



City of  
**Peterborough**

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**To:** **Members of the Budget Committee**

**From:** **Ken Doherty, Director of Community Services**

**Meeting Date:** **November 27, 2017**

**Subject:** **Report CSD17-030  
Canadian Canoe Museum Funding Request and  
Pre-commitment of Future Capital Budgets**

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## **Purpose**

A report to respond to the Canadian Canoe Museum's funding request presented on June 28, 2017 in support of its major capital facility campaign; and a pre-commitment of future capital budgets.

## **Recommendations**

That Council approve the recommendations outlined in Report CSD17-030 dated November 27, 2017, of the Director of Community Services, as follows:

- a) That a total of \$4 million in capital funding as requested by the Canadian Canoe Museum for its proposed new facility, be approved; with the City contributions paid in increments over 5 years and pre-committed as follows: \$.5 million in 2019; \$1 million in each of 2020, 2021, and 2022; and .5 million in 2023;
- b) That the Mayor and Clerk be authorized to sign a funding agreement between the City and the 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 based on the current amount plus any inflationary increases continue to be provided by the City to the Canadian Canoe Museum until such time as the Canoe Museum presents its proposed Business and Operations Plan for the new facility for Council's consideration.

## **Budget and Financial Implications**

The Canoe Museum's funding request in the amount of \$4 million as presented June 28<sup>th</sup>, 2017 is referenced in the 2018 Capital Budget as Reference 3-4.10.

While there is no budget or financial implications in 2018 as a result of approving the recommendations, the Canoe Museum requires a concrete commitment and pre-commitment of future funds from the City in order to secure the balance of pre-approved federal government funding through its Cultural Spaces program in the amount of \$13.6 million, in addition to its initial \$1.4 million contribution. The Province has pledged \$9 million; and the County of Peterborough has been asked to consider \$1 million. This leaves a balance of \$36 million to be raised through private fund-raising and endowments.

The Community Services Administration 2018 operating budget includes a Service Grant in the amount of \$108,362 to the Canoe Museum.

## **Background**

### **Project funding to date**

The City has been supporting Canoe Museum efforts to find a new home for a number of years. For the past three years, the City has provided \$100,000 per year (Budget Ref 6-8.02, 2015; 6-8.01, 2016 and 2017) in transition funding to enable the Museum to engage additional staffing and consulting resources to plan for a major capital construction project at the Parks Canada Lift Lock site. The City contributions have helped leverage Trillium funding from the province and Cultural Spaces funding from the federal government.

### **Canoe Museum Presentation June 28, 2017**

Representatives from the Canoe Museum submitted their budget request to Budget Committee at its meeting June 28, 2017 (Report CPFS17-040). They outlined their plans and aspirations for a 75,000 square foot facility at an estimated cost of \$50 million. They requested that the City consider a contribution of \$4 million over several years. The request was referred to Staff for a follow-up report.

### **Change in Building Size and Cost**

During follow-up discussions with City representatives, the Museum Board agreed to expand the public program space to accommodate up to 500 individuals for special events, instead of the original target of 250. This commitment increased the building size.

As part of the refinement of the architectural design, the height of the building was reduced. Additional floor space will now be needed to accommodate the entire collection on site, resulting in an even larger building footprint. In September, the Board agreed to change the project scope to a final building size of approximately 83,400 square feet at an estimated cost of \$62.5 million. They set the final national campaign target at \$65 million. Their request to the City remains \$4 million.

### **City Funding Precedents**

There are many instances where Council has determined that major capital projects with community partners are in the local public's best interest including the following examples:

- Trent DNA Cluster \$2 million
- The new YMCA \$3 million
- YWCA Crossroads \$.75 million
- Trent University's refurbished Athletic Centre \$1 million
- Fleming College's Skilled Trades Centre \$1 million
- Mount St. Joseph's project \$3 million
- Hospice Peterborough new facility \$1.5 million
- Peterborough Humane Society's new facility \$1.7 million

### **The Case for Support**

The Peterborough Lift Lock is an ideal location for the new Canoe Museum. The combination of a landmark National Historic Site, with one of the largest collections of watercraft in the world, and an internationally renowned Architectural firm of Heneghan Peng & Kearns Mancini will result in a nationally significant regional attraction. According to Trip Advisor, the Canoe Museum already ranks as the 18<sup>th</sup> most popular museum in the province out of 743 museums and galleries. This project should take it much closer to the top!

By the Canoe Museum's own conservative estimate, the new facility should attract almost 60,000 visitors in its first year. In addition to the economic impact resulting from visitation, the Museum projects a direct and indirect economic impact of approximately \$86 million during the redevelopment stage between 2017 and 2021.

### **City Operating Support**

The City of Peterborough provides an annual Service Grant to the Canadian Canoe Museum, currently in the amount of \$106,551 (2017), which comprises 8.2% of the Museum's overall revenues. This represents the largest government contribution to the Museum's annual operating budget. Analysis of the Province's Community Museum Operating Grant program (CMOG) over the years shows that Municipalities own or operate over 60% of the approximately 170 museums in the program. Municipalities not

only provide 70% of the funding to their own operations, but they also provide approximately 25% of the funding for the balance of museums in the program. According to an Ontario Museum Association Study in 2004, Municipalities accounted for over 50% of the total funding to community museums in the CMOG program. It is unlikely that the Canoe Museum will be able to sustain its operations without some on-going operational support from the City.

### **Provincial Operating Support**

The Canadian Canoe Museum meets recognized Community Museum standards as required by the province's CMOG Program. The Museum currently receives \$47,500 from CMOG, which represents 3.7% of its annual revenues. Even with a substantially larger operating budget once the new facility is open to the public, it is unlikely that there will be a significant increase from this funding source.

Over the next several years, the Board at the Museum should be encouraged to make the case to the province for consideration as one of the Province's Major Agencies and Attractions, like the Royal Ontario Museum, Ontario Science Centre, Science North, Fort William Historical Park, Huronia Historical Parks, or the Royal Botanical Gardens to secure a higher level of funding.

### **Federal Operating Support**

The Canoe Museum currently receives approximately \$20,000 a year through federal grant programs to hire summer students. The museum is currently ineligible to receive any significant annual operating support from the federal government despite the national-- if not international -- significance of its collection.

Again, during this development period, the Museum Board should be encouraged to continue its overtures to either receive significant federal operating support through Parks Canada or through formal recognition as a National Museum.

Until the past decade, all of the National Museums were located within the National Capital Region including: Canada Agriculture and Food Museum; Canada Aviation and Space Museum; Canadian Museum of History; Canadian Museum of Nature; Canada Science and Technology Museum; and the Canadian War Museum.

In 2011, the federal government opened the door to new National Museums outside of the capital region including the Canadian Museum of Immigration at Pier 21 in Halifax (2011) and the Canadian Museum for Human Rights in Winnipeg (2014).

## Summary

This is a long-awaited opportunity for the Canadian Canoe Museum, the City of Peterborough, and the broader region to support the construction of a national attraction of international calibre at a celebrated National Historic Site here.

In an unprecedented move, both the provincial and federal governments have committed \$9 million and \$15 million respectively, as the “first ones in”. It’s time for the City to pledge its support.

Submitted by,

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Director of Community Services

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Attachments:

Appendix A: Project Profile: The Canadian Canoe Museum is on the Move  
Appendix B: Correspondence from Ministry of Tourism, Culture and Sport: Notification of Funding from the Government of Ontario