



City of
Peterborough

To: Members of the General Committee

**From: Richard Freymond
Commissioner of Corporate and Legislative Services**

Meeting Date: May 10, 2021

**Subject: Report CLSFS21-021
The Canadian Canoe Museum Presentation and Confirmation
of Municipal Financial Support**

Purpose

A report to inform Council that representatives of the Canadian Canoe Museum will attend the May 10, 2021 General Committee meeting to update Council on the move to a new facility on Ashburnham Drive and to confirm municipal funding support for the project.

Recommendations

That Council approve the recommendations outlined in Report CLSFS21-021 dated May 10, 2021 of the Commissioner of Corporate and Legislative Services, as follows:

- a) That the Canadian Canoe Museum presentation to the May 10, 2021 General Committee meeting, be received for information;
- b) That the following financial support and municipal incentives towards the new facility build at the Johnson Property be confirmed:
 - i. \$4.0 million as a Municipal Capital Grant over a series of Capital Budgets in increments of \$0.5 Million;
 - ii. Designation of the new facility as a Municipal Capital Facility; and
- c) That, subject to completion of the sale by the City to The Canadian Canoe Museum of the Johnson Property described as 2077 Ashburnham Drive (2.25 acres) and a 3.12 acre portion of 2011 Ashburnham Drive, a By-law be passed

designating the said Johnson Property as a Municipal Capital Facility pursuant to Section 110 (7) of the **Municipal Act, 2001** for the purpose of exempting The Canadian Canoe Museum from Taxation for Municipal and School purposes.

Budget and Financial Implications

Council has previously committed to providing \$4.0 Million over a number of future consecutive Capital Budgets towards the facility build at the previous proposed location beside the Liftlock. An amount of \$0.5 Million towards the \$4.0 Million previously committed was approved as part of the 2019 Capital Budget. If recommendation b) i) is approved, staff propose that the remaining commitment of \$3.5 Million be budgeted in increments of \$0.5 Million from 2022 to 2028.

The Community Services Administration operating budget includes a Service Grant in the amount of \$108,362 to the Canoe Museum.

The existing Canoe Museum on 910 Monaghan Road and 575 Romaine Street has been previously designated a Municipal Capital Facility for the purpose of exempting the Museum from municipal and education taxes. If the new facility is designated as a Municipal Capital Facility, the value of the municipal and education taxes on that property will not be known until the facility is built and assigned an assessment by MPAC.

Background

Established in 1997, the Canadian Canoe Museum (Museum) is now home to the world's largest and most significant collection of canoes, kayaks, and paddled watercraft. The Museum is now looking to move to a new 63,466 square-foot facility that will physically connect the more than 600 watercraft in its collection to local waterways at a location in Johnson Park beside Beavermead Park. It is anticipated that the new facility will attract 60,000 – 85,000 visitors annually and generate an economic tourism impact/spend of over \$5 Million. The Museum projects a significant direct and indirect economic impact and will refine the estimates as the construction plan is finalized. The previous project anticipated over \$111M in overall (direct/indirect) economic impact.

The new location in Johnson Park was selected after the previous site, on Federal lands beside the Peterborough Lift Lock on the Trent-Severn Waterway (both National Historic Sites), was determined to not be a suitable location for construction of the new facility.

On December 11, 2017, as part of the 2018 Budget process and in contemplation of a new 83,400 square-foot, \$62.5 Million facility beside the Liftlock, Council committed to providing capital funding over a number of future consecutive Capital Budgets. In discussing staff Report CSD17-030 - Canadian Canoe Museum Funding Request and Pre-Commitment of Future Capital Budgets, Council directed that the recommendations in the Report be amended by deleting the current wording and replacing as follows:

- a) That a total of \$4 million in capital funding for the Canadian Canoe Museum for its proposed new facility, be approved; with the City contributions paid in increments over eight years, beginning in 2019.
- b) That the Mayor and Clerk be authorized to sign a funding agreement between the City and the Canadian Canoe Museum as may be required for the Museum to secure funding commitments from the province and/or federal government;
- c) That an annual Service Grant to be provided by the City to the Canadian Canoe Museum be set at the current 2018 amount of \$108,362, without further increases for eight years;
- d) That staff advise Council when notification of a funding decision from the Government of Canada, for the Canadian Canoe Museum, has been received;
- e) That the Canadian Canoe Museum meet with City staff to explore opportunities at the current and proposed new site for increased community engagement and profile.
- f) That the Canadian Canoe Museum present its proposed business and operations plan for the new facility to Council, at a future time.

The following motion was approved at the November 23, 2020 Budget Committee meeting and subsequently approved by Council during the discussion of Report CLSFS20-054:

That Canadian Canoe Museum representatives be invited to attend Council in the first quarter of 2021 to provide information on the new location, design, and funding for a canoe museum.

The Museum did not have all the relevant information in the first quarter of 2021. The project has now moved far enough along for representatives of the Museum to make their presentation to Council.

An amount of \$500,000 towards the \$4.0 Million previously committed was approved as part of the 2019 Capital Budget and is being held by the City. In recognition of the delayed timing of the commencement of construction, the remaining \$3.5 Million has been included in future Capital Budgets in annual increments extending from 2022 to 2028.

The Museum continues to secure funding for the project through active community and individual donor programs. Currently, the Museum has over 90% of the funds committed to the project with over \$2M raised in the last few months. The project will be supported by a fundraising campaign of up to \$10M and the community phase of the campaign will begin in the fall of this year.

The revised facility design will cost an estimated \$35-\$40 Million to build. Construction is scheduled to commence October 2021. It is anticipated that at the May 10, 2021 Committee meeting, Museum representatives will want to confirm that the initial \$4.0 million Capital Grant that Council had previously committed to the project is still available. Although the proposed building size and cost is different than what was being initially contemplated at the Liftlock location, the proposed new design contains elements similar to the previous design build including the amenities available to the community. As such, staff would recommend that the \$4.0 Million be confirmed. Doing so, would provide a clear message to all of the various funders and stakeholders, including senior levels of government, that the City of Peterborough is committed to this national attraction.

In addition to a MCF designation, staff anticipate that other financial incentives may be requested. The following comments are intended to assist Council in making such determinations as to what additional financial support or incentives, if any, Council is prepared to provide. Staff informed the Museum representatives that any such requests should be made directly to City Council.

City Operating Support

The City provides an annual Service Grant to the Canadian Canoe Museum in the amount of \$108,362, which comprises 14% of the Museum's 2020 overall revenues post-COVID (8% pre COVID).

In discussion of staff Report CSD17-030, Council directed that the amount be set at the then 2018 amount of \$108,362 and be kept to that amount without further increases for eight years.

Staff are not recommending any changes to the amount of the Service Grant.

Designation as a Municipal Capital Facility

The current museum at 910 Monaghan Road and 575 Romaine Street was previously designated by Council as a Municipal Capital Facility (MCF) for the purpose of exempting the Museum from municipal and education taxes.

Section 110 of the **Municipal Act** and Ontario Regulation 603/06 Section 2(1) (16) provides the authority for a municipality to designate a facility as a MCF for a "municipal facility used for cultural, recreational or tourist purposes". The Museum fits these criteria. The designation is specific to the municipal address, therefore a new designation by Council is required.

Financially, for the 2021 Taxation year, this incentive has a value as follows:

Municipal Address	Municipal	Education	Total
910 Monaghan	\$23,392	\$10,595	\$33,987
575 Romaine	\$34,136	\$15,462	\$49,598
Total	\$57,528	\$26,057	\$83,585

The amounts shown in the above Chart are based on the Commercial Tax Rates. Based upon the City's current property tax records, for the past 21 years (2001-2021), the cumulative value of the MCF designation for 910 Monaghan Road is \$999,314 and for 575 Romaine is \$996,047 for a combined value of \$1,995,361.

Staff recommend that the new facility to be located in Johnson Park receive a similar MCF designation.

Development Charges and Building Permit Fees

After extensive discussions between the parties when the new facility was contemplated to be built on the Federal lands beside the Liftlock, it was determined that the facility would not have been subject to City's development charges (DC), nor City building permit fee.

That is, Parks Canada as representing the Federal Crown and owner of the site and who has exclusive jurisdiction over the property, were prepared to permit the CCM to proceed without a traditional building permit and development charges were not payable. Therefore, the CCM would not have paid either the fee or development charges.

At the time, the parties agreed that given the critical role that Building Services staff play in ensuring the building design complies with national and/or provincial Building Code requirements, including conducting on-site inspections to ensure that actual building construction is in compliance with Building Code, a side Agreement was developed between the parties that effectively mimicked the building permit process and fees structure (a similar scenario exists at the Airport through the Development Review Process). The value of the fee, net of any refunds that apply given that the facility was not constructed was (\$163,545 less \$73,595) \$89,950. The fee remains outstanding.

Unlike the scenario on the Federal Lands, the DC By-law and Building Permit fees do apply on the design build being contemplated at the Johnson property. Early estimates of the value of the new building permit fee are \$130,000 and the DC By-law charge is \$838,400. These estimates will be subject to change as project design and building code review progress.

Staff recommend that in fairness to the development community, the DCs and building permit fees remain payable.

Summary

Representatives from the CCM will be making a presentation at the May 10, 2021 General Committee. It is anticipated that in addition to providing updates about this exciting build, queries about the City's financial commitments to the project will be made.

Submitted by,

Richard Freymond
Commissioner of Corporate and Legislative Services

Contact Name:

Richard Freymond
Commissioner of Corporate and
Legislative Services
Phone: 705-742-7777 Ext. 1863
Toll Free: 1-855-738-3755
Fax: 705-876-4607
E-mail: rfreymond@peterborough.ca