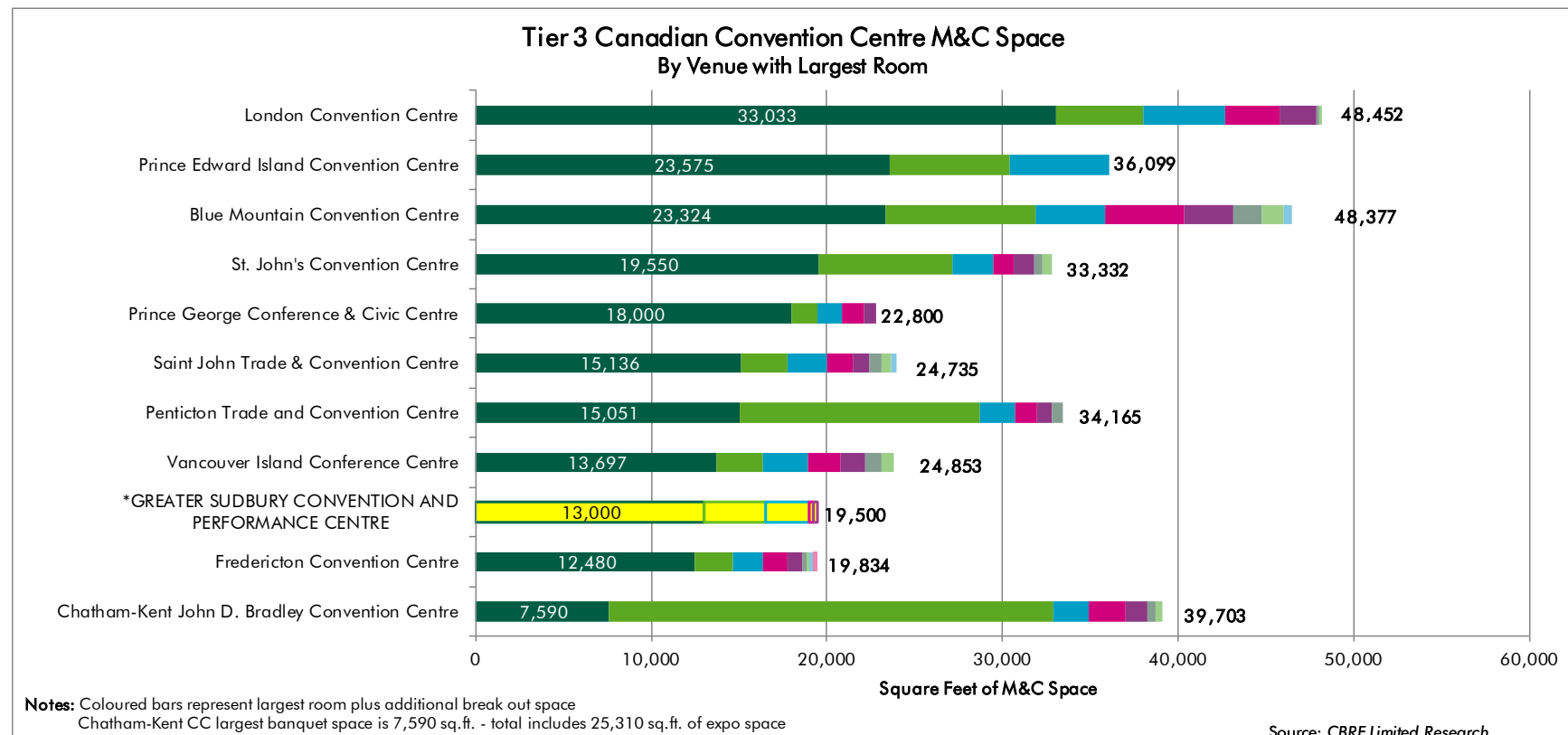
** To be connected by pedway to a new Hilton Garden Inn hotel, which is set to open in 2018

*** Sudbury Accommodation Inventory, including opening of Hilton Garden Inn in 2019

CMA for Blue Mountain Convention Centre is Collingwood, Ontario.

Sources: CBRE Limited, Environics Analytics Sitewise 2017

The graph presents Canadian Tier 3 Convention Centres by the largest contiguous room offered. As shown, the London Convention Centre has the largest room at 33,033 square feet, after completing a main floor renovation that was under construction from the end of 2015 until August 1st, 2016. Comparatively, the Chatham-Kent John D. Bradley Convention Centre's largest banquet room is the smallest at 7,590 square feet.



Implications for GSCPC

A combined total of approximately 97,000 square feet of space is offered at 11 competitive meeting and banquet venues in Sudbury. On a per venue basis, total meeting and banquet space ranges from 3,680 to 15,890 square feet, with the size of the largest meeting room offered in the range of 2,000 to 8,400 square feet. In order to accommodate larger events in Sudbury, it appears that there is a need for a venue that provides more than 9,000 square feet of space in its largest room.

When considering other Northern Ontario cities, the total size of competitive facilities ranges from 7,000 to 17,000 square feet in size, with the largest room offerings from 3,000 to 9,300 square feet. As a result, in order to compete with major venues in other Northern Ontario cities, the GSCPC will offer more than 9,500 square feet of space in its single largest room.

On a larger scale, competitive Canadian Tier 3 Convention Centres offer between 20,000 to 48,500 square feet each. Overall, Tier 3 Centres offer an estimated 11 to 108 square feet of meeting space per hotel room. In order to hold a competitive position with the smaller Tier 3 Convention Centres, the subject GSCPC will offer between 19,000 to 25,000 square feet of meeting and convention space, with the size of the largest room in the range of 8,000 to 15,000 square feet. In order to accommodate convention demand, additional breakout rooms would also be provided.

When interviewed, local stakeholders highlighted their frustrations of planning large events in Sudbury due to a lack of appropriately sized venues, as well as poor sound systems/audiovisual capabilities at many facilities. Specifically, they identified a shortage of Sudbury venues that have the ability to host conventions in excess of 300 people (with adequate breakout space and AV services) and banquets of more than 500 persons.

Stakeholders identified that the only venue with the ability to comfortably host conventions and meetings of 300 people with at least 4 breakout rooms and capacity for a trade show is the Holiday Inn, while smaller meetings of 200 people or less can be accommodated at Bryston's by using the Main Hall, Library, the Bryston Room and basement for breakout sessions.

Finding banquet spaces for large groups of more than 500 people was also identified as a challenge. As a result of having the largest banquet room, Caruso Club typically becomes the default venue used for large groups, however available parking can be problematic. Steelworkers Union Hall & Conference Centre can also be used to host large banquets, however can be less flexible than other venues, has lower quality food offerings, and has preferred customers/special events that take precedent over others. Smaller banquets of 200 people can be comfortably held in Natura Event Space at Verdicchio Ristorante, a well-equipped facility that offers screens and projectors to groups and is known for quality food and beverage offerings.

Due to a shortage of venues that have the ability to host functions in excess of 300 persons in one space, as well as a low level of audiovisual capabilities and a lack of consistency in quality service at some local venues, there is an opportunity to increase meeting/convention activity in Sudbury by providing adequate meeting space. With 13,000 square feet in a main plenary room, and 6,500 square feet of additional meeting and breakout rooms, the GSCPC will become the only venue in Sudbury with the potential to host large-scale conventions, inclusive of a trade show component, for groups of over 300 people.

In order to gain a competitive position within the market, the Greater Sudbury Convention and Performance Centre will have the ability to host more than 300 people for meetings/conventions (including supportive breakout space) and more than 500 people for banquets, while also providing adequate available parking in the downtown core. In addition, the Centre will need to provide a consistent level of high quality service, top-of-the-line audiovisual capabilities and quality food and beverage offerings.



COMPETITIVE MEETING AND CONVENTION DEMAND ANALYSIS

Introduction

For the purposes of analysis, CBRE collected historic performance data from the competitive meeting & convention venue market, and assembled event data through a number of sources including: CBRE's internal Trends in the Hotel Industry database, interviews with General Managers and Sales & Marketing Directors at competitive hotels and meeting and banquet venues, and secondary research.

CBRE also collected historic event data from the competitive Tier 3 Convention Centres across Canada. Event data was assembled through a number of sources including: interviews with Convention Centre operators, Convention Centre and DMO Annual Reports, and secondary research.

Competitive Tier 3 Convention Centre Market

The subject Greater Sudbury Convention and Performance Centre will compete against other Tier 3 Conventions Centres for Convention demand at the provincial and national level, with the majority of Meetings and Food & Beverage demand derived from the local and regional hotel and resort market.

For the purposes of the subject market assessment, the various types of Convention Centre demand have been stratified into 6 segments as summarized in the following table, with CBRE's market analysis undertaken at both the national and local level.

COMPETITIVE CONVENTION CENTRE DEMAND ANALYSIS

Convention Centre Demand Segmentation		CBRE Competitive Analysis
1.	Conventions <ul style="list-style-type: none">Provincial/RegionalNationalUS/International	<u>Provincial/Regional</u> <u>National Level:</u> Tier 3 Convention Centres
2.	Trade Shows	
3.	Consumer Shows	
4.	Meetings	<u>Local/Regional Level:</u> Greater Sudbury and Other Northern Ontario
5.	Food & Beverage – Social Events	
6.	Other Events	

Source: CBRE Limited

Conventions

Types of Convention Demand

Convention demand includes: Canadian and provincial associations, international associations, US associations; corporate planners, and the incentive groups and third party planners, which include site selection

agencies such as Helms Briscoe, Experient, Meetings Direct, etc. Association-hosted events provide the largest share of business for Convention Centres.

Canadian associations comprise the majority of Convention demand amongst the Tier 3 competitive supply. These associations tend to rotate their conventions across the country in an east, central, west pattern, with a requirement for large exhibition space and a number of breakout rooms. This market tends to book one to four years ahead and looks for competitive rates for both hotels and meeting venues.

Provincial/regional associations tend to be smaller and even more budget conscious and rotate within the province. Depending on their charter, these associations may be limited to where they can meet – for example, only in Ottawa or Toronto.

The **international association** segment is seen as a long term investment, with the larger Tier 1 cities attracting the majority of international demand to Canada (Toronto, Montreal and Vancouver). Although international associations are moving towards internal professional management, the majority of these associations still work under a volunteer basis or are managed by 3rd party association management firms. Booking windows of three to six years are typical and competition for this segment is much greater as these associations must rotate meetings around the globe to member countries. Furthermore, these organizations tend to consider destinations which will help increase their profile and/or cause. International associations look to destinations willing to not only act as host but help offset the costs associated with the convention. Successful international association destination hosts require local champions or ambassadors to agree to chair or lobby on behalf of the destination. Canadian sister association approval must generally be solicited before moving to an international invitation to host.

The **US association** market already tends to do meetings and conventions in Canada. This market is aware of Canada's Tier 1 cities, but would not be as familiar with Tier 3 destinations. The larger association conventions prefer to work with the local city DMO to secure this type of business.

In terms of the **corporate** segment, most large corporations have a dedicated meetings manager and/or meetings department. These organizations tend to look for destinations offering mid to upscale hotel room blocks, state of the art meeting facilities and a culturally diverse offering. With the global distribution of offices, these large corporations tend to move their meetings around the country and/or the world. These meetings tend to have shorter booking windows of less than 2 months to 1 year and tend to ask for fewer financial concessions of host cities, in comparison to the association meetings market.

Within the Convention segment, the subject Greater Sudbury Convention and Performance Centre will largely compete for **Provincial and Regional Association demand**.

Convention Demand – Competitive Tier 3 Market Performance 2015-2016

In 2015, the 9 competitive Tier 3 Canadian Convention Centres hosted an estimated 150 conventions, for an average of 17 conventions per Centre. In 2016, Convention demand at 10 Tier 3 Centres increased to an estimated 157 conventions, representing 5% growth. Of the 157 Conventions hosted in the competitive market in 2016, approximately 47% of demand was comprised of conventions of less than 250 delegates, with 41%

being conventions of 251-500 delegates in size, 10% being conventions of 501-1,000 delegates, and just 3% being events of over 1,000 delegates. As a point of comparison, the estimated number of conventions hosted at standalone convention centres across Canada on an annual basis (including Tier 1 and Tier 2 centres) is in the range of 550-650.

TIER 3 CONVENTION CENTRES HISTORIC DEMAND

CONVENTIONS BY SIZE	2015	2016
<250	74	73
251-500	60	64
501-1,000	13	16
1,000+	3	4
TOTAL CONVENTIONS	150	157

Source: CBRE Limited

The majority of delegates hosted by the competitive Tier 3 Convention Centres in 2015 (79%) originated from within Ontario, with approximately 18% stemming from the rest of Canada and 2% from U.S. and International sources.

Trade and Consumer Shows

Types of Exhibition Demand

Trade Shows are business related events which can be stand-alone exhibitions or associated with major Conventions. Trade Shows form an important component of many association conventions by providing a revenue source for the event. Tradeshows require column free exhibition space, meeting rooms, AV capabilities and are increasingly incorporating more digital technology to track trading at the event.

Consumer Shows are public events, where exhibitors display and sell services and goods to consumers, and typically charge an admission fee. Attendees come to shop and learn. Stand-alone exhibitions are often developed and owned by entrepreneurial exhibition organizers, with a number of the larger exhibitions hosted in major cities across Canada.

Trade and Consumer Shows can also be combined events, open to attendees and then open to the public. Trade and Consumer Shows tend to be held in Tier 1 and 2 Centres, as these facilities offer dedicated exhibition space and are located in major urban centres. Demand for Consumer Shows is largely derived from the local resident population.

Exhibition Demand – Competitive Tier 3 Market Performance 2015-2016

Between 2015 and 2016, the competitive Convention Centre market hosted an estimated 20 to 23 Trade Shows, for an average of 2 Trade Shows per Centre. The number of Consumer Shows within the competitive

market averaged less than 50. Each Convention Centre attracted an average of 3 Consumer Shows in both 2015 and 2016.

Meetings

The competitive Tier 3 Convention Centres hosted an estimated 1,600 meetings in 2016, of which approximately 39% were local meetings of one day in duration and not requiring overnight accommodation, and 61% were non-local meetings. On average, each Convention Centre attracted 159 to 187 meetings annually over the past 2 years.

Food & Beverage/Social Events

Food & Beverage demand at Convention Centres is derived from banquet functions associated with conventions and meetings as well as locally based social events, including Christmas parties, weddings, galas, fundraising events, etc.

The competitive Tier 3 Convention Centre market catered to an estimated 530 banquets in 2016, averaging 53 food and beverage events per Centre.

Other Events

Other types of demand within the competitive Tier 3 Convention Centre market include all other events not specifically described within the former demand segments, including but not necessarily limited to: concerts, dances, graduations, award ceremonies, sports-related and other special events. Based on the competitive market analysis, comparable Tier 3 Conventions Centres attracted approximately 550 other events in 2016, for an average of 55 events per Centre.

The following chart highlights historic demand at Tier 3 Convention Centres of a comparable size to the subject Greater Sudbury Convention and Performance Centre over the last 2 years by event type and average events per centre.

TIER 3 CONVENTION CENTRES HISTORIC DEMAND

EVENTS BY TYPE	2015	2016
Conventions/Conferences	150	157
Trade Shows	20	23
Consumer Shows	44	47
Meetings	1,681	1,589
Food & Beverage	545	529
All Other Events	569	553
TOTAL	3,009	2,898
AVG PER CONV CENTRE	2015	2016
Conventions/Conferences	17	16
Trade Shows	2	2
Consumer Shows	5	5
Meetings	187	159
Food & Beverage	61	53
All Other Events	63	55
AVG EVENTS PER CENTRE	334	290

Source: CBRE Limited

Sudbury Hotel & Event Venue Market

In addition to competing with Tier 3 Convention Centres for events, the Greater Sudbury Convention and Performance Centre will also compete for meeting and event demand with popular local venues and hotels that offer a significant amount of event space. The following table summarizes the total space offerings at competitive local venues and hotel event spaces. Twelve local event facilities were identified, representing a total of 42 available rooms and approximately 100,000 square feet of rentable space.

As the second largest venue, Laurentian University offers upwards of 15,500 square feet of event space, however, a significant portion of this space (approximately 7,500 square feet) is dedicated classroom or lecture hall space (Frazer Auditorium), which are largely used for internal meetings, thereby not producing rental revenue.

Interviews with local event facilities were conducted to assess the current and future demand dynamics within the Sudbury market. The following table presents the market results based on these interviews, as well as our knowledge of the local Sudbury event market.

As shown, local event facilities typically operate at 28% utilization, with much higher rates of utilization on Saturdays, followed by Mondays and Wednesdays. There are approximately 4,300 events currently existing in the local market, with 76% of these being meetings, 12% being social banquets such as holiday parties, retirement parties, and anniversaries, 6% being weddings and 2% being conventions. The remainder (4% of events) are other events such as graduations or concerts. The average cheque within the competitive set of the competitive event and banquet facilities in Sudbury is in the range of \$20-\$35 per person.

It should be noted, however, that the recommended facility program and utilization projections for the subject GSCPC have been based on the facility's potential to compete within the Tier 3 Canadian Convention Centre market, and generate new demand for the City of Greater Sudbury. Although the GSCPC will operate within the Sudbury hotel and event venue market, it will not be positioned to compete directly for small meetings within the local Sudbury facilities due to higher rental rates, however it will compete for mid-size meetings, conventions and banquet business amongst all local facilities.

EXISTING SUDBURY COMPETITIVE M&C MARKET

Facilities	Total
Event Venues	12
Function Rooms	42
Total Square Feet	98,586
Total Seating Capacity	8,213
Average Seating Capacity per room	196
Utilization	Total
Monday to Wednesday	30.2%
Thursday and Friday	26.6%
Saturday	44.1%
Sunday	7.5%
Total	28.0%
Events	Total
Monday to Wednesday	1,994
Thursday and Friday	1,164
Saturday	963
Sunday	165
Total	4,285
Segmentation	Total
Conventions/Conferences	1.7%
Meetings	76.1%
Social Banquets	11.8%
Weddings	6.4%
Other	4.0%
Total	100.0%
Events	Total
Conventions/Conferences	72
Meetings	3,261
Social Banquets	504
Weddings	276
Other	172
Total	4,285

Source: CBRE Limited



RECOMMENDED GSCPC FACILITY PROGRAM

Introduction

Based on the market and comparable research, the following section details the recommended development program for the subject Greater Sudbury Convention and Performance Centre as a multi-use performing arts and convention centre offering 19,500 square feet of rentable space, with the main plenary/live performance hall featuring 13,000 square feet and 950 theatre-style seats. At this size, the GSCPC could effectively compete for large meeting and convention groups in excess of 300 persons, and banquets of up to 900 persons.

The live performance function of the Greater Sudbury Convention and Performance Centre will be accommodated in the same physical space as the main function room through the use of a convertible seating system that will transform the space from a flat floor (banquet) format to a tiered seating (theatre) format. At 10 square feet per seat, this 13,000 square foot room would accommodate 9,500 square feet for seating, 2,500 square feet for a stage and 1,000 square feet for related backstage assembly and circulation. From this perspective, the GSCPC will also have the capacity to host live performances of over 650 persons.

In order to best accommodate the current gap in the market in terms of meetings and conventions, banquets, and live performances, and meet the core mandate of the Greater Sudbury Convention and Performance Centre, the following chart provides the recommended facility program. Capacities for each meeting room are based on 12 square feet per delegate, with banquet capacity based on 15 square feet per person (based on round tables of 8 to 10 persons).

As shown in the following table, including both rentable space (19,500 SF) and support space (23,700 SF), the net building requirement is 43,200 square feet, which when grossed up at 40% equates to a 60,500 square-foot building footprint.

GREATER SUDBURY CONVENTION AND PERFORMANCE CENTRE FACILITY PROGRAM

RENTABLE SPACE	Sq.Ft.	Divisibility	Capacity M&C	Capacity Fixed Seats
Flat Floor Area (Ballroom / Main Hall / Main Theatre) Balcony	13,000	3	867	750 200
Subtotal - Main Hall	13,000	3	867	950
Meeting/Breakout Rooms				
Meeting Room 1	3,500	2	292	
Meeting Room 2	2,500	3	208	
Meeting Room 3	250	1	21	
Meeting Room 4	250	1	21	
Subtotal - Breakout Rooms	6,500		542	-
TOTAL RENTABLE SPACE	19,500		1,408	950
SUPPORT SPACE				
Public Areas	11,500	Main Lobby Assembly, Coat Check, Public washrooms, Connection Corridors, Box Office, Box Office Administration, FOH Manager Station, Fixed Bar(s), Storage of bar supplies/portable bars, Gift Shop		
Administration	1,300	Reception, Management and Administration Offices, Internal Meeting Room, Kitchenette, Printing Room		
Live Performance Support	1,200	Office, Visiting Company Office, Dressing Room, Green Room, Audio Storage/Workroom, Lighting Storage/Workroom, Stage Maintenance Workroom, Piano Storage, Stage Storage		
Convention Meeting Support	5,400	Kitchen, Food Prep, Plating, Dishwashing, Freezer and Cold Storage, Dry Storage for tableware/linens, etc. Catering Office. Storage for chairs, tables, platforms.		
Common Support Space	1,600	Staff/performance entrance, Staff locker rooms, Common washrooms, Communications /broadcast room, Main loading dock, Secure holding room, Recycling room, Custodian's		
Building Technology and Services	2,700	HVAC Room, Main electrical room, Emergency power room, Water main/sprinkler system, Telephone equipment room		
Subtotal - Support Space	23,700			
NET BUILDING	43,200			
Gross up (40%)	17,300			
TOTAL BUILDING	60,500			

Notes: M&C Banquet capacity based on 15 sq.ft. per person; Meeting room capacity based on 12 sq.ft. per person

Source: CBRE Limited and Novita Interpares

As shown in the following table, in terms of the meeting/convention and banquet function, the facility program at the subject GSCPC includes the main plenary room and 4 smaller meeting rooms, with the potential to breakout to 10 rooms, which is in line with other Tier 3 Convention Centres of comparable size in order to accommodate multiple functions in the same venue.

The Plenary / Ballroom is expected to cover 13,000 square feet, divisible by 3, with a reception capacity of 1,000 guests (or banquet capacity of 867), and could be combined to make either one large space or up to 3 alternative combinations. These configurations would be appropriate for exhibition, banquet and tradeshow functions, as well as larger convention groups.

Meeting Room configurations range from 250 square feet to 3,500 square feet. Meeting Room 1 is divisible by 2 and can accommodate groups of 125 and 167 separately, or 292 combined, while Meeting Room 2 (divisible by 3) can accommodate groups of 42, 63, 104 or 208 combined. Meeting Rooms 3 and 4 both have a capacity of 21 in classroom style at 12 square feet per person.

The overall size of the facility, the total square footage allotted to the main plenary (13,000 square feet), and the overall meeting space (6,500 square feet), have all been appropriately allocated. As currently configured, the “comfort capacity” of the facility for one convention in the range of **500 delegates**, who would require 6,000 square feet of primary meeting space in one room, 7,000 square feet of “dining” space in a second room, and at least 3,000 square feet of tradeshow space in a third room or in the crush space⁶, with a further 6,000 square feet of meeting breakout space. No other facility in Sudbury has the potential to comfortably host more than one convention of more than 300 delegates.

⁶ Crush space is defined as the lobby area or common area of a convention / performance venue that can accommodate the largest crowd expected for a reception

**GREATER SUDBURY CONVENTION AND PERFORMANCE CENTRE
RENTABLE MEETING/CONFERENCE SPACE**

Rentable Space	Total SF	Divisibility	Breakouts (SF)	Capacity
Plenary/PAC/Ballroom	13,000	3		867
Ballroom A			6,000	400
Ballroom B			4,000	267
Ballroom C			3,000	200
Meeting Room 1	3,500	2		292
			2,000	167
			1,500	125
Meeting Room 2	2,500	3		208
			1,250	104
			750	63
			500	42
Meeting Room 3	250	1	250	21
Meeting Room 4	250	1	250	21
TOTAL RENTAL SPACE	19,500	10	19,500	1,408

Notes: M&C Banquet capacity based on 15 sq.ft. per person; Meeting room capacity based on 12 sq.ft. per person

Source: CBRE Limited and Novita Interpares

Addendum "A" graphically depicts the subject GSCPC's positioning within the Performing Arts markets in Sudbury, Northern Ontario and Ontario; and within the Sudbury, Northern Ontario and Tier 3 Canadian Convention Centre markets, with 19,500 square feet of rentable space and 950 theatre-style seats.

Plenary / Live Performance Hall Design

The 13,000 square foot plenary room will be a three storey, clear span space capable of being divided into three small rooms through the use of motorized partition walls. The room will therefore provide multiple flat floor formats for meetings and banquets. When used in the live performance format, an automated seating system will provide 750 seats on tiers. These seating tiers will occupy about 50% of the floor area. At the top of the seating tiers and above the lobby, a mezzanine balcony will provide a further 200 fixed seats. The flat floor area facing the tiered seating will be used as the stage and backstage assembly/circulation. Above the stage, a motorized rigging system will allow for the quick installations of the masking draperies and track that will define the stage area. The stage area can be made larger or smaller depending on the type of performance. Also above the stage, there will be a lighting grid with automated fixtures for lighting the performance. The room will be designed with a low noise HVAC system and appropriate acoustic treatment of the walls.

GSCPC Capital Cost Estimates

Indicative capital cost estimates for the subject GSCPC have been prepared based on the recommended facility size of 60,500 square feet. CBRE and Novita have prepared high level cost estimates based on benchmarked capital costs from comparable precedent convention centres, performing arts centre and industry estimates.

Preliminary capital costs for the project, as defined, have been estimated at approximately **\$63 Million**, with an additional \$2.5 Million estimated for Production and Operational Development, for a total of approximately \$65.5 Million.

Production and Operational Development is an essential aspect of public venue development, particularly with the dual-functionality of the GSCPC. The estimated \$2.5 Million is expected to cover the following tasks:

1. Capital Development
 - a. Capital Revenue Plan
 - b. Funder and Donor Cultivation
 - c. Partnerships and Sponsorships
 - d. Capital Project Oversight
2. Operational Development
 - a. Recruitment of CEO
 - b. Operational Plan and 5 Year Budget
 - c. Information and Communication Platform
3. Pre-opening Operations
 - a. Temporary Office
 - b. Operating Protocols, Manuals and Job Descriptions
 - c. Staff Recruitment and Training
 - d. Market Development and First Year Sales
4. Launch
 - a. Communications Plan
 - b. Launch Budget
 - c. Opening Week Events

Given the multiple uses of this facility and its location in the Downtown core, the City will be in a good position to leverage available Provincial and Federal government funding opportunities, which may not be the case for other large-scale development projects currently being proposed for Greater Sudbury.

**GREATER SUDBURY CONVENTION AND PERFORMANCE CENTRE
PRELIMINARY CAPITAL COST ESTIMATES**

	Capital Cost Estimate	Per Sq.Ft.
Construction Cost (60,500 sq.ft.)	\$28,737,500	\$475
Vertical Lift Transformable Seating (see table below)	\$14,725,000	\$243
Presentation Systems and Equipment (see table below)	\$1,750,000	\$29
Furniture, Fixtures & Equipment	\$3,150,000	\$52
Subtotal Building Costs	\$48,363,000	\$799
Soft Costs	\$7,254,000	
Contingency	\$7,254,000	
Total Capital Cost (rounded)	\$63,000,000	\$1,041
Production & Operational Development	\$2,500,000	

Vertical Lift Transformable Seating	al Cost Estimate	Per Seat
Fully Installed Gala System	\$6,500,000	\$8,667
Finished Floor (5,000 sq.ft.)	\$250,000	\$263
Chairs (750)	\$375,000	\$395
Mechanical Pit	\$7,500,000	\$7,895
Balcony Seating	\$100,000	\$500
Subtotal Seating System	\$14,725,000	\$15,500
Presentation Systems and Equipment	al Cost Estimate	Per Seat
Stage and Rigging	\$500,000	
Stage Lighting	\$350,000	
Video Presentation	\$300,000	
Audio and Video Program Monitoring	\$200,000	
Administration & Box Office Fit Up	\$150,000	
Loose Equipment and Furnishings	\$100,000	
Grand Piano	\$150,000	
Subtotal Presentation and Equipment	\$1,750,000	\$1,842

Source: CBRE & Novita Interpares Estimate

Disclaimer: Capital costs and preliminary in nature and subject to schematic drawings of the subject building on the designated site, review by Architect and Cost Consultant.



MARKET AND OPERATING PROJECTIONS

Introduction

Market projections have been prepared for both the competitive Sudbury convention/event venue and Tier 3 Convention Centre market, along with the Sudbury and Ontario Performing Arts Centre market, together with 5-year utilization forecast for the Greater Sudbury Convention and Performance Centre based on an opening year of 2021. Projections for the subject facility include the number of events by type, as well as delegates / attendees and incremental room nights generated for the City of Greater Sudbury.

Market Demand Analysis – Convention Centre Component

Based on historic demand levels, competitive supply factors and economic forecasts, 5-year projections have been prepared for the competitive Tier 3 Convention Centre market, in terms of Conventions, Trade and Consumer Shows, Meetings, Food & Beverage/Social Events, and Other Events.

Conservative growth rates of 1.0% per annum have been forecast for each of the demand segments over the next 4 years (2017 to 2020). With the Greater Sudbury Convention and Performance Centre entering the market in 2021, the total number of events has been projected to increase to 3,078, increasing to 3,219 by 2025.

COMPETITIVE MARKET FORECAST - GREATER SUDBURY CONVENTION AND PERFORMANCE CENTRE

Supply Projections ¹	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Supply										
Number of Convention Centres	10	10	10	10	10	11	11	11	11	11
Total Square Feet	315,981	332,647	332,647	332,647	332,647	352,147	352,147	352,147	352,147	352,147
Supply growth		0.0%	0.0%	0.0%	0.0%	10.0%	0.0%	0.0%	0.0%	0.0%
Demand Projections²	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Conventions/Conferences										
Number of Events	157	158	160	162	163	167	170	172	174	175
demand growth		0.9%	1.0%	1.0%	1.0%	2.3%	1.9%	1.0%	1.0%	1.0%
Trade Shows										
Number of Events	23	23	23	24	24	25	25	25	26	26
demand growth		1.0%	1.0%	1.0%	1.0%	3.0%	2.0%	1.0%	1.0%	1.0%
Consumer Shows										
Number of Events	47	47	48	48	49	51	52	52	53	53
demand growth		1.0%	1.0%	1.0%	1.0%	4.0%	2.0%	1.0%	1.0%	1.0%
Meetings										
Number of Events	1,589	1,605	1,621	1,637	1,654	1,687	1,712	1,729	1,746	1,764
demand growth		1.0%	1.0%	1.0%	1.0%	2.0%	1.5%	1.0%	1.0%	1.0%
Food and Beverage / Social Events										
Number of Events	529	534	540	545	550	561	570	576	581	587
demand growth		1.0%	1.0%	1.0%	1.0%	2.0%	1.5%	1.0%	1.0%	1.0%
All Other										
Number of Events	553	559	564	570	575	587	596	602	608	614
demand growth		1.0%	1.0%	1.0%	1.0%	2.0%	1.5%	1.0%	1.0%	1.0%
Summary³	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total										
Conventions/Conferences	157	158	160	162	163	167	170	172	174	175
Trade Shows	23	23	23	24	24	25	25	25	26	26
Consumer Shows	47	47	48	48	49	51	52	52	53	53
Meetings	1,589	1,605	1,621	1,637	1,654	1,687	1,712	1,729	1,746	1,764
Food and Beverage / Social Events	529	534	540	545	550	561	570	576	581	587
All Other	553	559	564	570	575	587	596	602	608	614
Total Events	2,898	2,927	2,956	2,986	3,016	3,078	3,125	3,156	3,188	3,219

¹ Supply Projections - Based on the annual growth in the # of function rooms

² Demand Projections - Based on annual growth in the # of events by day of the week

³ Summary - The # of events based on the demand projections. Utilization is the number of actual events divided by the total possible events (operating days X # of function rooms)

Source: CBRE Limited

GSCPC Meeting/Convention and Banquet Utilization Forecasts

The market potential for M&C events at the Greater Sudbury Convention and Performance Centre has been based on the following factors:

- Economic influences;
- Competitive supply factors;
- Stakeholder engagement; and
- Sudbury's current situation and potential as a meetings destination.

In projecting utilization rates for the GSCPC during its first 5 years of operation, the concept of "fair market share" has been utilized. This concept states that a facility or destination will attract event demand in the same proportion as its share of function space and its destination. The basis assumption is that all things are equal, however: different hotels/resorts, Convention Centres and destinations achieve different levels of market penetration based on various competitive factors including location, access, venue, accommodation supply, delegate/consumer preferences, pricing, incentives and marketing and sales strategies. Market penetration levels in excess of 100% (fair market share) indicate that a Convention Centre and/or Destination Host City possess competitive advantages relative to the market as a whole; while competitive weaknesses are reflected in penetrations of less than 100%. Fair market share is a universally accepted analytical tool used to measure the market position of hospitality assets relative to its completion.

The following tables provide a summary of CBRE's demand projections for the GSCPC from all event types, relative to its competitive Tier 3 Convention Centre market. In its first year of operation, the GSCPC is projected to attract 14 major conventions, increasing to 16 conventions per year, by its stabilized 3rd year of operation. Given that Sudbury is the largest centre in Northern Ontario, with a diversified economy, excellent transportation connectivity to Southern Ontario and Quebec, and is bilingual, the City is well positioned to attract meetings and conventions in the education, health care, mining, environmental and tourism sectors as well as municipal, provincial federal government and indigenous group meetings. Examples include, but are not limited to: Associations of Municipalities of Ontario, Ontario Association of Chiefs of Police, Economic Development Council of Ontario, Canadian University Boards Association, Ontario Builders Association, Ontario Association of Radiologists, Ontario Provincial Planners Institute, Ontario Motorcoach Association, Travel Media Association, Astrophysics Convention, Canadian Association of Science Centres, North American Mining Expo, etc.

The GSCPC is not expected to attract its fair share of Trade and Consumer Shows, since most of these events have historically been held at the Sudbury Arena, and will likely be part of the event demand attracted to the new Sports and Entertainment Complex planned for Sudbury. Trade and Consumer Show Events at the GSCPC will be of a quality level that requires higher caliber service and facilities, i.e. Wine and Food shows, as opposed shows featuring large scale equipment, etc. A key part of GSCPC management's strategic focus will be to focus on trade shows as a function of convention business, as opposed to stand-alone trade and consumer shows.

Overall, the new GSCPC is projected to attract 188 M&C related events (conventions, trade and consumer shows, meetings, social banquets, weddings and other events) in its first year of operation, increasing to 221

events by Year 5. The Greater Sudbury Convention and Performance Centre is projected to achieve less than its fair market share of event business amongst its competitive Convention Centre market, ranging from 67% in Year 1 to 77% in Year 3.

**GREATER SUDBURY CONVENTION AND PERFORMANCE CENTRE
MEETING AND CONVENTION PROJECTIONS**

SUPPLY	2021	2022	2023	2024	2025
GREATER SUDBURY CONVENTION AND PERFORMANCE CENTRE					
Total Supply	11	11	11	11	11
Fair Share of Supply	9.1%	9.1%	9.1%	9.1%	9.1%
DEMAND PROJECTIONS	2021	2022	2023	2024	2025
Conventions/Conferences					
Number of Events	167	170	172	174	175
Fair Share of Events	15	15	16	16	16
Penetration Rate	90%	95%	100%	99%	98%
Total Events Captured	14	15	16	16	16
Ratio to Total Events	7.3%	7.2%	7.1%	7.1%	7.1%
Trade Shows					
Number of Events	25	25	25	26	26
Fair Share of Events	2	2	2	2	2
Penetration Rate	50%	60%	75%	74%	74%
Total Events Captured	1	1	2	2	2
Ratio to Total Events	0.6%	0.7%	0.8%	0.8%	0.8%
Consumer Shows					
Number of Events	51	52	52	53	53
Fair Share of Events	5	5	5	5	5
Penetration Rate	30%	40%	40%	40%	39%
Total Events Captured	1	2	2	2	2
Ratio to Total Events	0.7%	0.9%	0.9%	0.9%	0.9%
Meetings					
Number of Events	1,687	1,712	1,729	1,746	1,764
Fair Share of Events	153	156	157	159	160
Penetration Rate	85%	88%	90%	89%	88%
Total Events Captured	130	136	141	141	141
Ratio to Total Events	69.3%	66.6%	64.0%	64.0%	64.0%
Food & Beverage / Social Events					
Number of Events	561	570	576	581	587
Fair Share of Events	51	52	52	53	53
Penetration Rate	40%	50%	58%	57%	57%
Total Events Captured	20	26	30	30	30
Ratio to Total Events	10.9%	12.7%	13.7%	13.7%	13.7%
All Other Events					
Number of Events	587	596	602	608	614
Fair Share of Events	53	54	55	55	56
Penetration Rate	40%	45%	55%	54%	54%
Total Events Captured	21	24	30	30	30
Ratio to Total Events	11.2%	11.9%	13.6%	13.6%	13.6%
Total Demand					
Market Major Events	3,078	3,125	3,156	3,188	3,219
Fair Share of Market Events	280	284	287	290	293
Market Penetration	67%	72%	77%	76%	76%
TOTAL EVENTS	188	204	221	221	221

Source: CBRE Limited

In estimating the number of delegates to be hosted by the new GSCPC and associated room nights generated, the following assumptions have been utilized for each type of event:

Conventions

- Conventions of less than 250 delegates will average 200 persons, with larger Conventions of 251-500 delegates attracting 400 attendees, and Conventions of over 500 averaging 600 delegates.
- The average Convention will be 2 days in duration.
- Approximately 75% of delegates will stay overnight, at an average of 2 nights, with a multiple occupancy factor of 1.2 guests per room.

Based on these assumptions, the GSCPC is projected to attract 4,375 convention delegates and an estimated 5,470 room nights from its 14 Conventions in Year 1, increasing to 5,000 delegates and 6,250 room nights by Year 3.

In terms of the estimated value at projected conventions at the GSCPC, based on the average spending profile of convention attendees in Canada as at 2014, and Average Daily Rate estimates for accommodations in Sudbury, the typical convention delegate is expected to spend \$248 per event.

AVERAGE SPENDING PROFILE BY GSCPC ATTENDEES, 2021

Avg Spend of Business Events in Canada	Avg Spend
Provincial Delegates	\$109
National Delegates	\$401
International Delegates	\$1,152
Primary Sudbury Hotels ADR	\$138
Avg Spend per Convention Delegate to GSCPC (Yr1)	\$248
Avg Spend Per Convention Delegate Day (Yr 1)	\$106

Source: The Economic Contribution of Business Events in Canada, 2012 Base Year, Published July 2014 and CBRE Assumptions inflated to 2021

This equates to total spending of \$1.3 Million on the 16 conventions projected to be hosted by the GSCPC in 2023, or an estimated value of **\$82,700 per convention in off-site delegate spending** (including spending at accommodations, local restaurants, local transportation, parking, car rentals, attractions and entertainment, retail, recreation, but excluding spending associated with registration fees, meals and other expenditures at the events on-site at the GSCPC).

Trade Shows

- Trade Shows will average 500 attendees.
- The average Trade Show will be 2 days, with 60% of attendees staying overnight for 1.5 nights, based on single occupancy.

The GSCPC is projected to attract 560 delegates and 505 room nights during its first year of operation, increasing to 865 attendees and approximately 780 room nights by Year 3.

Consumer Shows

- Consumer Shows will average 1,000 attendees.
- The average Consumer Show will be 3 days, with 10% of attendees staying overnight for 1 night, based on 2 guests per room.

The GSCPC is projected to attract 1,385 attendees and 70 room nights during its first year of operation, increasing to 1,905 attendees and 95 room nights by Year 3.

With the new Sports and Entertainment Centre projected to open in the Sudbury market over the same period as the GSCPC, it has been assumed that most of the Trade Show and Consumer Show demand in the Sudbury market will go to that facility. Trade and Consumer Show Events at the GSCPC will be of a quality level that requires higher caliber service and facilities, i.e. Wine and Food shows.

Meetings

- The typical meeting hosted at the GSCPC will be 1.2 days in duration at an average size of 75 delegates.
- It is expected that the majority of meetings demand will be drawn from regional sources, with an estimated 35% of guests staying overnight, at an average of 1.2 nights, based on 1.1 guests per room.

The number of delegates attending meetings at the Convention and Performance Centre has been estimated at 9,775 in Year 1 increasing to 10,610 by Year 3. It is estimated that this demand segment will generate 3,730 room nights in Year 1, increasing to 4,050 room nights by Year 3.

Food & Beverage / Social Events

- Food and Beverage events include any social event held at the GSCPC which includes food and beverage services (i.e. banquets, awards ceremonies, weddings, fundraisers, etc.)
- Food and Beverage related events are expected to be 1 day events with an average of 350 persons.
- These types of events will attract larger guest parties, of which an estimated 20% will require overnight accommodations, averaging 2.0 guests per room and 1 night in duration. While the majority of demand for these events will be regional in nature, we have assumed that 20% of guests will be from out of town, thereby requiring overnight accommodations.

By its 3rd year of operation, the Greater Sudbury Convention and Performance Centre is expected to host 10,625 guests stemming from Food & Beverage / Social Events, generating 1,060 room nights for the City.

Other Events

- Other events are expected to be 1 day events with an average of 300 persons.
- An estimated 30% of attendees are expected to be from out of town, and will require overnight accommodations, averaging 1.2 guests per room and 1 night in duration.

By its 3rd year of operation, the Greater Sudbury Convention and Performance Centre is expected to host 9,025 guests stemming from Other Events, generating 1,355 room nights for the City.

Total Delegates and Room Nights

The following table provides a summary of the total delegates and room nights generated by the subject Greater Sudbury Convention and Performance Centre over its first 5 years of operation.

Based on the preceding analysis, the GSCPC is forecast to host 221 M&C related events, attracting 38,000 delegates/attendees, which in turn will generate 13,860 room nights by its 3rd year of operation. An estimated 50% of room nights generated by functions held at the Convention and Performance Centre will be incremental new demand for the City because of the new Convention Centre, equating to an estimated 6,750 additional room nights. Additional convention visitors who previously did not utilize Sudbury as a convention location will be expected to induce new demand, thereby driving overnight demand levels higher in the City overall.

GREATER SUDBURY CONVENTION AND PERFORMANCE CENTRE TOTAL PROJECTED DELEGATES/ATTENDEES AND ROOM NIGHTS GENERATED

		Year 1	Year 2	Year 3	Year 4	Year 5
Type of Event						
Conventions/Conferences		14	15	16	16	16
Trade Shows		1	1	2	2	2
Consumer Shows		1	2	2	2	2
Meetings		130	136	141	141	141
Food & Beverage / Social Events		20	26	30	30	30
Other Events		21	24	30	30	30
Total Events		188	204	221	221	221
Delegates						
Conventions/Conferences		4,370	4,700	5,000	5,000	5,000
Trade Shows		560	690	870	870	870
Consumer Shows		1,390	1,890	1,910	1,910	1,910
Meetings		9,770	10,210	10,610	10,610	10,610
Food & Beverage / Social Events		7,150	9,070	10,620	10,620	10,620
Other Events		6,320	7,310	9,030	9,030	9,030
Total Delegates		29,560	33,870	38,040	38,040	38,040
Event Days						
Conventions/Conferences		32	34	37	37	37
Trade Shows		2	3	3	3	3
Consumer Shows		3	4	4	4	4
Meetings		156	163	170	170	170
Food & Beverage		20	26	30	30	30
Other Events		21	24	30	30	30
Total Event Days		235	255	274	274	274
Delegate Days						
Conventions/Conferences		10,250	11,020	11,720	11,720	11,720
Trade Shows		1,120	1,370	1,730	1,730	1,730
Consumer Shows		2,770	3,770	3,810	3,810	3,810
Meetings		11,730	12,260	12,730	12,730	12,730
Food & Beverage / Social Events		7,150	9,070	10,620	10,620	10,620
Other Events		6,320	7,310	9,030	9,030	9,030
Total Delegate Days		39,340	44,800	49,640	49,640	49,640
Room Nights						
Conventions/Conferences		5,470	5,880	6,250	6,250	6,250
Trade Shows		500	620	780	780	780
Consumer Shows		70	90	100	100	100
Meetings		3,730	3,900	4,050	4,050	4,050
Food & Beverage /Social Events		890	1,130	1,330	1,330	1,330
Other Events		1,580	1,100	1,350	1,350	1,350
Total Room Nights		12,240	12,720	13,860	13,860	13,860
2023 Projected M&C Room Nights in Sudbury				34,840		
Incremental New M&C Room Nights to Sudbury				6,750		

Source: CBRE Limited

GSCPC Performing Arts Utilization Forecasts

As discussed, the core business of the GSCPC will be to host conventions, meetings and banquet style events. When not in use for the afore-mentioned 235 to 275 meeting/convention related event days, the Greater Sudbury Convention and Performance Centre will have the unique potential to host live performances and related events, offering 750 automated lift-style seats and 200 balcony seats in the main live performance hall.

Similar to the meetings and convention utilization forecasts, the market potential for live performance events at the GSCPC has been based on the following factors:

- Economic influences;
- Competitive supply factors;
- Stakeholder engagement; and
- Sudbury's current situation and potential as a cultural centre and performing arts destination.

In estimating the number of live performance events to be hosted by the new GSCPC, the following assumptions have been utilized for each type of event:

Sudbury Produced Shows

- **Sudbury Symphony**
 - The Sudbury Symphony is currently utilizing the Fraser Auditorium at Laurentian University, along with the Glad Tidings Church and All Nations Church, to produce up to 10 shows annually, with an average attendance of 700 persons. With the new GSCPC, the Symphony has the potential to increase its performances to 11 per year.
- **Laugh Out Loud Festival**
 - Laugh Out Loud Comedy Festival spans 5 days in March, over 2 weekends and includes 5 small shows that typically have an attendance of 140 people each. Currently, the Festival uses a variety of different venues to host shows, however they used to use the Sudbury Arena for two primary mainstage shows where they sold upwards of 2,000 tickets. The Festival is interested in once-again producing larger shows with quality talent, similar to the events that were formerly held at the Sudbury Community Arena. The subject GSCPC has the potential to accommodate the Festival's needs for an estimated 2 events that span 4 days each per year.
- **Sudbury Theatre Centre (STC) events**
 - There are approximately 400 to 500 seasonal subscriptions at the Sudbury Theatre Centre. The STC can currently only be used for one event at a time and with access to a second venue like the GSCPC, they could undertake multiple events. It has been estimated that the GSCPC would host up to 2 to 3 events produced by the STC, with each event being held over 2 days.

- **Other Sudbury Produced Events**

- Other potential events which could be held at the GSCPC include film presentations, year-end presentations by local dance schools, seasonal presentations, children's theatre events, lectures, etc.
- Because priority will be given to booking and hosting large-scale Meetings and Conventions. Touring Shows and Sudbury-produced shows requiring 950 seats and/or 13,000 square feet of flat floor space, Other Sudbury Produced Events will be scheduled based on a short-term availability basis. Booking policies will be put into place as part of the Centre's Operations Plan, denoting preferred booking windows for each type of event.
- It has been estimated that the GSCPC would host 9 to 11 Other Sudbury produced events over its first 5 years of operation, spanning 11 to 15 event days.

Touring Shows

- **Ontario Presents/Other Touring Shows**

- Most civic theatres in Ontario belong to a network (Ontario Presents) which shares booking information and tour coordination. This network would be a prime source for product at the GSCPC, which might tour to a mid-size venue in Sudbury. Based on a review of other mid-size Ontario venues that belong to the network, it has been estimated that at least 20 to 24 Ontario Presents productions could be hosted at the GSCPC per year, with some productions held over 2 nights, and others one night, for an average of 1.5 nights.

- **Convention Market / Private Shows**

- Many conventions offer attendees a private concert as part of the convention experience. This amenity is most common in corporate events and the Greater Sudbury Convention and Performance Centre would be adding value to its sales appeal to event planners if it had this capacity. The Greater Sudbury Convention and Performance Centre's convention function is a potential market (through private concerts) for its live performance function. The GSCPC is projected to attract 2 to 3 convention-related private shows on an annual basis, which would be available to convention delegates.

Total Performing Arts Events

The following table provides a summary of the total delegates and room nights generated by the Greater Sudbury Convention and Performance Centre over its first 5 years of operation.

Based on the preceding analysis, the Greater Sudbury Convention and Performance Centre is forecast to host 55 live performance events over 70 event days by its 3rd year of operation, attracting an estimated 47,000 attendees, of which close to 70% will derive from the resident market and 30% will be overnight and same-day visitors to Sudbury.

PROJECTED PERFORMING ARTS EVENTS AND ATTENDANCE LEVELS, (2021 TO 2025)
GREATER SUDBURY CONVENTION AND PERFORMANCE CENTRE

Number of Performance Events	2021	2022	2023	2024	2025
Sudbury-Produced Events					
Sudbury Syphony	10	10	11	11	11
Laugh out Loud Comedy Festival	2	2	2	2	2
Sudbury Theatre Centre	2	3	3	3	3
Other Locally Produced Events	9	10	11	11	11
Subtotal	23 51%	25 50%	27 49%	27 49%	27 49%
Touring Events					
Ontario Presents/Other Touring Events	20	22	24	24	24
Convention Private Events	2	3	4	4	4
Subtotal	22 49%	25 50%	28 51%	28 51%	28 51%
TOTAL EVENTS	45 100%	50 100%	55 100%	55 100%	55 100%
Number of Performance Dates					
Sudbury-Produced Events					
Sudbury Syphony	10	10	11	11	11
Laugh out Loud Comedy Festival	4	4	4	4	4
Sudbury Theatre Centre	4	6	6	6	6
Other Locally Produced Events	11	13	15	15	15
Subtotal	29 52%	33 52%	36 51%	36 51%	36 51%
Touring Events					
Ontario Presents/Other Touring Events	25	28	30	30	30
Convention Private Events	2	3	4	4	4
Subtotal	27 48%	31 48%	34 49%	34 49%	34 49%
TOTAL PERFORMANCE EVENT DAYS	56 100%	64 100%	70 100%	70 100%	70 100%
AVAILABLE MARKET SEGMENTS					
Resident Market	26,500 71%	29,700 70%	31,800 68%	31,900 68%	32,000 68%
Overnight Tourists	7,600 20%	8,700 21%	10,300 22%	10,300 22%	10,300 22%
Same-Day Tourists	3,100 8%	3,800 9%	4,500 10%	4,500 10%	4,600 10%
TOTAL ATTENDANCE	37,200 100%	42,200 100%	46,600 100%	46,700 100%	46,900 100%

Source: CBRE Limited and Novita Interpares

Estimated spending on performances at the GSCPC in 2023, based on off-site resident and visitor spending (i.e. on meals, local transportation, parking, etc.), as well as projected Average Daily Rates for Sudbury accommodations, has been forecast to reach \$960,000. This equates to an estimated value of **\$17,500 per performing arts event in off-site delegate spending**, not including ticket costs or any food and beverage purchased on-site at the GSCPC.

GSCPC Operating Revenue and Expense Forecast

Operating Projections have been prepared for the Greater Sudbury Convention and Performance Centre over a five-year projection period. In preparing these projections, we have compared the operating performance of other Tier 3 Canadian Convention Centres, and Sudbury area hotels & other venues with meeting space, as well as other mid-sized Performing Arts Centres across Ontario. Projections for the subject Greater Sudbury Convention and Performance Centre's results are based on a number of variables, including, but not limited to: the size of the building, occupied space, the number of events/event days, the number of attendees/attendee days and inflation. It should be noted that financial operating projections for the Centre are net of any property taxes and insurance, as the building's insurance is assumed to be covered by an umbrella policy with the City.

GSCPC Staffing Schedule

The total Year 1 full-time staffing requirements for the Greater Sudbury Convention and Performance Centre have been presented in the following table. As shown, an estimated 14 full-time equivalent positions are recommended, which based on industry standards and comparable facilities, equates to just over \$1 Million in payroll and benefits in Year 1.

GREATER SUDBURY CONVENTION AND PERFORMANCE CENTRE MANAGEMENT STAFFING SCHEDULE

Position	Payroll
Executive Director	\$100,000
Executive Assistant	\$50,000
Financial Officer	\$70,000
Front of House Mgr	\$50,000
Box Office Manager	\$50,000
Director of M&C Events	\$65,000
Event Manager	\$50,000
Production Manager	\$60,000
AV / Production Manager	\$60,000
Customer Service	\$50,000
Director of Marketing	\$70,000
M&C Sales	\$50,000
Facility Manager	\$65,000
Custodian	\$50,000
Total Payroll	\$840,000
Benefits (25%)	\$210,000
TOTAL PAYROLL & BENEFITS	\$1,050,000

Source: CBRE Limited and Novita Interpares

Departmental Revenues and Expenses

Event Revenues and Expenses

Space Rentals for Meeting & Convention Events

Space rental rates for Convention Centres tend to be negotiated according to a number of factors, including: the size and duration of the event; ancillary revenues generated from food and beverage activities; exhibition requirements; and the number of room nights required from the hotel sector. Generally speaking, rental rates are highest for conventions, multi-day large meetings and conventions, and lowest for local meetings and other events.

The following table provides an overview of Year 1 rental rates for the GSCPC based on rates achieved at comparable Tier 3 Convention Centres. Rates have been inflated by 2% on an annual basis for the balance of the project period, to increase with inflation. The model reflects an effective rental income at 90% of the total for each year, after discounting, equating to \$0.05 per available rentable square foot. Discounting of space rental rates will likely be required to negotiate and attract major city-wide events that generate multiple room nights for the Sudbury accommodation market. However, it is recommended that the Convention Centre should not provide discounts for small social events and local meetings.

GSCPC M&C Space Rental Rates - Year 1

Assumptions	Sq.Ft.	Rental Rates	Per Sq.ft.
Plenary/PAC/Ballroom	13,000	\$5,000	\$0.38
Meeting Room 1	3,500	\$1,575	\$0.45
Meeting Room 2	2,500	\$1,125	\$0.45
Meeting Room 3	250	\$113	\$0.45
Meeting Room 4	250	\$113	\$0.45
Lobby Reception	4,000	\$1,800	\$0.45
Year 1 Achieved Rental Income from M&C Events		\$354,000	\$0.05

Source: CBRE Limited

Space Rentals for Sudbury-Produced Performing Arts Events

Rental rates for the Performing Arts venue have been based on a range of per seat rates, as depicted in the following table.

In Year 1, the GSCPC is projected to host 23 Sudbury-produced Performing Arts events at an average rental rate of \$3,325, 10 Symphony rehearsals at \$1,000 and 23 set up/take down days at an average of \$1,660, for a total of just under \$125,000 in venue rental income, increasing to just under \$159,000 by Year 5.

GSCPC Performance Venue Rental Rates

Assumptions	Seats	Rental Rate Per Seat	Revenue	Per Sq.Ft.
	950	\$2.00	\$1,900	\$0.15
	950	\$3.00	\$2,850	\$0.22
	950	\$4.00	\$3,800	\$0.29
	950	\$5.00	\$4,750	\$1.36
Rehearsals			\$1,000	\$0.08
Set Up Take Down		50% of Rental Rate		
AVG Rental Rate			\$3,325	\$0.26
Year 1 Achieved Rental Income from PAC Events			\$125,000	

Source: CBRE Limited and Novita Interpares

Space Rental and Box Office Expenses

Space rental expenses include payroll and benefits associated with a Director of M&C Events, Event Manager, Production Manager, Front of House Manager and Box Office Manager plus cost of labour for box office operations and set up and tear down of all events.

In the GSCPC's 1st year of operation, direct expenses are projected at an estimated \$388,000, or 81% of total space rentals for M&C and performance event rentals related to Sudbury-produced shows. By Year 5, departmental expenses are projected to reach \$447,000.

Ticket Sales from Touring Performing Arts Events

In Year 1, the GSCPC is projected to host 22 touring presentations over 27 event days at an average ticket price of \$40.00 with an average audience sell of 70% of the 950-seats available, resulting in ticket sales of \$718,000. As the number of touring presentations increases to 28 events held over 34 days by Year 5, GSCPC income from ticket sales of presentations is projected to reach an estimated \$1 million.

Presentation Product – Artists Expenses

Assuming an average of \$12,500 spent on each presentation, the live performance program at the GSCPC would spend in the order of \$338,000 to purchase product in Year 1, increasing to \$488,000 by Year 5, representing approximately 47% of ticket sales.

Other Related Presentation Expenses

An additional \$8,000 per touring presentation will be spent on promoting and managing the event for a total annual cost of \$216,000 in Year 1, increasing to \$312,000 by Year 5.

After artists fees and other presentation related expenses, the net income from touring presentations is projected to be in the range of \$164,000 in Year 1 to \$239,000 by Year 5, representing 23% of revenues. The subject projections have been based on achieving an average audience sell of 70%. A typical break-even point would be in the range of 65% (615 seats sold out of 950 seats available).

Presentation Sponsorships

Sponsorships of individual presentations is a form of low-key advertising which benefits local sponsors by connecting them with a like-minded audience. Built over time through careful cultivation and management, a mature sponsorship program could generate an average of \$5,000 per event, for an annual total in the order of \$110,000 in Year 1, increasing to \$140,000 by Year 3.

Other Service-Related Revenues and Expenses

Box Office Charges

The GSCPC will operate its own box office, and take a ticket sale surcharge from all tickets sold whether for a touring presentation or rental event. Assuming a Box Office Surcharge of \$2.50 per performing arts ticket, this source would produce annual revenue in the order of \$93,000 in Year 1, increasing to \$127,000 by Year 5. Box office labour expenses have been estimated at \$1.00 per ticket, resulting in net revenues of \$56,000 in Year 1, increasing to \$76,000 by Year 5.

Retail/Merchandising

Retail/merchandising income has been estimated at \$1.00 per capita, with 50% cost of goods sold, for net retail income of \$33,000 in Year 1, increasing to over \$46,000 by Year 5.

Food and Beverage Commission

For the purposes of our analysis, we have assumed that the Food and Beverage will be outsourced to a third party operator, with the GSCPC retaining a 15% commission on all food and beverage sales.

Food and beverage revenues have been projected on a delegate day basis, at \$19.80 per capita in Year 1, increasing by inflation and utilization for the balance of the projection period.

At these levels, the GSCPC is expected to generate \$1.5 Million in revenues for Year 1, increasing to approximately \$2 Million by Year 5. At a 15% commission rate, the GSCPC is projected to generate \$227,000 in F&B commissions in Year 1, increasing to \$309,000 by Year 5.

AV Rentals

Other revenue sources include income from customer services for exhibit set-up for third parties, A/V and equipment rental, promotions and other minor sources of income. A/V and other operating revenues have

been estimated at an average of \$695 in Year 1 which at 188 event days equates to total revenues of \$131,000 in Year 1, increasing to \$166,000 by Year 5 of operation.

Other Event Services payroll and benefits include A/V Technician at \$60,000 plus benefits, and direct operating expenses, which have been projected at 10% of other event revenues. Total expenses approximate \$94,000 or 72% of Other Event Services revenues in Year 1, decreasing to an estimated 63% of revenues by Year 5.

Undistributed Expenses

Administration and General

This category includes the salary and wages of administrative staff, credit card commissions, cash overages and shortages, bad debt expense, data processing, executive office expenses, general insurance, professional fees, security and travel. Salaries and wages include the Executive Director, Executive Assistant, and Finance Officer at \$298,000 plus 25% for employee benefits in Year 1.

Other Administrative expenses, including professional fees/services, finance charges and other direct costs have been estimated at approximately \$54,000 in Year 1, increasing to an estimated \$59,000 by Year 5. As such, total administrative and general expenses have been estimated at \$352,000 in Year 1, or 20% of total revenues.

IT and Communications

This category consolidates all system-related technology expenses and includes four major categories: labour costs and related expenses, cost of services, system expenses and other expenses. IT and Communications have been estimated at \$49,000 in Year 1 increasing to \$53,000 by Year 5.

Sales and Marketing

A Marketing Director will oversee the Sales and Marketing Department, which will also include a position for M&C Sales and Customer Service. The total payroll and benefits for the department have been estimated at \$203,000 in Year 1, increasing with inflation to an estimated \$220,000 by Year 5.

It has also been forecast that the department will budget \$43,000 towards sales and promotion. Total marketing and sales expenses are expected to reach \$246,000 in Year 1, or 14% of gross revenues.

Property Operation and Maintenance

This expense category consists of salaries, wages and employee benefits for a Facility Manager and a Custodian, normal building maintenance, electrical and mechanical equipment, grounds maintenance, operating supplies, maintenance contracts, furniture cleaning and repair, waste removal and uniforms. For

the purposes of these projections, we have allocated \$210,000 in Year 1, increasing to \$227,000 by Year 5, representing 12% of total revenues.

Utilities

Energy expenses, related to the heat, light and power of the GSCPC, have been projected at \$3.50 per square foot, equating to \$229,000 in Year 1 for a total building of 60,500 square feet, increasing to over \$248,000 by Year 5.

Other Fixed Charges

Management Fee

For the purposes of this analysis, we have assumed that the GSCPC will be operated by a 3rd party management firm, at an annual fee of \$108,000 in Year 1, increasing by inflation thereafter.

Provision for Capital Replacement

A reserve for asset replacement has been included to account for the replacement of furnishings and fixtures as required to maintain the quality of product offered by the GSCPC. As a percentage of gross revenues, these expenditures have been projected at 3.0% per year. This will amount to an estimated \$330,000 over the five-year projection period.

Operating Forecasts

Operating forecasts for the first five years of operation have been based on 19,500 square feet of rentable space and 950 seats, with the Greater Sudbury Convention and Performance Centre hosting 221 M&C events and 274 event days as well as 55 Performing Arts events over 70 event days by Year 5 of its operation (2025).

As shown in the following operating statement, the subject GSCPC is projected to operate at a net loss of \$493,000 in Year 1, decreasing to a net loss of \$272,000 by Year 5.

PROFORMA STATEMENT of INCOME and EXPENSES - 2021 to 2025
GREATER SUDBURY CONVENTION AND PERFORMANCE CENTRE

	2021	2022	2023	2024	2025					
Facility										
Rentable Space (sq.ft.)	19,500	19,500	19,500	19,500	19,500					
# Seats	950	950	950	950	950					
Total Building (sq.ft.)	60,500	60,500	60,500	60,500	60,500					
M&C Events										
Total M&C	188	204	221	221	221					
Total M&C Event Days	235	255	274	274	274					
Total M&C Attendees	29,600	33,900	38,000	38,000	38,000					
Total M&C Attendee Days	39,300	44,800	49,600	49,600	49,600					
PAC Events										
Total PAC Events	45	50	55	55	55					
Total PAC Event Days	56	64	70	70	70					
Total PAC Attendees	37,200	42,200	46,600	46,700	46,900					
TOTAL EVENTS	233	254	276	276	276					
TOTAL EVENT DAYS	291	319	344	344	344					
TOTAL ATTENDANCE	66,800	76,100	84,600	84,700	84,900					
TOTAL ATTENDEE DAYS	76,500	87,000	96,200	96,300	96,500					
REVENUES										
Event Revenues										
M&C Space Rentals	\$354,000	20%	\$399,000	19%	\$442,000	19%	\$451,000	19%	\$460,000	19%
PAC Space Rentals	\$125,000	7%	\$138,000	7%	\$153,000	7%	\$156,000	7%	\$159,000	7%
PAC Touring Show Ticket Sales	\$718,000	55%	\$893,000	57%	\$999,000	58%	\$1,019,000	58%	\$1,039,000	58%
Sponsorships	\$110,000	8%	\$125,000	8%	\$140,000	8%	\$140,000	8%	\$140,000	8%
Subtotal	\$1,307,000	73%	\$1,555,000	74%	\$1,734,000	74%	\$1,766,000	74%	\$1,798,000	74%
Other Service-Related Revenues										
Box Office Surcharge	\$56,000	3%	\$65,000	3%	\$73,000	3%	\$74,000	3%	\$76,000	3%
Retail / Merchandising	\$67,000	4%	\$78,000	4%	\$88,000	4%	\$90,000	4%	\$92,000	4%
Food & Beverage Commission	\$227,000	13%	\$262,000	12%	\$297,000	13%	\$303,000	13%	\$309,000	13%
AV Rentals	\$131,000	7%	\$145,000	7%	\$160,000	7%	\$163,000	7%	\$166,000	7%
Subtotal	\$481,000	27%	\$550,000	26%	\$618,000	26%	\$630,000	26%	\$643,000	26%
Total Revenues	\$1,788,000	100%	\$2,105,000	100%	\$2,352,000	100%	\$2,396,000	100%	\$2,441,000	100%
DEPARTMENTAL EXPENSES										
Space Rentals & Events	\$351,000	73%	\$366,000	68%	\$381,000	64%	\$388,000	64%	\$396,000	64%
Presentation Product - Artists Expense	\$338,000	47%	\$419,000	47%	\$469,000	47%	\$479,000	47%	\$488,000	47%
Other Related Presentation Costs	\$216,000	30%	\$268,000	30%	\$300,000	30%	\$306,000	30%	\$312,000	30%
Retail Cost of Goods Sold	\$34,000	51%	\$39,000	50%	\$44,000	50%	\$45,000	50%	\$46,000	50%
AV Rental Costs	\$94,000	72%	\$97,000	67%	\$100,000	63%	\$102,000	63%	\$105,000	63%
Total Departmental Expenses	\$1,033,000	58%	\$1,189,000	56%	\$1,294,000	55%	\$1,320,000	55%	\$1,347,000	55%
UNDISTRIBUTED OPERATING COSTS										
Administration & General	\$352,000	20%	\$359,000	17%	\$366,000	16%	\$373,000	16%	\$381,000	16%
Information & Telecommunications	\$49,000	3%	\$50,000	2%	\$51,000	2%	\$52,000	2%	\$53,000	2%
Sales and Marketing	\$246,000	14%	\$251,000	12%	\$256,000	11%	\$261,000	11%	\$267,000	11%
Property Operations & Maintenance	\$210,000	12%	\$214,000	10%	\$218,000	9%	\$223,000	9%	\$227,000	9%
Utilities	\$229,000	13%	\$234,000	11%	\$238,000	10%	\$243,000	10%	\$248,000	10%
Total Undistributed Expenses	\$1,086,000	61%	\$1,108,000	53%	\$1,129,000	48%	\$1,152,000	48%	\$1,176,000	48%
OTHER FIXED CHARGES										
Management Fee	\$108,000	6%	\$110,000	6%	\$113,000	6%	\$115,000	6%	\$117,000	6%
Reserve for Asset Replacement	\$54,000	3%	\$63,000	3%	\$70,600	3%	\$72,000	3%	\$73,000	3%
Total Fixed Charges	\$162,000	9%	\$173,000	8%	\$183,600	8%	\$187,000	8%	\$190,000	8%
NET OPERATING INCOME	-\$493,000	-28%	-\$365,000	-17%	-\$255,000	-11%	-\$263,000	-11%	-\$272,000	-11%

Source: CBRE Limited and Novita Interpares



GSCPC ECONOMIC IMPACT

Introduction

While most Convention Centres and Performing Arts Centres are viewed by municipal ownership as “loss” leaders, it is recognized that they also contribute essential economic activity that drives new tax revenues, economic benefit and employment from other services and establishments like hotels, restaurants and retail stores. It is largely because of this benefit that communities “accept” annual losses from facility operations because it is the sole or primary source of new business activity in the central business district.

For the purposes of this analysis, the economic impact of the capital investment for the GSCPC has been calculated, followed by the impact of its operation by the venue’s first stabilized year (Year 3, 2023), together with the impact of off-site visitor spending. A summary for the total economic impact of capital investments, operations and off-site visitor spending follows.

Estimating the Economic Contribution of Business Events in Canada

The number of meetings and conventions, live performances and arts events and the amount of revenue they can generate, has fluctuated historically in line with the global economy, but the value of the sector has always been somewhat vague. Only now are governments starting to recognize that the meetings and performing arts sectors can create a genuine economic contribution, separate from the hospitality industry.

Until recent years, there has been a knowledge gap in the measurement of the meetings and business events sector’s contribution to the national, regional and local economies. The knowledge gap has now been addressed through 3 national studies:

- In 2006, MPI Foundation Canada initiated the first-ever national study of the economic contribution of meetings activity (The Economic Contribution of Meetings Activity in Canada, released in 2008 for base year 2006);
- In 2009, an update of the Canadian Economic Impact Study (CEIS 2.0) was undertaken through modeling the original data linked to officially reported tourism statistics that extended the timeframe for reported meetings activity in 2008; and
- Building on the foundation of the previous work, in July 2014, the 2012 Canadian Economic Impact Study (CEIS 3.0) was released using 2012 as the base year, with economic contributions reported not only at the national level, but also at the regional and municipal levels. The 2012 CEIS 3.0 study was commissioned by the Meeting Professionals International Foundation of Canada (MPIFC) and was undertaken by Maritz Research Canada, the Conference Board of Canada Greenfields Services Inc. and the Canadian Tourism Human Resource Council, with input gathered through 3,400

completed surveys from venue managers, meeting organizers, exhibitors, speakers, delegates, and destination marketing organizations (DMOs).⁷

If developed, the direct operating and capital expenditures made by the GSCPC will affect every aspect of economic activity, however will not be a true measure of its economic impact. This identifies only part of the effects of management's and visitor spending on the economy, which is illustrated by tracking the impact of expenditures through the various sectors of the economy. For example, when a meeting includes food and beverage components (initial expenditures), it can be traced back through the wholesale, food and related industries, to the agricultural producers.

The initial expenditure will, firstly impact the front line business (Direct Impact). In this case, the GSCPC's rentals/performances are the front line businesses. Direct Impacts are the effects associated with the "first round" of expenditures related to the activities under study, including:

- Labour income paid to employees;
- Purchases of goods and services used in the operations (e.g. event supplies); and
- Sales and other indirect taxes paid to governments in conjunction with the above expenditures.

The GSCPC will create demands on their suppliers, and those suppliers will create demands on their suppliers, generating further income, employment and taxes (Indirect Impact). The supplier purchases materials, services and equipment to sustain the requirements generated by tourism expenditures and his/her purchases in turn give rise to employment, income and taxes in those industries supplying them, and so on.

This is not the end. Industries generate income and this is re-spent by households and businesses on consumption and investment, creating even more demands in the economy (Induced Impacts). All of this economic activity is in response to the original Centre's operating and/or visitor's expenditure.

The same kind of economic activity can also be traced by the initial capital investment to build the subject facility. Specifically, it can be traced to capital costs involved in undertaking construction of the new facility, seating and staging technology, and furniture, fixtures and equipment for example.

The definition of Economic Impact refers to the employment and the value-added accruing to the residents of Greater Sudbury, and at the provincial level. Employment impacts are measured in **jobs**. This includes full-time, part-time, seasonal employment, as well as both employed and self-employed. **Value-added (also referred to as Gross Domestic Product)** measures the economic value created through the production of goods and services and is one of the most commonly used indicators of economic activity. Value-added impacts consist of the following:

- Labour income, which includes wages and salaries and supplementary labour income (benefits) to workers;
- Business income, which includes net before-tax income of unincorporated business and corporate business income before deductions for depreciation, interest and corporate income taxes; and

⁷ Meetings Activity Profile Report (CEIS 3.0), 2012 Base Year, pg. 3

- Government income, which consists of indirect taxes as well as goods and services purchased from the government. Indirect taxes include taxes such as sales taxes and property taxes, but exclude personal income taxes and corporate income taxes.

The Economic impacts presented in this study measure the **direct, indirect and induced impacts**.

Economic Impact of Capital Investment

As shown in the following table, an estimated \$65.5 million will be spent in the initial capital expenditure required to develop the GSCPC.

Value Added Impacts

The additional value associated with the initial capital investment has been estimated at \$26 million on a direct and indirect basis. As a result of re-spending of labour income and/or profits earned in the direct and indirect industries, a further \$5.6 million has been estimated for induced impacts. Of the \$33 million in total GDP generated by the capital investment, 90% (\$29.7 million) is expected to directly benefit Greater Sudbury.

Employment Impacts

Approximately \$23.6 million will trickle down into wages and salaries from the \$33 million in Provincial GDP. Close to \$21 million (94%) of wages and salaries will be retained within Greater Sudbury. These wages will support 178 direct, 53 indirect and 67 induced jobs in Ontario, for a total of 298 jobs province-wide.

Revenues to Government

The capital investment for development of the GSCPC will contribute to total annual direct taxes of \$9.2 million in Greater Sudbury, with approximately \$4 million in Federal Taxes, \$4 million in Provincial Taxes and \$830,000 in Municipal Taxes.

ECONOMIC IMPACTS OF CAPITAL INVESTMENT GREATER SUDBURY CONVENTION AND PERFORMANCE CENTRE

Total Impact of Capital Investment				
	Greater Sudbury	Rest of Ontario	TOTAL	
Total Capital Spending	\$65,500,000			
Gross Domestic Product (GDP)				
Direct	\$20,255,000	\$520,000	\$20,775,000	63%
Indirect	\$3,834,000	\$1,377,000	\$5,211,000	16%
Induced	\$5,635,000	\$1,389,000	\$7,024,000	21%
Total	\$29,724,000	\$3,286,000	\$33,010,000	100%
Labour Income				
Direct	\$14,645,000	\$379,000	\$15,024,000	64%
Indirect	\$2,823,000	\$1,014,000	\$3,837,000	16%
Induced	\$3,720,000	\$999,000	\$4,719,000	20%
Total	\$21,188,000	\$2,392,000	\$23,580,000	100%
Employment (Jobs)				
Direct	174	4	178	60%
Indirect	39	14	53	18%
Induced	52	15	67	22%
Total	265	33	298	100%
Direct Taxes				
Federal	\$4,211,000	\$95,000	\$4,306,000	46%
Provincial	\$4,131,000	\$74,000	\$4,205,000	45%
Municipal	\$830,000	\$1,000	\$831,000	9%
Total	\$9,172,000	\$170,000	\$9,342,000	100%
Total Taxes				
Federal	\$6,714,000	\$618,000	\$7,332,000	51%
Provincial	\$5,616,000	\$480,000	\$6,096,000	43%
Municipal	\$892,000	\$9,000	\$901,000	6%
Total	\$13,222,000	\$1,107,000	\$14,329,000	100%

Sources: CBRE Limited and Ontario Ministry of Tourism, Culture and Sport TREIM Model

Economic Impact of Operations

The following table provides a summary of the economic impacts of expenditures related to projected GSCPC operations within Greater Sudbury and the rest of Ontario.

Value Added Impacts

Projected operating revenue of \$4 million by the third stabilized year (2023) will translate into an estimated \$3.3 million in Gross Domestic Product for Greater Sudbury on a direct and indirect basis, with a further \$90,000 benefiting the balance of the province. An additional \$1 million will be realized in induced impacts provincially through the re-spending of labour income and the profits generated by direct and indirect businesses benefitting from projected on-site visitor and operating expenditures at the GSCPC.

Overall the GSCPC is projected to generate \$4.1 million in GDP for Greater Sudbury in 2023.

Employment Impacts

Of the \$3.3 million in direct and indirect GDP generated for the province, an estimated total of \$2.7 million would filter down into wages and salaries within Ontario, with about 98% expected to be retained in Greater Sudbury. The GSCPC's related induced spending would contribute a further \$696,000 in wages and salaries within Ontario, of which \$584,000 (84%) would benefit Greater Sudbury.

Greater Sudbury would retain 92% (34 jobs) of the total 37 jobs created by the GSCPC.

Revenues to Government

All levels of government would benefit from the GSCPC's operational revenue. By 2023, the annual operation of GSCPC would generate an estimated \$630,000 in Federal Government Taxes, a further \$659,000 in Provincial Taxes and \$4,000 in Municipal Taxes (direct taxes) province-wide.

ECONOMIC IMPACT OF PROJECTED OPERATIONS GREATER SUDBURY CONVENTION AND PERFORMANCE CENTRE

Total Impact of Projected Operations - Year 3 (2023)				
	Greater Sudbury	Rest of Ontario	TOTAL	
Total Revenue	\$4,086,000			
Gross Domestic Product (GDP)				
Direct	\$2,324,000	\$29,000	\$2,353,000	54%
Indirect	\$929,000	\$61,000	\$990,000	23%
Induced	\$882,000	\$152,000	\$1,034,000	24%
Total	\$4,135,000	\$242,000	\$4,377,000	100%
Labour Income				
Direct	\$2,004,000	\$21,000	\$2,025,000	59%
Indirect	\$670,000	\$44,000	\$714,000	21%
Induced	\$584,000	\$112,000	\$696,000	20%
Total	\$3,258,000	\$177,000	\$3,435,000	100%
Employment (Jobs)				
Direct	14	0	14	38%
Indirect	12	1	13	35%
Induced	8	2	10	27%
Total	34	3	37	100%
Direct Taxes				
Federal	\$630,000	\$5,000	\$635,000	49%
Provincial	\$659,000	\$4,000	\$663,000	51%
Municipal	\$4,000	\$0	\$4,000	0%
Total	\$1,293,000	\$9,000	\$1,302,000	100%
Total Taxes				
Federal	\$1,004,000	\$46,000	\$1,050,000	52%
Provincial	\$938,000	\$35,000	\$973,000	48%
Municipal	\$14,000	\$1,000	\$15,000	1%
Total	\$1,956,000	\$82,000	\$2,038,000	100%

Sources: CBRE Limited and Ontario Ministry of Tourism, Culture and Sport TREIM Model

Economic Impact of Off-Site Visitor Spending

In addition to on-site spending at the venue itself, visitors to the GSCPC will generate off-site expenditures at related businesses in Greater Sudbury. The following discusses the methodology used to estimate off-site visitor spending, as well as the related economic impact of visitor spending.

Estimated Off-Site Visitor Spending

Based on findings of the 2012 Canadian Economic Impact Study (CEIS 3.0), the table below shows the average spending of all meeting and business event attendees by expenditure category and origin. On average, international attendees have the highest spend at \$3,135; followed by domestic attendees at \$952, while local, non-tourist attendees spend the least amount at \$194. Excluding meeting registration fees which will benefit the Convention organizer and transportation costs, the average expenditure ranges from \$95 for local domestic delegates, \$349 for national delegates and \$1,003 for international delegates.

MEETING & CONVENTION ATTENDEE'S AVERAGE EXPENDITURES BY POINT OF ORIGIN

Meeting Expenditure Category	Local	National	Int'l
Meeting Registration Fees	\$71	\$100	\$228
Fees for Optional Program Elements (receptions, golf events, etc)	\$8	\$14	\$135
Accommodations	\$27	\$276	\$571
Food and Beverage	\$48	\$139	\$238
Air Transportation	\$0	\$219	\$1,261
Rail Transportation	\$1	\$5	\$59
Water Transportation	\$0	\$3	\$12
Public Ground Transportation	\$1	\$4	\$19
Taxi	\$5	\$17	\$104
Car Rental	\$4	\$37	\$58
Gas	\$12	\$43	\$27
Vehicle Maintenance	\$0	\$1	\$2
Tolls and Parking	\$4	\$7	\$8
Other Transportation	\$0	\$2	\$13
Retail Spending	\$6	\$50	\$165
Travel Services	\$1	\$3	\$36
Spectator Sports	\$1	\$3	\$16
Performing Arts	\$1	\$5	\$31
Museums, Historical Sites, Zoos and Parks	\$0	\$4	\$30
Tours and Sightseeing	\$1	\$5	\$109
Other Entertainment and Recreation	\$3	\$16	\$13
Other	\$0	\$1	\$0
TOTAL	\$194	\$952	\$3,135
Less Mtg Registration & Transportation & Accommodation Costs	\$95	\$349	\$1,003

Source: *The Economic Contribution of Business Events in Canada, 2012 Base Year, Published July 2014*

For the purposes of this analysis, we have excluded meeting registration fees and transportation costs to the destination to better reflect visitor spending that would more likely occur in the local Sudbury economy. Average accommodation spends have also been replaced with the average daily rates achieved by primary Sudbury Hotels. The table below provides a summary of the resulting average of GSCPC attendee expenditures by origin, inflated to 2021.

**AVERAGE SPENDING PROFILE BY GSSC
ATTENDEES, 2021**

	Avg Spend
Provincial Delegates	\$109
National Delegates	\$401
International Delegates	\$1,152
Primary Sudbury Hotels ADR	\$138

Source: *The Economic Contribution of Business Events in
Canada, 2012 Base Year, Published July 2014*
and CBRE Assumptions inflated to 2021

The estimated visitor spending generated by the GSCPC is highlighted in the following table and has been based on event utilization projections, as well as estimates of spending by out of town visitors. Based on our analysis, the GSCPC would generate direct spending of \$7.6 million, which equates to an average of \$17,000 per day for Greater Sudbury businesses, or \$89 for every person who attends a meeting/convention or event at the Centre (84,600 local and non-local attendees). Furthermore, total off-site visitor spending has been estimated \$3.2 million per annum.

The highest yielding events hosted at the GSCPC would be conventions, which are projected to generate \$83,000 per event in off-site visitor spending within the City of Greater Sudbury.

GREATER SUDBURY CONVENTION AND PERFORMANCE CENTRE ESTIMATED VISITOR SPENDING

Events	2023	
Conventions	16	
Trade/Consumer Shows	4	
Meetings/ Social	202	
Total M&C Events	221	
Performing Arts	55	
TOTAL GSCPC EVENTS	276	
M&C Delegates	38,000	
M&C Delegate Days	49,600	
PAC Attendees	46,600	
Total Delegates/Attendees	84,600	
Visitor Spending	Total Spending	Per Event
Convention Delegate Spending	\$1,292,000	\$83,000
Trade Show & Consumer Show Visitor Spending	\$140,000	\$38,000
Non Resident Meeting Spending	\$526,000	\$4,000
F&B and Other Event Visitor Spending	\$312,000	\$5,000
Off Site M&C Visitor Spending	\$2,270,000	\$8,000
Off Site Performing Arts Visitor Spending	\$960,000	\$17,000
TOTAL OFF SITE VISITOR SPENDING	\$3,230,000	\$12,000
On Site Spending at GSCPC	\$4,341,000	\$16,000
TOTAL VISITOR AND GSCPC SPENDING	\$7,571,000	\$27,000
<i>Avg Spending Per Day</i>	<i>\$21,000</i>	
<i>Avg Spending Per Capita</i>	<i>\$89</i>	

Source: CBRE Estimates

Economic Impact of Off-Site Visitor Spending

Based GSCPC's total estimated visitor off-site spending of \$3.2 million in 2023, the following table summarizes the expected impact of visitor expenditures to related businesses in Greater Sudbury.

Value Added Impacts

Of the \$3.2 million in total off-site spending that GSCPC visitors are expected to generate, an estimated \$2.2 million would be contributed to Gross Domestic Product for Ontario, with \$1.9 million (90%) in GDP for Greater Sudbury.

Employment Impacts

Approximately \$1.5 million (68%) of the provincial GDP generated by GSCPC's visitor off-site spending will go towards wages and salaries within Ontario. An estimated \$1.3 million of these wages and salaries will

be retained in Greater Sudbury. These wages will support 33 jobs in the province, with 91% of jobs (30 jobs) located in Greater Sudbury.

Revenues to Government

Off-site visitor spending would contribute to total annual direct taxes of \$621,000 in Greater Sudbury, with approximately \$308,000 in Federal Taxes, \$419,000 in Provincial Taxes and \$2,000 in Municipal Taxes.

ECONOMIC IMPACTS OF ESTIMATED OFF-SITE VISITOR SPENDING GREATER SUDBURY CONVENTION AND PERFORMANCE CENTRE

Total Impact of Estimated Visitor Spending - Year 3 (2023)				
	Greater Sudbury	Rest of Ontario	TOTAL	
Total Off Site Visitor Spending	\$3,230,000			
Gross Domestic Product (GDP)				
Direct	\$1,276,000	\$0	\$1,276,000	58%
Indirect	\$372,000	\$138,000	\$510,000	23%
Induced	\$327,000	\$87,000	\$414,000	19%
Total	\$1,975,000	\$225,000	\$2,200,000	100%
Labour Income				
Direct	\$854,000	\$0	\$854,000	57%
Indirect	\$268,000	\$102,000	\$370,000	25%
Induced	\$213,000	\$62,000	\$275,000	18%
Total	\$1,335,000	\$164,000	\$1,499,000	100%
Employment (Jobs)				
Direct	23	0	23	70%
Indirect	4	2	6	18%
Induced	3	1	4	12%
Total	30	3	33	100%
Direct Taxes				
Federal	\$308,000	\$0	\$308,000	50%
Provincial	\$311,000	\$0	\$311,000	50%
Municipal	\$2,000	\$0	\$2,000	0%
Total	\$621,000	\$0	\$621,000	100%
Total Taxes				
Federal	\$520,000	\$43,000	\$563,000	55%
Provincial	\$419,000	\$33,000	\$452,000	44%
Municipal	\$6,000	\$1,000	\$7,000	1%
Total	\$945,000	\$77,000	\$1,022,000	100%

Sources: CBRE Limited and Ontario Ministry of Tourism, Culture and Sport TREIM Model

Total Economic Impact of GSCPC Operations & Off-Site Visitor Spending

The following table summarizes the total estimated economic impacts that are expected to be produced by the GSCPC after stabilization as a result of operations and off-site visitor spending. In 2023, the GSCPC is expected to contribute a combined \$7.3 million in spending from both its operation and off-site visitor expenditures. This translates into province-wide GDP generation of \$3.6 million in direct impacts and \$2.9 million in indirect and induced impacts.

Overall, the GSCPC is expected to support a total of 37 direct jobs in Greater Sudbury with salaries and wages of \$2.8 million. Furthermore, the GSCPC will benefit all levels of government, contributing \$1.9 million in direct taxes, of which 99% will benefit Greater Sudbury.

**TOTAL ECONOMIC IMPACT OF OPERATIONS & OFF-SITE VISITOR SPENDING
GREATER SUDBURY CONVENTION AND PERFORMANCE CENTRE**

Total Impact of Operations & Off-Site Visitor Spending - Year 3 (2023)				
	Greater Sudbury	Rest of Ontario	TOTAL	
Total Operations & Off-Site Visitor Spending, 2023	\$7,316,000			
Gross Domestic Product (GDP)				
Direct	\$3,600,000	\$29,000	\$3,629,000	55%
Indirect	\$1,301,000	\$199,000	\$1,500,000	23%
Induced	\$1,209,000	\$239,000	\$1,448,000	22%
Total	\$6,110,000	\$467,000	\$6,577,000	100%
Labour Income				
Direct	\$2,858,000	\$21,000	\$2,879,000	58%
Indirect	\$938,000	\$146,000	\$1,084,000	22%
Induced	\$797,000	\$174,000	\$971,000	20%
Total	\$4,593,000	\$341,000	\$4,934,000	100%
Employment (Jobs)				
Direct	37	0	37	53%
Indirect	16	3	19	27%
Induced	11	3	14	20%
Total	64	6	70	100%
Direct Taxes				
Federal	\$938,000	\$5,000	\$943,000	49%
Provincial	\$970,000	\$4,000	\$974,000	51%
Municipal	\$6,000	\$0	\$6,000	0%
Total	\$1,914,000	\$9,000	\$1,923,000	100%
Total Taxes				
Federal	\$1,524,000	\$89,000	\$1,613,000	53%
Provincial	\$1,357,000	\$68,000	\$1,425,000	47%
Municipal	\$20,000	\$2,000	\$22,000	1%
Total	\$2,901,000	\$159,000	\$3,060,000	100%

Sources: CBRE Limited and Ontario Ministry of Tourism, Culture and Sport TREIM Model



ORGANIZATIONAL STRUCTURE AND GOVERNANCE PLAN

Introduction

The Greater Sudbury Convention and Performance Centre is envisioned as a unique venue that can be quickly transformed from a flat-floor convention and banquet format into a live performance hall with tiered seating. This dual purpose reflects both the mission and goals of the GSCPC, as well as its governance and operating plan. While there may be some opportunities for sharing between the two GSCPC functions, the live performance organization is generally supplemental to the organization that operates the meeting and convention business. The following section outlines how that organizational structure and governance plan will be developed for the Greater Sudbury Convention and Performance Centre.

Governing Structure

The City of Greater Sudbury will own both the site and building for the GSCPC, and employ a separate **non-profit corporation to manage the facility, bid on and host large scale conventions, organize and host meetings, and deliver live performance programming, under contract to the City.** This model will rely on exceptional leadership, governing skill and financial management, and requires municipal approval of its budget, in order to secure an annual operating grant.

The non-profit corporation will be focused solely on achieving the success of the GSCPC, as opposed to the operation being one of several facilities requiring management services from the City. The performance arts component is a high risk entrepreneurial activity that requires flat management structures, as opposed to bureaucratic structures. This model has proved successful in other communities and provides an entrepreneurial environment, which is required to make a performance centre successful, and reduces financial risk for a community. A non-profit corporation also has greater access to fundraising opportunities and sources, and can make use of volunteers to reduce operating costs and enhance community involvement.

The non-profit corporation will have full-time responsibility for the management, operation, sales and marketing of the GSCPC, including full responsibility for the following functional areas of operation:

- Administration
- Sales/Marketing
- Event Programming
- Event Operations

It is assumed that the Food and Beverage operation will be outsourced to a 3rd party operator, reporting to management of the GSCPC.

Ownership will still remain with the City, along with responsibility for Building Operations. The primary benefits of this structure are:

- Moving the day-to-day operations of the facility out of the municipal infrastructure; and
- Allowing for City funding of operating shortfalls.

Under this model, the City is advised to establish an **Advisory Board** providing input into the day to day operation and marketing of the facility. The recommended Board Structure for the GSCPC should be comprised of 10-15 individuals, appointed by the City, representing a cross section of regional business interests and business skills (i.e. accommodations, meetings & conventions, performing arts, food and beverage, education, marketing, finance, retail, etc.). The municipality should also have ex officio representation on the board. The mandate of operating sustainability must be recognized by all board members. The Board will be responsible for reviewing annual operating budgets and business plans as prepared by Management, and ensuring through monthly Management meetings, that the operating budget and plans are being met.

The City will have no control over administration, bookings and marketing decisions. This challenge points to the importance of establishing an Advisory Board to oversee management decisions. The City and Advisory Board will need to issue an open tendering process to all interested parties for the Centre's management and food and beverage contracts.

Establishing Operating Policies and Procedures

A formal policy and procedural plan should be established. This should address the operating philosophy of the GSCPC, as well as establish event booking and pricing policies, with emphasis placed on booking meetings and conventions, but also developing local programming. Other required policies and procedures include, but are not limited to:

- Rental Rate Structure
- Cancellation Policies
- Conflict resolution protocol
- Regional market considerations when bidding

It is recommended that the GSCPC adopt an operating philosophy which is partnership driven. The primary objective of the Centre will be to maximize event sales to the City as a whole, by placing the emphasis on attracting new event demand to the City of Greater Sudbury, with the secondary objective being to minimize the impact of competing with local restaurants, hotels and other event venues for locally generated event demand. With the Advisory Board including a number of representatives from Greater Sudbury's business and tourism industry stakeholders, a partnership-approach will be taken to adopting this operating philosophy to the benefit of both the overall destination and the GSCPC.

Space Rental is the one constant source of revenues for the facility – and the potential profit generated from this department will not change dependent on the governance model. It will be essential to establish an effective booking policy that ensures facility management will control all bookings. Priorities should be put on booking events which generate overnight delegates, as opposed to day use business functions or social events, such as weddings. Any potential public day use of the Convention Centre should be limited to short

term booking windows of no longer than 2 months out, with all users being subject to market rental and food and beverage rates. Weddings or social events should be limited to short term booking windows of no longer than 4 months out. This will allow maximum flexibility for the Convention Centre sales team to schedule non-local meeting and convention business as its first priority. Should the Board decide to make any exceptions to this policy, they must be cognizant of the fact that it will result in increased operating deficits for the facility. Furthermore, it is recommended that any Board-approved exceptions must be event specific and short term in nature.

A formal pricing policy should also be established for the GSCPC, which is competitive with market rates, both from a space rental and food & beverage perspective. Any pressures to decrease or waive the space rental rates of the facility, or offer discounted food and beverage prices, will not only serve to increase the operating deficit of the Centre, but will also increase the competitive impact of the subject Centre on other existing venues within the City. As such, all pricing should be market-based.

Live Performance Presenting and Convention Development Organization

Because of the dual functionality of the Centre, the GSCPC will also require a **live performance presenting and convention development organization/team**, included as part of the GSCPC's overall corporate structure, development plan and timetable. As its very first steps, this organization will need a statement of purpose and values, measurable goals, a comprehensive development plan, skilled staff and budgetary resources – and a governing structure with a clearly defined set of responsibilities. This latter point is key as the performing arts program will have a wide range of contractual and fiduciary obligations and will need to have the capacity to manage the risks associated with being a presenter.

Three years prior to opening day, the initial roles and functions of the organizations will include the following key tasks among others:

- Put initial development budget in place
- Form a working group to establish corporate structure
- Establish corporate goals, policies and strategies
- Establish an MOU between the governing board, the City of Greater Sudbury Development Corporation as the City's eligible tourism entity to establish a collaborative approach to marketing, sales and attraction efforts for meeting and convention business opportunities
- Create governance policy manual
- Set critical path timetable
- Confirm job description for Executive Director
- Recruit and hire Executive Director

During the pre-opening period, not later than 2 years prior to opening day, the following key tasks will need to be established:

- Put pre-opening budget in place
- Establish operational goals, policies and strategies
- Confirm HR policy and all job descriptions
- Create operating manual

- Recruit department heads
- Begin community relations and market development program
- Undertake M&C Sales program/event bidding
- Begin event sponsorship program
- Confirm Year 1 budget
- Select and secure Year 1 presentations
- Organize the launch of the facility

Roles and Functions for Ongoing Operations

This period begins on Day 1 of Year 1 and should broadly include the following ongoing core activities within the established policies and goals framework:

- Communication and engagement with local market
- Communication and engagement with industry
- Event management
- Staff management and training
- Facility management

Ongoing operations will be monitored and evaluated through:

- Annual statement of goals for the coming year
- Annual budget forecast
- Key performance indicators and analytics
- Comprehensive quarterly reporting



POTENTIAL FUNDING SOURCES, IMPLICATIONS OF ADJACENT HOTEL DEVELOPMENT AND PARKING CONSIDERATIONS

Potential Funding Sources

The following identifies a range funding resources for potential capital and operating assistance for the GSCPC at various levels of government.

Federal Investment Resources

FedNor / Industry Canada

FedNor is a federal regional development organization with a specific mandate to invest in economic development, business growth and competitiveness, and innovation in Northern Ontario.

- Northern Ontario Development Program
 - Financial support provided to viable projects led by businesses, municipalities, First Nations, and other organizations and institutions.
 - Community Economic Development
 - Support for communities' efforts to enhance business growth, plan and mobilize resources and exploit new opportunities for diversification and economic development.
 - Business Growth and Competitiveness
 - Investment in projects that improve productivity, reach new markets, facilitate access to capital, foster investment, encourage entrepreneurship and cultivate industry collaboration.
 - Innovation
 - Funding for not-for-profit organizations, municipalities, First Nations or SMEs for the purposes of becoming more innovative, productive and competitive through the adoption, adaptation and commercialization of new technologies.
- Community Investment Initiative (CIINO)
 - Targeted at smaller municipalities and First Nations with limited economic development capacity to enable them to take advantage of business investment, job creation and regional collaboration opportunities.
- Community Futures Program
 - Supports 24 Community Futures Development Corporations (CFDCs) in Northern Ontario. These Corporations are local, not-for-profit organizations that provide business financing, as well as business planning support and other services. CFDCs offer private sector loans for development projects in Northern Ontario.
- Invest Canada – Community Initiatives (ICCI)
 - Provides financial support to communities for their foreign direct investment initiatives and activities.

Canada Cultural Spaces Fund (CCSF)

This national program which covers a wide range of cultural facility needs (including construction and specialized equipment) was established in 2016 and re-establish recently in the government's Creative

Canada program with a budget of \$300 million. While there is no cap, competition for funds is very keen and not all applicants get funded.

Provincial Investment Resources

Northern Ontario Heritage Northern Fund Corporation (NOHFC)

The NOHFC invests in northern businesses and municipalities through conditional contributions, forgivable performance loans, incentive term loans and loan guarantees. NOHFC offers 5 funding programs, all of which offer some applicability to investment in the tourism sector.

1. Northern Innovation Program
 - Supports the development and commercialization of new technologies that will foster collaboration and partnerships among research institutions, academic institutes and the private sector, and that will work to improve the future prosperity of Northern Ontario.
2. Strategic Economic Infrastructure Program
 - Supports projects that best correspond to Northern Ontario's Growth Plan vision, to contribute to building capacity and creating jobs in northern communities. The program advances economic development opportunities and supports investment through strategic infrastructure.
3. Northern Community Capacity Building Program
 - Assists northern communities in developing the capacity to promote, attract and support economic growth in high priority existing and emerging economic sectors.
4. Northern Business Opportunity Program
 - Encourages business expansion, productivity and global investment in northern communities. Supports business expansion, film & television industry, new investment and small business start-up projects.
5. Northern Ontario Internship Program
 - Provides internships to recent graduates interested in launching/building their careers in Northern Ontario. Mandate to build economic development capacity and strengthen Northern Ontario's competitive advantage by attracting and retaining graduates in the North.

Ontario Arts Council (OAC)

OAC promotes and assists in the development of arts infrastructure within Ontario. It provides grants and services to professional Ontario-based arts organizations and artists.

Ministry of Tourism, Culture and Sport – Investment & Development Office

Provides information and assistance to Ontario's municipalities, investors and tourism operators, specifically by identifying and developing opportunities for investment and marketing regional investment cases towards investors.

- Celebrate Ontario 2016 Program
 - Marketing funding and project-based programming support for new and existing events to strengthen Ontario's tourism offerings.
- Tourism Development Fund (TDF) 2016

- Supports projects that encourage tourism investment, tourism product development and industry capacity building.

Ontario Trillium Foundation (OTF)

OTF's mission is to build vibrant and healthy communities across Ontario by strengthening the voluntary sector through investing in community-based initiatives. Offers four different investment grant programs.

- Seed Grants
 - Grants that support projects at the conceptual or idea stage to achieve a priority outcome (e.g. new research, feasibility studies, launching a new event, developing a new idea).
- Grow Grants
 - Support the evidence-based development of activities to achieve a priority outcome (e.g. piloting a tested model, replicating or adapting a proven model).
- Capital Grants
 - Assist in improving community spaces, broadening access and promoting energy efficiency (e.g. buying/installing equipment, completing renovations and repairs, building structure or spaces in amounts of up to \$150,000).
- Collective Impact Grants
 - Provides funding that supports co-design or co-creation of solutions, the development of evaluation strategies and shared measurement, along with possible professional facilitation and research.

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Municipal Investment Resources

Municipal Accommodation Tax

According to the City of Greater Sudbury reporting, based on the average occupancy rates of the branded hotels in Greater Sudbury over the past three years, it is estimated that a 4% room tax could generate approximately \$1,680,000 per year. It should be noted that this number does not include the total number of rooms offered by all transient accommodations in the City, such as smaller motels and similar properties, but it does provide an approximate forecast.

LEVEL OF GOVERNMENT	ORGANIZATION	ASSISTANCE AVAILABLE / PROGRAMS
Federal	FedNor / Industry Canada	<ul style="list-style-type: none"> FedNor has a specific mandate to invest in economic development, business growth and competitiveness, and innovation in Northern Ontario Northern Ontario Development Program – Community Economic Development, Business Growth & Competitiveness, Innovation Community Investment Initiative Community Futures Program Invest Canada – Community Initiatives
Federal	Canada Cultural Spaces Fund (CCSF)	<ul style="list-style-type: none"> Covers a wide range of cultural facility needs (i.e. construction and specialized equipment)
Provincial	Northern Ontario Heritage Northern Fund Corporation (NOHFC)	<ul style="list-style-type: none"> NOHFC invests in northern businesses and municipalities through conditional contributions, forgivable performance loans, incentive term loans and loan guarantees Northern Innovation Program Strategic Economic Infrastructure Program Northern Community Capacity Building Program Northern Business Opportunity Program Northern Ontario Internship Program
Provincial	Ontario Arts Council (OAC)	<ul style="list-style-type: none"> Assists in the development of arts infrastructure
Provincial	Ministry of Tourism, Culture and Sport – Investment & Development Office (IDO)	<ul style="list-style-type: none"> IDO identifies and develops opportunities for investment, and markets regional investment cases towards investors. Celebrate Ontario Program Tourism Development Fund
Provincial	Ontario Trillium Foundation (OTF)	<ul style="list-style-type: none"> OTF strive to strengthen the voluntary sector through investing in community-based initiatives in Ontario. Seed Grants Grow Grants Capital Grants Collective Impact Grants
Municipal	Municipal Accommodation Tax	<ul style="list-style-type: none"> A new Municipal Accommodation Tax will be implemented in Greater Sudbury in September 2018, based on 4% of rooms revenue applied to all accommodation providers. While no decisions have been made to date on how the funds will be allocated and spent, best practices suggest that some of the funds be allocated to meetings, conventions and event tourism.

Implications of Adjacent Hotel Development

In 2016, the 19 hotels and motels comprising Sudbury's primary accommodation market, represented by 1,619 rooms, achieved an annual occupancy of 66% at an average daily rate of \$113. With the opening of the 100-room Microtel in July 2016 and 50-room Motel 6 in July 2017, this new supply is still expected to impact the market by almost 5% in 2017. Another 119-room hotel development (Hilton Garden Inn) is expected to enter the market by 2019, increasing supply by a further 7%, for a total of 21 hotel properties representing 1,850 rooms. While we have not conducted a detailed market analysis, it is expected that supply growth will outpace demand growth and that the Greater Sudbury accommodation market will experience an erosion of occupancy levels (low 60% range) over the 2017-2019 period. In the absence of significant new demand generators, it is unlikely that the Greater Sudbury accommodation market could support significant additional new supply growth over the short to mid-term period (the next 3-5 years), and should additional new hotel development occur, it will likely be focused outside the downtown core, in closer proximity to the primary corporate and tourism demand generators, such as the True North Entertainment District.

The new GSCPC, has the potential to be a significant new demand generator. The opening of the new GSCPC is expected to induce Meeting & Convention room night demand to the Sudbury market. In 2017, the Sudbury market generated approximately 33,240 room nights from the M&C market, or 8% of total accommodation demand. **By 2023, the operation of the GSCPC represents a potential 25% increase in Meeting/Convention demand levels to the City compared to levels achieved today**, which equates to about 8,000 room nights. In addition, the live entertainment and other events at the GSCPC will attract additional overnight accommodation demand into the downtown core. **However, these levels of new induced demand unto themselves are not sufficient to support a hotel.**

As noted, in a market like Greater Sudbury, most of the demand generation occurs in the suburban areas, as this is where many of the business parks and attractions (e.g., Science North and Dynamic Earth) are located. The development of the GSCPC in the downtown core will be attractive to hotel developer due to its potential for new retail and other business generation, but the GSCPC alone will not generate enough year-round demand on its own to sustain new hotel development. As such, a potential adjacent hotel would have to depend on other traditional sources of overnight demand (i.e., corporate transient, leisure groups, government stay, etc.).

At the same time, we know that the Greater Sudbury accommodation market has 119 new hotel rooms entering the market by 2019, with a further 150 room hotel proposed as part of the Entertainment District by 2022, in addition to the 2016 opening of the 100 room Microtel and 2017 opening of the Motel 6, representing a 17% increase in supply. It will take time for this new accommodation supply to be absorbed, and demand to normalize. Incremental new demand being generated by the GSCPC as of 2021 could provide justification for accommodation supply growth, but it is not only demand that justifies hotel development. It is also a function of capital costs, the type of property that makes the most sense for the market, and economic viability. It should be noted that these supply and demand projections do not take

into account any potential new hotel development as part of the True North Entertainment District and the new sports and entertainment facility.

Our determination of the most suitable product to be considered for development would be based on factors that best meet market demand, and would also lead to the greatest level of investor interest and support from the traditional lending community. By conducting our analysis on the product type that would have the greatest appeal to the traditional hotel investment market, this would allow the City the greatest chance of attracting a serious developer/investor with the capabilities and knowledge to develop a successful hotel operation. It should also be noted that hotel companies do not invest in hotels, they franchise or manage properties for a fee.

Through further analysis in a subsequent study, it could be determined that the development of a branded focused service hotel, in the range of 150 rooms may be most appropriate for development adjacent to the GSCPC. Examples of brands would include, but are not limited to, Courtyard by Marriott, Hyatt Place, Hilton Garden Inn, Aloft, and ALT. Branding would be recommended as it would not only enhance the marketability of a project, but would also enhance the potential for project financing. Focused service properties are typically recommended in relation to convention / public facility development for the following primary factors:

- This level of hotel can appeal to a broad range of guests and types of travelers.
- The design prototypes for these brands are of strong quality.
- This level of hotel is more cost effective to develop relative to full service level hotels.
- This level of hotel is more cost effective to operate relative to full service hotels.

Furthermore, a focused service hotel generally costs in the range of \$150,000 to \$180,000 per room to construct, while a full service hotel can cost in the range of \$250,000 to \$300,000 per room to construct. As a general rule of thumb, for every \$1,000 spent in construction costs the hotel needs to achieve \$1 in Average Daily Rate to justify the cost of the investment. At this level, a full service hotel would need to command a rate in the range of \$200 to \$300 to justify the costs. Within the competitive market, it is not reasonable to expect to achieve rates at this level with the strongest performers all achieving average daily rates under \$160 in 2016. In addition, focused service hotels have already proven to be successful within the competitive market and to outperform their competitors.

Parking Considerations

Based on our experience in the industry and knowledge of comparable hotel construction projects, these hotel developments require approximately 2.0 acres of land, to allow for the appropriate surface parking coverage. With respect to hotel development adjacent to the GSCPC, development on a smaller site as part of a mixed use development would necessitate the development of a parking structure, resulting in higher capital costs, impacting investment returns. This type of investment would require dedicated parking to

support the hotel in the range of 100-150 parking stalls, which could cost in the range of \$4 to \$5 Million. The viability of hotel would not only be contingent on stronger market conditions, but at minimum would also likely require that the incremental parking costs be absorbed by the balance of the project. As a result, while a hotel development would be a positive market factor in support of utilization levels at the GSCPC, it would likely be a financial drain on the project, if the hotels parking needs/costs have to be absorbed. These conclusions are preliminary in nature, and would need to be substantiated by a more detailed analysis. However, our experience with other comparable projects in other comparable communities has been similar.

The potential for a new hotel in the downtown core will also be contingent on Council's approvals on any large-scale development initiatives for the Central Business District. Similarly, parking will need to be addressed as part of the overall downtown development plan.

We are not planners, and as such, it should be noted that our commentary relative to parking requirements for the GSCPC itself is preliminary in nature. From a theatre perspective, the GSCPC will require access to between 400-450 parking stalls in reasonable proximity to the venue, potentially with a portion of these on site. Due to the nature of events occurring primarily in the evenings and on weekends, availability to parking elsewhere in the downtown core would lessen the challenge for the GSCPC to offer parking on site. The bigger challenge from a parking perspective is in relation to the convention market. These events occur predominantly on weekdays, when parking is already deficient in the downtown core, and will become a greater challenge when the GSCPC is built on the identified site. Assuming some level of adequate parking is available elsewhere in the downtown during the day for conventions, dedicated parking of 150-200 vehicles for the GSCPC might be sufficient.

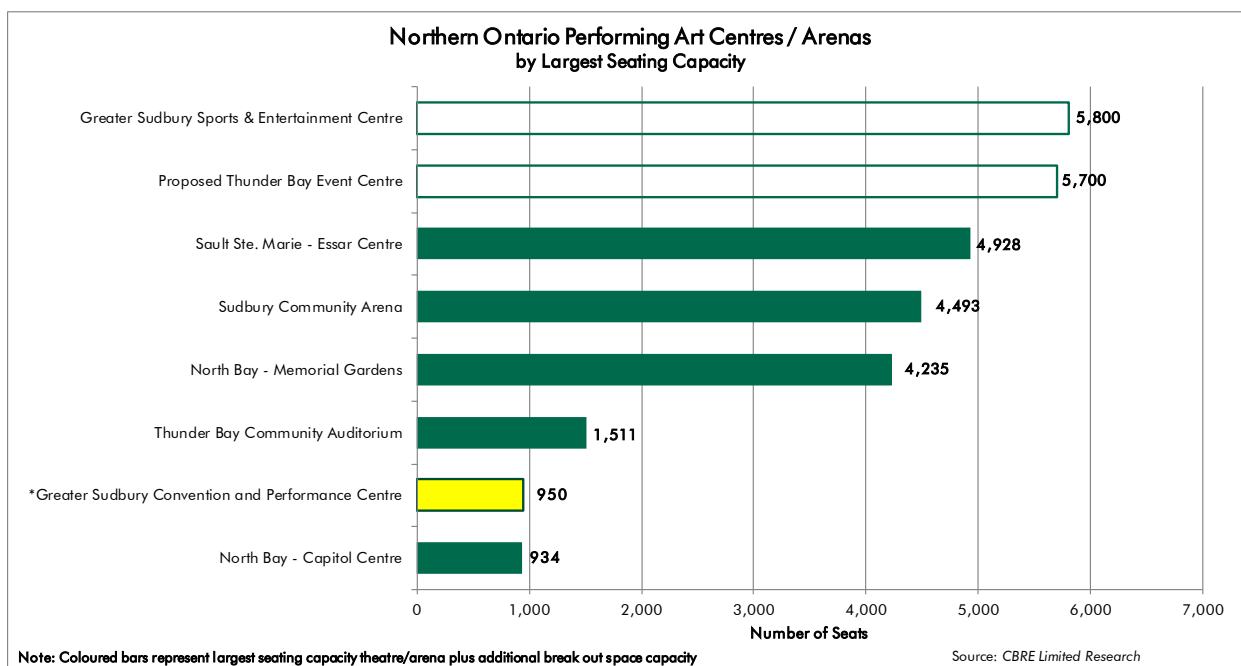
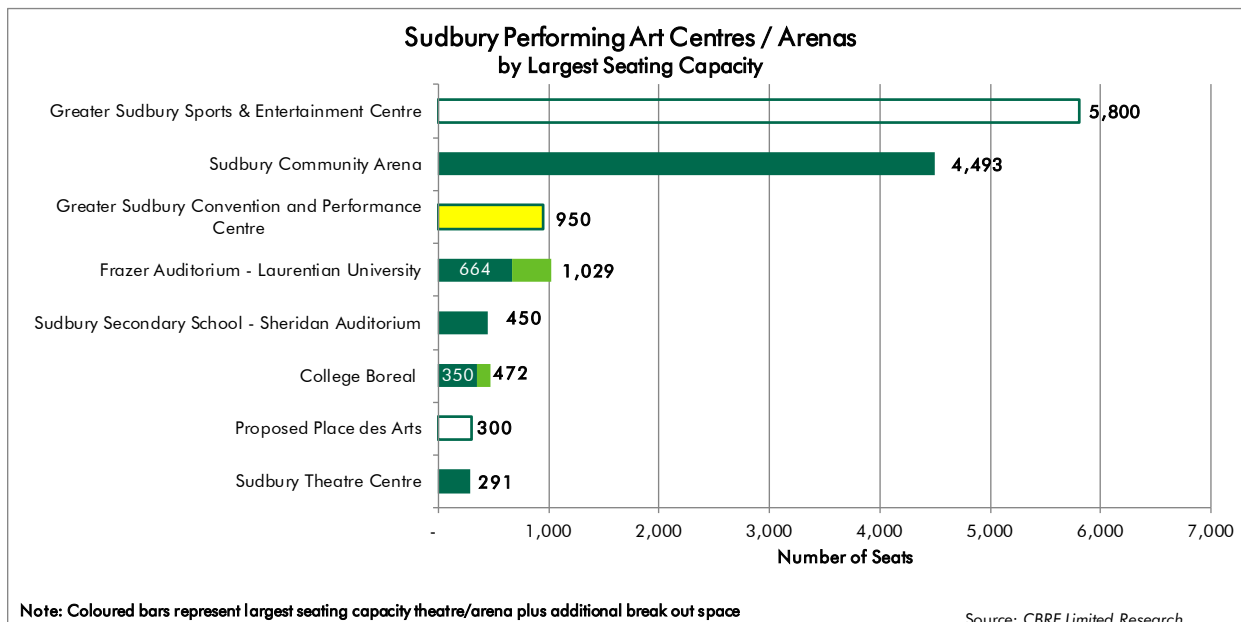
Based on these preliminary assumptions, the GSCPC would require 150-200 dedicated parking stalls without an adjacent hotel, and 250-300 stalls with an adjacent hotel.

Ultimately, while there may be an opportunity for further hotel development in the downtown core, the prospect is seen as a mid to long term initiative, and will require additional studies, which has not been considered within the current mandate for the subject GSCPC Business Plan.

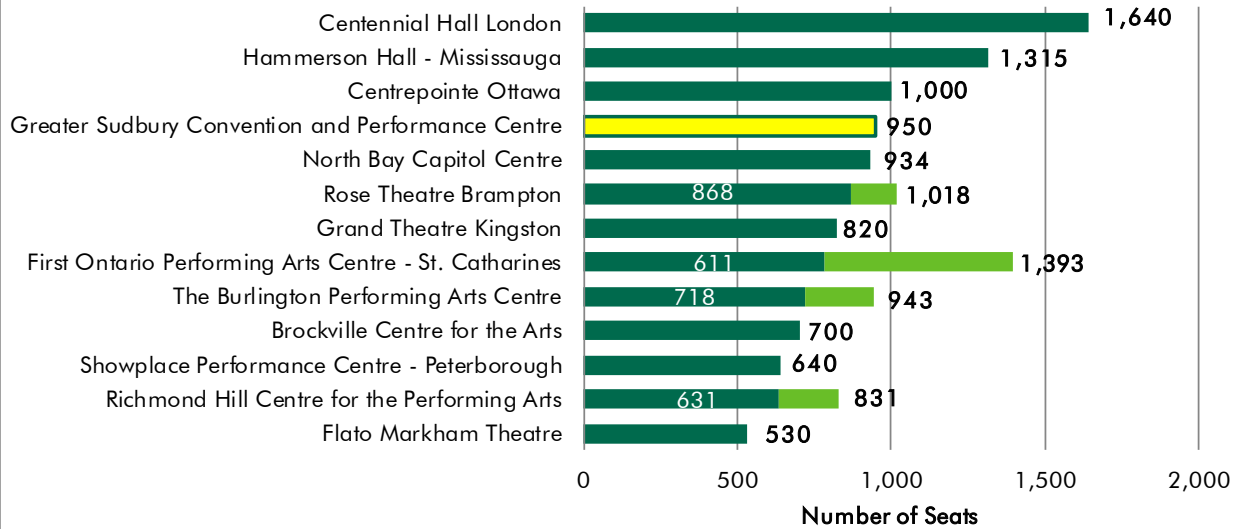
Addendum "A"
GSCPC Positioning



GSCPC Positioning



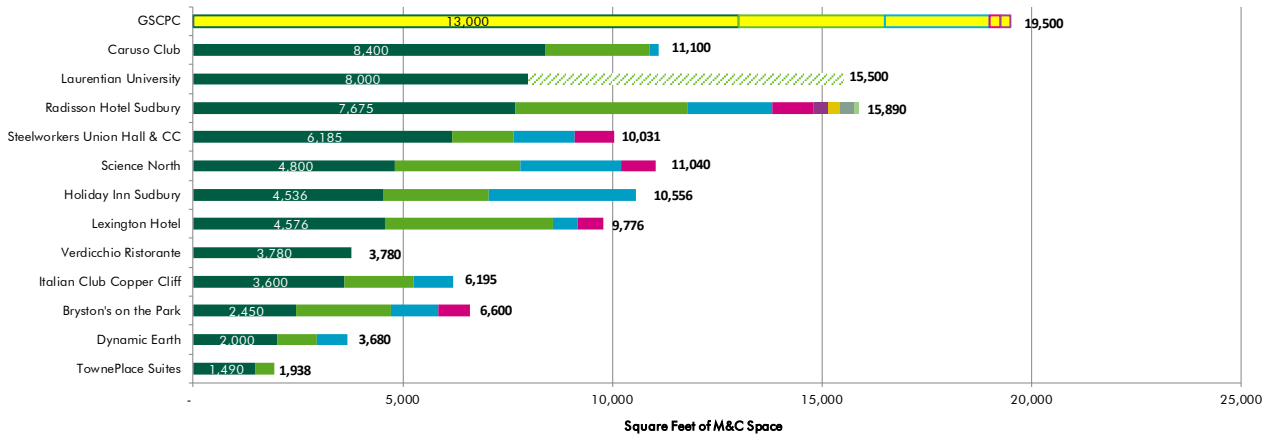
Comparable Ontario Performing Arts Centres Seating Capacity by Largest Theatre



Note: Coloured bars represent Main Hall plus Summed Additional Theatres

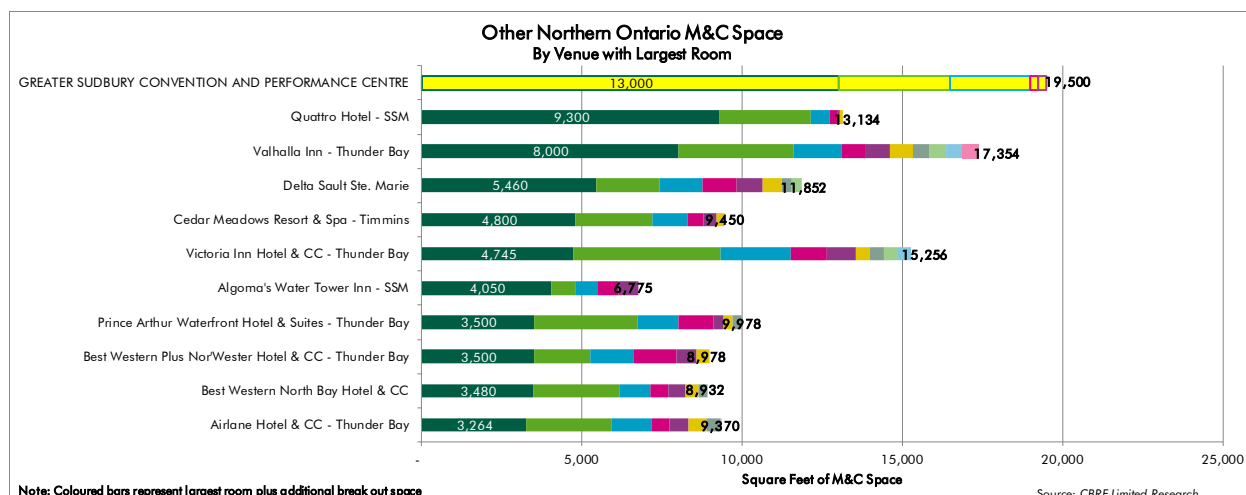
Source: CBRE Limited Research

Sudbury M&C Space By Venue with Largest Room



Note: Coloured bars represent largest room plus additional break out space

Source: CBRE Limited Research



Tier 3 Canadian Convention Centre Supply, Hotel Room Inventory and Estimated Population - 2017

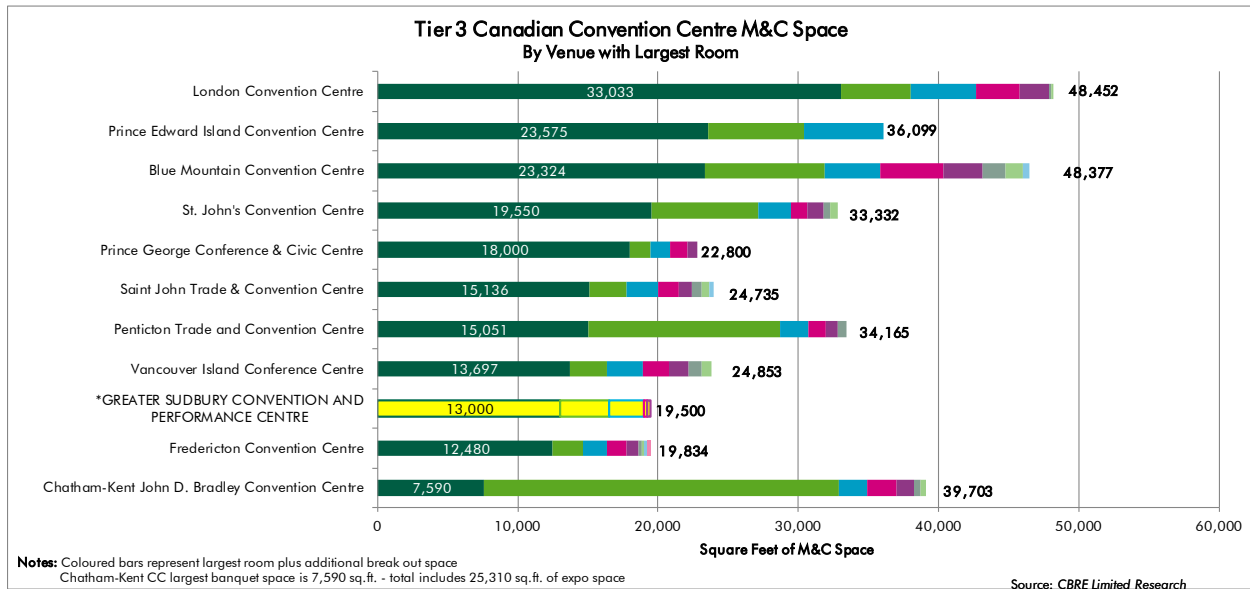
Convention Centre	Location	Total M&C SF	Estimated Capacity	Hotel Room Inventory	M&C SF Per Hotel Rm	Est. CMA Population 2017
London Convention Centre*	London, ON	48,452	4,038	3,489	14	514,207
Blue Mountain Convention Centre	The Blue Mountains, ON	48,377	4,031	1,590	30	22,364
Chatham-Kent John D. Bradley Convention Centre	Chatham-Kent, ON	39,703	3,309	367	108	105,883
Prince Edward Island Convention Centre*	Charlottetown, PE	36,099	3,008	1,441	25	72,405
Penticton Trade and Convention Centre	Penticton, BC	34,165	2,847	1,498	23	43,455
St. John's Convention Centre*	St. John's, NL	33,332	2,778	2,937	12	214,784
Vancouver Island Conference Centre	Nanaimo, BC	24,853	2,071	922	27	107,434
Saint John Trade & Convention Centre*	Saint John, NB	24,735	2,061	1,560	16	127,064
Prince George Conference & Civic Centre	Prince George, BC	22,800	1,900	2,263	11	84,507
Fredericton Convention Centre**	Fredericton, NB	19,834	1,653	1,954	11	101,169
GSCPC Sudbury***	Sudbury, ON	19,500	1,625	1,846	11	165,351

Notes: *Physically connected to a hotel (e.g. by pedway)

** To be connected by pedway to a hotel, which is set to open in 2018

*** Including 119 room Hilton Garden Inn under construction and expected to open Spring 2019

Sources: CBRE Limited, Environics Analytics Sitewise 2017



Addendum “B”

Assumptions and Limiting Conditions



Assumptions and Limiting Conditions

1. This Advisory Report prepared by CBRE, is intended for the exclusive use of the City of Greater Sudbury ("Client"), and is not intended to be prepared for, given to, or relied upon, by any other person or entity, without the express prior written consent of CBRE, and the individual(s) who authored the Advisory Report, unless specifically agreed to in writing, in an addendum to this Report.
2. It is assumed that all factual data furnished by the Client, property owner, owner's representative, or persons designated by the Client or owner to supply said data are accurate and correct unless otherwise specifically noted in the report. Unless otherwise specifically noted in the report, CBRE has no reason to believe that any of the data furnished contain any material error. Information and data referred to in this paragraph include, without being limited to, numerical street addresses, lot and block numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any material error in any of the above data could have a substantial impact on the conclusions reported. Thus, CBRE reserves the right to amend conclusions reported if made aware of any such error. Accordingly, the client-addressee should carefully review all assumptions, data, relevant calculations, and conclusions within 30 days after the date of delivery of this report and should immediately notify CBRE of any questions or errors. CBRE does not make any representation or warranty, express or implied, as to the accuracy or completeness of the information or the state of affairs of the real property furnished by the Client to CBRE and contained in any report prepared by CBRE.
3. The date to which any of the conclusions and opinions expressed in this report apply, is set forth in the Letter of Transmittal. Further, that the dollar amount of any opinion herein rendered is based upon the purchasing power of the Canadian Dollar on that date. This Advisory Report is based on market conditions existing as of the date of this report. Under the terms of the engagement, we will have no obligation to revise this report to reflect events or conditions which occur subsequent to the date of the report. However, CBRE will be available to discuss the necessity for revision resulting from changes in economic or market factors affecting the subject.
4. The conclusions, which may be defined within the body of this report, are subject to change with market fluctuations over time.
5. Any utilization projections or cash flows included in the analysis are forecasts of estimated future operating characteristics are predicated on the information and assumptions contained within the report. Any projections of income, expenses and economic conditions utilized in this report are not predictions of the future. Rather, they are estimates of current market expectations of future income and expenses. The achievement of the financial projections will be affected by fluctuating economic conditions and is dependent upon other future occurrences that cannot be assured. Actual results may vary from the projections considered herein. CBRE does not warrant these forecasts will occur. Projections may be affected by circumstances beyond the current realm of knowledge or control of CBRE.
6. Unless specifically set forth in the body of the report, nothing contained herein shall be construed to represent any direct or indirect recommendation of CBRE to build, buy, sell, or hold the properties. Such decisions involve substantial investment strategy questions and must be specifically addressed in consultation form.

7. The report has been prepared at the request of the Client, and for the exclusive (and confidential) use of the Client. The report may not be duplicated in whole or in part without the specific written consent of CBRE nor may this report or copies hereof be disclosed to third parties without said written consent, which consent CBRE reserves the right to deny. If consent is given, it will be on condition that CBRE will be provided with an Indemnification Agreement and/or Non-Reliance letter, in a form and content satisfactory to CBRE, by a party satisfactory to CBRE. Exempt from this restriction is duplication for the internal use of the client-addressee and/or transmission to attorneys, accountants, or advisors of the client-addressee. Also exempt from this restriction is transmission of the report to any court, governmental authority, or regulatory agency having jurisdiction over the party/parties for whom this Advisory Report was prepared, provided that this report and/or its contents shall not be published, in whole or in part, in any public document without the express written consent of CBRE which consent CBRE reserves the right to deny. Finally, this report shall not be advertised to the public or otherwise used to induce a third party to invest in the project, purchase the property or to make a "sale" or "offer for sale" of any "security". Any third party which may possess this report is advised that they should rely on their own independently secured advice for any decision in connection with investment or financing decisions. CBRE shall have no accountability or responsibility to any third party.
8. The maps, plans, sketches, graphs, photographs and exhibits included in this report are for illustration purposes only and are to be utilized only to assist in visualizing matters discussed within this report. Except as specifically stated, data relative to size or area of the subject and comparable properties has been obtained from sources deemed accurate and reliable. None of the exhibits are to be removed, reproduced, or used apart from this report.
9. No opinion is intended to be expressed on matters which may require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate advisors.
10. Acceptance and/or use of this report constitutes full acceptance of the Contingent and Limiting Conditions and special assumptions set forth in this report. It is the responsibility of the Client, or Client's designees, to read in full, comprehend and thus become aware of the aforementioned contingencies and limiting conditions. Neither the Advisor nor CBRE assumes responsibility for any situation arising out of the Client's failure to become familiar with and understand the same. The Client is advised to retain experts in areas that fall outside the scope of the real estate appraisal/consulting profession if so desired.
11. CBRE assumes that the subject property analyzed herein will be under prudent and competent management and ownership; neither inefficient nor super-efficient.
12. It is assumed that there is full compliance with all applicable federal, provincial, and local environmental regulations and laws unless noncompliance is stated, defined and considered in the report.
13. Because market conditions, including economic, social and political factors, change rapidly and, on occasion, without notice or warning, the herein, as of the effective date of this Advisory Report cannot be relied upon as of any other date without subsequent advice of CBRE.
14. Client shall indemnify and hold CBRE fully harmless against any loss, damages, claims, or expenses of any kind whatsoever (including costs and reasonable attorneys' fees), sustained or incurred by a third party as a result of the negligence or intentional acts or omissions of Client, and for which recovery is sought against CBRE by that third party.