



The CANADIAN CANOE MUSEUM  
Le MUSÉE CANADIEN du CANOT



# Feasibility Study for the Canadian Canoe Museum Redevelopment Project: Summary Report

JANUARY 2014



# The Canadian Canoe Museum Redevelopment Project Feasibility Study: Report Summary

## Introduction

The Canadian Canoe Museum (CCM) is “a unique heritage institution that explores and communicates the canoe’s enduring significance to the peoples of Canada.” Since 1957, when the collection of canoes, kayaks and paddled watercraft was first assembled at Camp Kandalore, the Museum has celebrated and explored the history of the canoe in Canada, and the unique role that the craft has played as an icon and symbol of our nation. Now, the CCM is on the threshold of embarking on an exciting new direction that represents the fulfillment of a long-cherished dream – the relocation to a new water-based site that will enable wider and more extensive programming to be undertaken, leading to a greatly richer and deeper visitor experience. The proposed location unites two of Peterborough’s major tourism attractions, provides water access and preserves the heritage of Peterborough as the national “shrine” for canoes and other related watercraft. This purpose of this feasibility study was to explore the feasibility and desirability of this relocation.

## Potential Partnership Opportunity with Parks Canada

When this study first began, in early 2013, the Museum was leaning towards a relocation option on one site in downtown Peterborough, and it appeared early in the project that this would be the preferred site identified. However, for a variety of reasons, this site no longer became available and a number of other sites were reconsidered. Then, late in 2012, near the end of the study, the possibility of a joint partnership between the CCM and Parks Canada to locate the CCM on the Lock 21 site (lift lock) was identified. It was immediately evident that this option was considerably superior to any considered thus far, and so the subsequent planning and analysis focused upon this possibility.

There are compelling advantages to both CCM and Parks Canada from this arrangement, as summarized in the Table below:

Advantages to the CCM	Advantages to Parks Canada
<ul style="list-style-type: none"> <li>• opportunity to locate in a highly visible, waterfront location, that is already one of the premier tourist attractions in Peterborough</li> <li>• location on the water, and on a site that is already associated with boating traffic</li> <li>• ample parking availability</li> <li>• association of a national icon (the canoe) with a national agency (Parks Canada)</li> <li>• greater fundraising potential of the CCM (by virtue of the partnership with Parks Canada)</li> <li>• possibility of water-related programming at or near the site</li> </ul>	<ul style="list-style-type: none"> <li>• opportunity to revitalize and refresh the site with a new innovative development</li> <li>• opportunity to utilize the expertise of the CCM in exhibit development and programming</li> <li>• possible opportunity to utilize the volunteer base of the CCM in related programming</li> <li>• opportunity to use this partnership as a model of how Parks Canada might work with other museum and cultural organizations across Canada whose content can help inform the overall Parks Canada message</li> </ul>
Advantages for Both	
<ul style="list-style-type: none"> <li>• greater critical mass of attraction should result in greater awareness, interest and attendance for both parties</li> <li>• economies of scale possibilities in operations</li> <li>• potentially greater ability and resources for joint marketing and programming</li> <li>• synergy of content and programming (water transportation; exploration of Canada; wilderness emphasis; etc.) • twinning of two of Peterborough’s most important heritage assets provides increased critical mass and opportunities to for synergies and efficiencies filling both organizations public mandates</li> <li>• providing an improved visitor experience for audiences attracted to both heritage assets</li> </ul>	

The remainder of this Summary explores this feasibility of this option.

## Significant Issues with the Present Site

Significant problems with the CCM's current site at 910 Monaghan Ave have long been recognized and have in large part triggered the present study. These concerns include:

- **no water access**, which has long been acknowledged as psychologically incongruous as well as an impediment to efficient programming (as program participants cannot easily get to water from the museum)
- **imposes major constraints in the CCM being able to provides a complete visitor experience in a country where most have not had the experience of paddling a canoe**
- **'off the beaten track'** - not highly visible and somewhat difficult to find, especially for first-time visitors without GPS
- **site is split**: the storage is across the parking lot from the museum building itself
- **few synergies with surrounding land uses**: aside from a nearby Tim Horton's there are no enterprises nearby that could support a pleasant museum visitor experience (such as a variety of restaurants, shopping, other cultural amenities, parks, etc.)
- **site is not easily developable for expansion**, with concerns about soil toxicity, leakage and seepage from prior uses, etc.
- **building is not purpose-built**, leading to on-going risks, liabilities and costs
- **areas for programming are small** and not ideal for demonstration and observation purposes
- **major concerns with the storage facility** across the parking lot which is clearly deficient in many ways - the size of the collection (600 water craft) is stored in less than ideal museum conditions - the collection is subject to risks from increasingly deteriorating building conditions and could be subject to potential water and other damages from fire and natural risks such as wind and snow damage.
- **only a small percent of the CCM's remarkable collection can be displayed in this location.**
- **collection is at risk with the absence of proper museum collection standards plus fire and theft exposures.**

## Aspirations for a New Site

A new site would allow the CCM to fulfill a number of long-held ambitions that have been frustrated by the current site. These are:

- **Revealing the Treasure in the Collection** – enabling visitors to see 'behind the scenes' and certainly more of the collection.
- **Developing a Wider Range of Programming** – Staff at the CCM are eagerly awaiting the opportunity to overcome some of the current site constraints and embark on new and innovative types of programming that are not possible on the current site.
- **Enriching the CCM Visitor Experience** – Exhibits have been static for several years and the visitor experience has not changed over the period
- **Increasing the Number of Visitors** – The present CCM annual attendance is approximately 20,000 (average over the last 2 years); it is anticipated that a new and purpose-built facility would enable the institution to mount the sorts and exhibits and programs that would increase visitation materially.

Several potential sites were reviewed over the course of the analysis. Some were downtown locations, some waterfront. The Trent-Severn Waterway site at Lock 21 (Ashburnham) has been identified as the preferred site, and negotiations are underway with Parks Canada to look at ways and means of relocating the CCM to that location. The feasibility analysis undertaken in this Report is predicated upon this site as the preferred location.

## Key Findings and Conclusions

Key findings relating to the financial feasibility and sustainability analysis of the new museum in this location are:

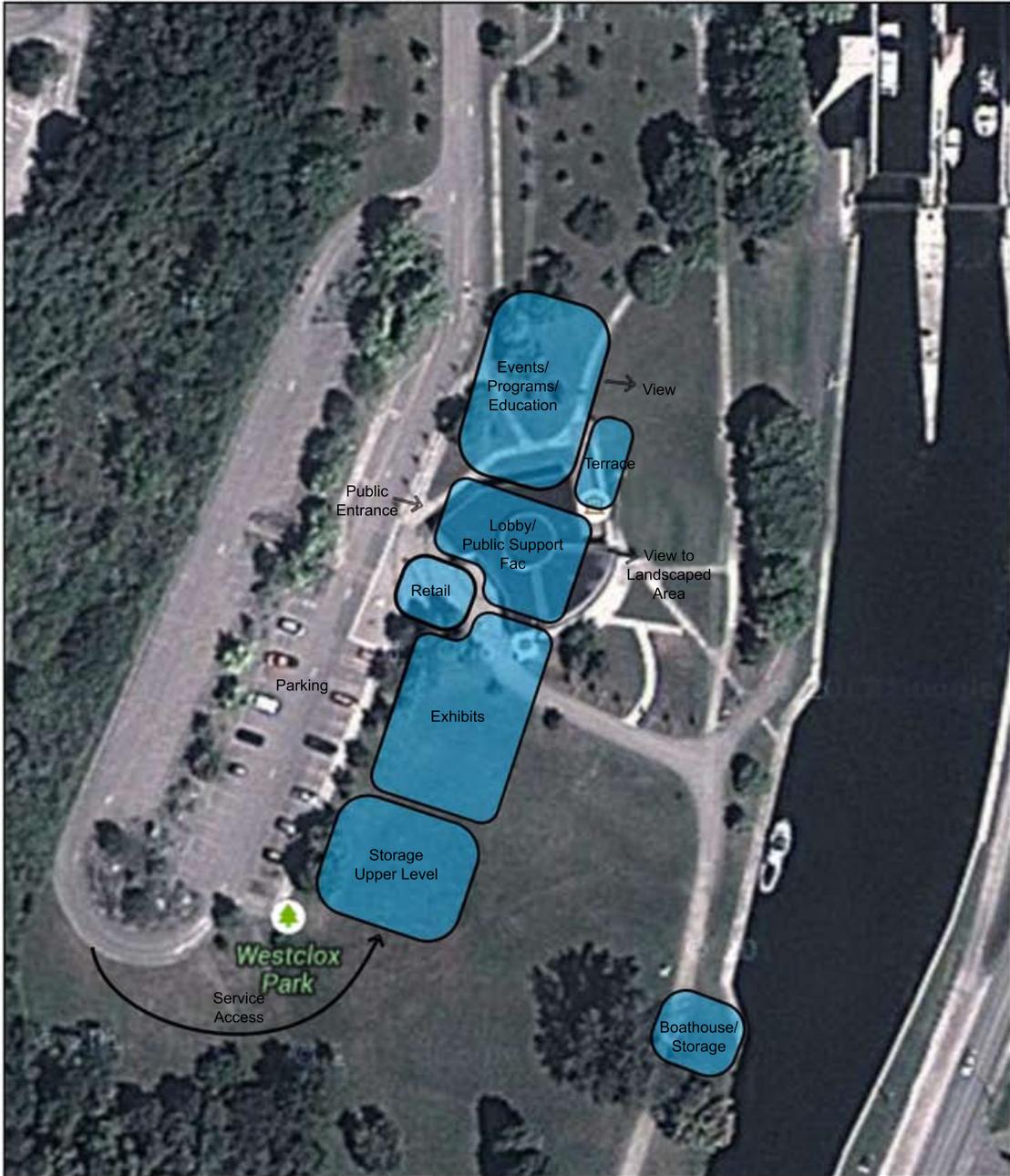
- (a) The new site would enable a much fuller range of programming, especially **water-related programming**, to be undertaken.
- (b) A new facility to incorporate expanded programming, on-site storage (viewable by visitors), refurbished exhibits, etc. would require a building of on the order of **71,000 sq. ft.** (present size)
- (c) The costs of such a facility (including exhibits, and furnishings, fixtures and equipment, but *excluding* land costs, soft costs, and contingency) would be just under **\$28 million** – this would clearly require a major fundraising campaign with all levels of government participating, as well as significant philanthropic involvement.
- (d) The operating budget for the new museum in a typical year of operation would be approximately **\$1.3 million** (up from approximately \$800,000 at present). This contains a provision for **4 additional full-time equivalent positions** for fundraising and programming. Under reasonable assumptions relating to both revenues and costs, the operation would be sustainable, with revenues from all sources covering costs.
- (e) A new facility in the new Lock 21 location will enable CCM to realistically achieve significantly higher levels of attendance, on the order of **35,000** (from current levels of just under 20,000).
- (f) The construction and operation of a new CCM in a new location would generate significant economic benefit locally, regionally and provincially. The construction of the facility will generate an estimated \$13.74 million in GDP, create 131 person-years of employment, and generate \$3.78 million in wages and salaries. The on-going operation is expected to generate \$1.561 million in GDP and create 32 jobs.

## Facility Concept

The following diagrams show the conceptual layout of the new CCM on the Lock 21 site. This concept layout could incorporate the existing Parks Canada building (and its exhibits) into the new facility.

**UPPER LEVEL**

K:\2013\1303 Canadian Canoe Museum\Design Development\1303 20131025 Canadian Canoe Museum\20131025 Bubble Diagram.



 <p>1867 YONGE ST, STE 1100, TORONTO ON CANADA M4S 1Y5 T 416 480 2020 F 416 480 1881</p>	<p><b>Canadian Canoe Museum</b></p> <p>PROJECT No. 1303</p>			<p>PLOT DATE: 26 Oct 2013</p>
	<p>Preliminary Planning Model – UPPER LEVEL Lock 21 Peterborough ON</p>		<p>DRAWING NUMBER</p>	
<p>DATE: 26 OCT. 2013</p>		<p>SCALE: NS</p>	<p>REF.: -</p>	<p>REV. NUMBER ( )</p>
<p>(8.5x11 Inches)</p>				

**LOWER LEVEL**

K:\2013\1303 Canadian Canoe Museum\Design Development\1303 20131025 Canadian Canoe Museum\20131025 Bubble Diagram.c



	<h3>Canadian Canoe Museum</h3>			DRAWING NUMBER  REV. NUMBER ( )
	PROJECT No. 1303 Preliminary Planning Model – LOWER LEVEL Lock 21 Peterborough ON DRAWING TITLE:			
1867 YONGE ST, STE 1100, TORONTO ON CANADA M4S 1Y5 T 416 480 2020 F 416 480 1881	DATE: 26 OCT. 2013	SCALE: NS	REF.: -	(8.5x11 Inches)

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## Programming Plan

The new facility on the Lock 21 site, and a new partnership arrangement with Parks Canada, will enable a much wider and more diverse range of programming to be undertaken. The study consulted extensively with staff to determine the kinds of new programming initiatives that would be developed. These are:

- **expanded in-museum programs:** a greater range and variety of programs will be possible due to the larger and 'purpose-built' space – this will include greater school-group usage, more workshops, lectures, film series (a film festival around the topic of 'canoes used in movies' was suggested), etc.
- **expanded waterfront-based programs:** clearly a waterfront location will make a variety of programs requiring direct or immediate access to the water a reality – plans include an expanded day camp operation - possibly in partnership with other provider(s), adult classes, water-oriented special events and contests, publicity and media events, overnight camping programs, etc.
- **outreach and virtual programming:** significant growth in this area is anticipated, and there are a variety of possibilities raised in the study – in addition to the web site and a more active social media presence, which will become increasingly rich and deep over time, possibilities could include:
  - *development of a network of schools across Canada, that are plugged into CCM's content and activities, possibly with school reps appointed to the CCM (who could then be sponsored to visit CCM with their families)*
  - *creation of an on-line archive of information about the collection*
  - *maintenance of 'how-to' video libraries (canoeing / kayaking techniques; how to build a canoe [e.g. the Nick Offerman workshop]; video diaries of canoe trips; etc.)*
  - *creation of CAA-like 'TripTiks' of canoe routes across Canada, possibly incorporating user content (videos, camping trips, etc.)*

*.... and further uses will become apparent over time as technology and software continue to evolve. For example over the lifetime of the new facility, virtual reality canoe trips may be a reality that becomes incorporated into the museum offering.*

- **community use:** The new museum will contain facilities that could be used for a range of community uses as well (e.g., theatre space, meeting rooms, possibly outdoor spaces). These represent revenue generation possibilities for the CCM, as well as providing other ways for the community to connect with the museum. Free parking at the Lock 21 site will be a major benefit. The site also lends itself readily to hosting various public events.
- **corporate and private use:** Being a new and iconic facility, the museum has the potential to sustain a high degree of corporate and private use. This could take the form of rental of multi-use facilities for corporate functions, birthday parties (which may involve purchase of programs offered by the museum in addition to the rental of the facilities), banquets, weddings, etc. Here a more park-like and waterfront-oriented setting may be a greater draw as this would provide the backdrop and scenic setting for such events. (As well, for corporate functions it would have the benefit of fewer distractions and temptations than a downtown location would have.)

- **aboriginal programs:** Given that approximately one-third of the CCM collection consists of aboriginal craft, there is much greater scope and legitimacy for a wide range of aboriginal programs. Adult-oriented programs of longer duration (e.g., a one-week course on how to build a native birch bark canoe) could be considerably attractive to foreign markets.

### Staffing Plan

The new programming and related areas of activity for the new CCM / Parks Canada partnership have certain staffing implications. Discussions held with existing personnel over the course of the study indicated that the current complement was satisfactory in terms of the core museum functions (e.g. curatorial, exhibit development, research, etc.). However, emerging areas of new need were seen to relate to the programming and revenue generation opportunities outlined above.

There are several areas where new and emerging program areas outlined above will likely entail a need for new staff in the longer term. These positions, and their potential functions, are outlined in the table below:

Staff Function	Description	Full-Time Equivalent Additional Positions (in typical year of operation)
<b>Programmer – in house and waterfront-based</b>	- assist in the identification and development of additional in-house and waterfront-based programs	2
<b>Programmer – virtual experiences</b>	- specialist in the development of on-line and virtual experiences and activities - assist Curator with on-line collections information - assist in overall web design and maintenance, as required	.5
<b>Special events coordinator</b>	- coordinate booking and special events activities - promotion of the availability of the CCM facility to the community - develop and maintain relationships with suppliers to events (caterers, florists, etc.) - other guest relationship activities - assist with marketing activities, as required	.5
<b>Fundraising Assistant</b>	- assist in the execution of various fundraising and revenue generation initiatives	1

Thus four additional staff positions, over the current complement of xx staff, are envisioned in a longer term 'typical year of operation'.

## Attendance

Attendance is likely to spike with the opening of the new Museum facility. This is because there is likely to be extensive publicity associated with the new museum and the partnership with Parks Canada, an enhanced visitor experience, as well as curiosity and excitement on the part of the public who will likely be curious to visit and experience the new facility. Following the first year or two, attendance may drop to a more 'normal' level associated with a 'typical year of operation'. It is assumed that attendance to the new facility in this 'typical year of operation' will be 35,000 visitors; this is based on the following assumptions:

Assumptions	Visitors
Retain existing annual visitor base of the CCM at its current location	20,000
Incremental visits because of enhanced visitor experience, programming and marketing	5,000
Half of existing lift lock visitor centre visitors (currently free, but who will have to pay in new facility)	10,000
<b>Total</b>	<b>35,000</b>

The admission fee proposed is a nominal \$4 per person (adult) and is not seen to be a significant barrier in any way to attendance.

The Peterborough Museum, in the same vicinity of the City but to the north along a dead-end road and somewhat out of sight, gets reportedly 30,000 visitors a year, which makes the attendance figure above seem quite reasonable and achievable.

It should be noted further that programming activity and web site utilization are expected to increase with the move to the new facility. However, to be conservative, these have not directly impacted the financial modeling.

## Operating Budget

The model on the following page shows the financial results for a typical year of operation following the build out of the new museum at the Lock 21 site. The model assumes a 'base year', which is comparable to the 2012 actual financial results and is then adjusted according to the assumptions noted.

There has been no allowance for lease costs associated with the new site. Rather, there is a revenue item based on CCM assuming under contract responsibility for managing the Parks Canada visitor centre component of the operation. This is offset by expenses associated with this function so that the net effect is a 'wash'. (The actual costs of running the Visitor Centre are not known at this time).

Staffing has been adjusted with the addition of four staff as noted in this earlier.

As the table shows, the new operation of the CCM can be essentially break-even.

## CCM Projected Income Statement in a Typical Year of Operation, Modeled at a Water Based Location

	2012 Actual Total	TYO Base	TYO Water Location	Lock 21 Site Assumptions
<b>Revenues</b>				
Admissions	\$62,011	\$62,000	\$140,000	35,000 visitors @ \$4
Donations and membership	63,170	63,000	94,500	50% increase
Grants and donations - contract staff	140,267	140,000	154,000	10% increase
Grants - Peterborough	70,000	100,000	150,000	50% increase
Grants - CMOG	47,505	47,505	47,505	base level
Grants - other	16,727	17,000	17,000	base level
Fundraising	157,798	160,000	160,000	base level
Retail sales (gross)	122,932	123,000	218,750	\$6.25 per visitor
Course revenue	111,124	111,000	138,750	25% increase
Rental income	32,170	32,000	76,500	45 events @1,700
Investment income	10,696	10,000	10,000	base level
Management fee / Other	9,072	9,000	100,000	fee based
<b>Total Revenue</b>	<b>843,472</b>	<b>874,505</b>	<b>1,307,005</b>	
<b>Expenditures</b>				
Wages and contract staff	504,853	500,000	660,000	add 4 staff @ 40,000
Building repairs and utilities	102,172	100,000	125,000	25% increase on base level
Operating and administrative	109,905	110,000	137,500	25% increase on base level
Fundraising	62,646	64,000	64,000	base level
COGS, inventory, selling costs	84,707	85,000	142,188	65% of retail sales
Insurance	16,427	16,000	20,000	25% increase
Displays	-	-	55,000	new expense
Lift Lock operations	-	-	100,000	match fee income
<b>Total Operating Expenses</b>	<b>880,710</b>	<b>875,000</b>	<b>1,303,688</b>	
<b>Net Income (Loss)</b>	<b>(\$37,238)</b>	<b>(\$495)</b>	<b>\$3,318</b>	

## Recommendations

Given the foregoing, the recommended course of action for the Board and staff of the CCM is as follows:

- (1) The Board should endorse this report in principle and use it as appropriate in various strategic initiatives going forward.
- (2) The conversation with Parks Canada regarding the potential for using the Lock 21 site at Ashburnham (just off Hunter St.) should continue as a top priority, with the aim of developing an agreement-in-principle regarding the relocation of the CCM to the site, and a joint working relationship between CCM and Parks Canada.
- (3) Simultaneously, however, the Board and staff should continue conversations with the City regarding other potential locations in the event that the Parks Canada site does not come to fruition.

- (4) CCM should begin immediately to build its fundraising team, following the findings and recommendations from the initial fundraising interviews undertaken over the course of the present work.
- (5) As soon as an agreement-in-principle is reached regarding a site, three sub-studies should be undertaken:
  - a) *a fundraising strategy that will shape the messaging to potential funders – including government - in light of the site selected;*
  - b) *a specific site plan and design / drawings that show how the concept developed here could fit onto the site;*
  - c) *a more detailed business plan containing a 5-year attendance projections and financial analyses.*
- (6) After the sub-studies outlined above have been finished, and the fundraising team established and starting to implement the fundraising strategy, a detailed Memorandum of Understanding (MOU) with Parks Canada should be developed, specifying: lease agreement for use of the site; agreement regarding access and use of the site; agreement regarding operating costs and maintenance for the building; arrangements regarding the interpretation of the story of the lift-lock; and other arrangements as appropriate.
- (7) Launch the fundraising strategy, according to the plan developed in recommendation #5 above.
- (8) Once the MOU has been completed or is substantially underway, a communications strategy should be developed and implemented.
- (9) After recommendation #6 is underway, staff should develop a transition strategy to the new facility.
- (10) Consider an architectural competition, as one of the key items that the fundraising team should consider, to ensure that the best design possible for the new museum is obtained, and that the design itself is exciting and conducive to the fundraising effort (i.e., a design that is visionary, iconic, ecologically friendly, etc.).

## **Conclusion**

**A new Canadian Canoe Museum can be a feasible and sustainable attraction. In partnership with Parks Canada at Lock 21, it can make a compelling visitor experience, resulting in a win-win for both parties. While there are many steps yet to take, the journey is worthy, attainable and will result in a proud cultural asset for all Canadians.**