SPECIAL CITY COUNCIL AGENDA

Special City Council Meeting
Wednesday, June 28, 2017
Tom Davies Square

MAYOR BRIAN BIGGER, CHAIR

2:00 p.m. OPEN SESSION, COUNCIL CHAMBER

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MOMENT OF SILENT REFLECTION

ROLL CALL

DECLARATIONS OF PECUNIARY INTEREST AND THE GENERAL NATURE THEREOF

COMMUNITY DELEGATIONS

1. Place des arts Project Update
   (ELECTRONIC PRESENTATION) (FOR INFORMATION ONLY)

   - Stéphane Gauthier, Board Chair, La Place des arts
   - Martin Lajeunesse, Board Treasurer, La Place des arts

   (The Place des arts project involves the new construction of a multipurpose arts centre on the site of a current municipal parking lot on Elgin Street. Place des arts was one of the large capital projects that presented to Council in November 2015. In December 2016, Council approved a conditional contribution of $5 million in addition to the land use transfer.

At present, Place des arts is reviewing a draft multi-year funding agreement which will formalize the terms and conditions of the municipal capital contribution. A by-law will be presented to Council in the coming weeks requesting authorization for the CAO to negotiate and sign this agreement on behalf of the CGS.

The Greater Sudbury Development Corporation (GSDC) continues to support the pre-capital development work of Place des arts through Community Economic Development Funding.

Place des arts is currently fundraising the balance of the nearly $30 million total project cost and will provide an update on their efforts.)

PRESENTATIONS

1. Report dated June 13, 2017 from the Chief Administrative Officer regarding Synergy Centre Project Update. **7 - 137**
   (ELECTRONIC PRESENTATION) (RESOLUTION PREPARED)

   - John Caruso, Co-Chair, Synergy Project Committee
   - Wendy Watson, Co-Chair, Synergy Project Committee

   (Staff and community supporters will provide an update on the work that has been undertaken on this project in the past 12 months. Council will be requested to endorse the project in principle and approve funding for further development leading to a future decision point.)

2. Report dated June 14, 2017 from the General Manager of Community Development regarding Art Gallery/Public Library Project Update. **138 - 201**
   (ELECTRONIC PRESENTATION) (RESOLUTION PREPARED)

   - Michael Bellmore, Chair, Greater Sudbury Public Library Board
   - Josée Forest-Niesing, Chair, Art Gallery of Sudbury

   (This report will provide the findings of the Greater Sudbury Public Library and Art Gallery of Sudbury's Co-location Facility and Business Plan.)

ADDENDUM

CIVIC PETITIONS

QUESTION PERIOD AND ANNOUNCEMENTS

NOTICE OF MOTION

ADJOURNMENT

RÉUNIONS EXTRAORDINAIRES DU CONSEIL MUNICIPAL
ORDRE DU JOUR

Réunion du Réunions extraordinaires du Conseil municipal
28 juin 2017
Place Tom Davies

MAYOR BRIAN BIGGER, PRÉSIDENT(E)

14 h RÉUNION PUBLIQUE, SALLE DU CONSEIL

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MOMENT DE SILENCE

APPEL NOMINAL

DÉCLARATION D'INTÉRÊTS PÉCUNIAIRES ET LEUR NATURE GÉNÉRALES

DÉLÉGATION COMMUNAUTAIRES

1. Compte rendu du projet de la Place des arts
   (PRÉSENTATION ÉLECTRONIQUE) (A TITRE D'INFORMATION)

- Stéphane Gauthier, Président du conseil d'administration, La Place des arts
- Martin Lajeunesse, Trésorier du conseil d'administration, La Place des arts

(Le projet de la Place des arts comprend des travaux de construction d'un immeuble neuf pour un centre des arts polyvalent sur les lieux d'un parc de stationnement municipal actuel, rue Elgin. La Place des arts était l'un des grands projets d'immobilisations qui ont été présentés au Conseil municipal en novembre 2015. En décembre 2016, le Conseil municipal a approuvé un apport conditionnel de 5 millions de dollars en plus du transfert du terrain. À l'heure actuelle, la Place des arts examine le texte provisoire d'une entente de financement pluriannuelle qui officialisera les conditions de l'apport municipal en immobilisations. Un projet de règlement municipal sera présenté au Conseil municipal dans les semaines qui viennent lui demandant d'autoriser l'administrateur en chef à négocier et à signer cette entente au nom de la VGS. La Société de développement du Grand Sudbury (SDGS) continue à soutenir les travaux d'aménagement préalables aux immobilisations de la Place des arts par l'entremise des fonds de développement économique communautaire. La Place des arts fait actuellement des collectes de fonds pour couvrir près de 30 millions de dollars qui manquent pour couvrir le coût total du projet et elle donnera un compte rendu de ses efforts en ce sens.)

PRÉSENTATIONS

1. Rapport de l'Administrateur en chef, daté du 13 juin 2017 portant sur Compte rendu du projet du Synergy Centre. **7 - 137**
   (PRÉSENTATION ÉLECTRONIQUE) (RÉSOLUTION PRÉPARÉE)

   - John Caruso, Coprésident du Comité du projet du Synergy Centre
   - Wendy Watson, Coprésidente du Comité du projet du Synergy Centre

   (Des membres du personnel et des personnes de la communauté qui appuient cette initiative donneront un compte rendu sur les travaux entrepris dans le cadre de ce projet au cours des 12 derniers mois. On demandera au Conseil municipal d'appuyer le projet en principe et d'approuver des fonds pour le développer plus à fond, ce qui mènera à un point de décision à venir.)

2. Rapport de la directrice générale des Services de développement communautaire, daté du 14 juin 2017 portant sur Compte rendu du projet de la Galerie d'art et de la Bibliothèque publique. **138 - 201**
   (PRÉSENTATION ÉLECTRONIQUE) (RÉSOLUTION PRÉPARÉE)

   - Michael Bellmore, président du Conseil d'administration de la Bibliothèque publique du Grand Sudbury
   - Josée Forest-Niesing, présidente de la Galerie d'art de Sudbury

   (Ce rapport rendra compte des constatations sur les installations et sur le plan d'activités regroupant les services de la Bibliothèque publique du Grand Sudbury et de la Galerie d'art de Sudbury sous un même toit.)

ADDENDA

PÉTITIONS CIVIQUES

PÉRIODE DE QUESTIONS ET ANNONCES

AVIS DE MOTIONS

LEVÉE DE LA SÉANCE

Request for Decision

Synergy Centre Project Update

Presented To:	Special City Council
Presented:	Wednesday, Jun 28, 2017
Report Date	Tuesday, Jun 13, 2017
Type:	Presentations

Signed By

Recommended by the Department
Ian Wood
Director of Economic Development
Digitally Signed Jun 13, 17

Financial Implications
Ed Stankiewicz
Executive Director of Finance, Assets and Fleet
Digitally Signed Jun 13, 17

Recommended by the C.A.O.
Ed Archer
Chief Administrative Officer
Digitally Signed Jun 14, 17

Resolution

THAT the City of Greater Sudbury approves the Synergy Project concept as outlined in the consultant's report, Strategic Business Plan for the Greater Sudbury Synergy Centre, dated June 1, 2017, for the development of a multi-purpose conference and performing arts venue with a gross floor area of 60,500 square feet;

AND THAT the City of Greater Sudbury directs staff to work with the Greater Sudbury Synergy Centre Committee to undertake a site evaluation and selection process. Staff shall coordinate this work with the site selection process associated with the Library/Art Gallery project and shall ensure that all relevant options are examined, including the potential for shared site development. The results of this process will be reported back to Council by December 31, 2017;

AND THAT the City of Greater Sudbury directs staff to work with the Greater Sudbury Synergy Centre Committee to secure the services of a consultant to finalize a detailed business plan, operational model, conceptual design and financial plan for the proposed centre. The recommendations arising from this work will be reported to Council by June 30, 2018;

AND THAT the City of Greater Sudbury Council approves a one-time allocation of $187,500 from the Tax Rate Stabilization Reserve to fund the costs of the above activities.

Relationship to the Strategic Plan / Health Impact Assessment

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

Report Summary

The Greater Sudbury Synergy Centre (GSSC) is proposing to be the largest, most state-of-the-art, flexible and economically efficient, public meeting and performance facility in Northern Ontario. It will be primarily focused on the attraction of larger scale meeting and convention business that is not currently being hosted in Sudbury. The secondary focus of providing a larger scale arts and cultural live performance community auditorium gives the venue a unique positioning in the market. The multi-purpose flexibility 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 Project:

* Will be the largest multi-purpose meeting and conference facility in the North, further solidifying Sudbury's position as a regional capital city

* Creates a significant new demand generator for the community, 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 performing arts shows not currently available

* Creates new jobs and businesses to support the ongoing facility operations

* Increases flow of new money into the community, most directly through increased tourism visitation and related spending (over $82,000 per conference/convention and over $23,000 per art performance in our community)

* Demonstrates a continued commitment to downtown development and revitalization as outlined in the City's Downtown Master Plan

This report recommends that Council endorse the Synergy Centre concept and provide funding to further refine the business case, capital costs and design.

Financial Implications

If approved, the costs up to $187,500 will be funded from the Tax Rate Stabilization Reserve.

Report to Council
Large Project Update on Synergy Centre
Wednesday, June 28th, 2017

PURPOSE

This report summarizes the background, work completed and the current status of the Synergy Centre Project. It recommends that Council endorse the concept of the project and provide financial support to continue efforts to better define the project's design, operation and location.

BACKGROUND

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 implemented. Some of the reasons for these abortive initiatives include uncertainties regarding long term financing, potential of on-going municipal tax burden, uncertainty of market demand and competitiveness locally and on a broader scale.

In 2009, with support from the federal government, a Community Adjustment Committee (CAC) was established to identify actions that could be taken to mitigate the economic impact of that year's economic downturn and job loss in the community. The CAC completed extensive community consultations and four priority projects were proposed in its final report to Council presented on June 23, 2010, including a recommendation to create a multi-purpose space in the downtown to host large scale meetings, conventions and community celebrations.

Following the CAC's report, additional research was conducted, a community led committee was developed to steer this new "Synergy" project toward implementation. In 2011, with sponsorship of the Sudbury Community Foundation, the Synergy Project Steering Committee received $50,000 in municipal funding through the Greater Sudbury Development Corporation (GSDC) to hire a project manager to complete the feasibility analysis and business plan. These funds were augmented by matching funds from Fednor and $45,000 from the Ontario Ministry of Tourism Culture and Sport.

By 2014, the Synergy Project Committee had completed the project as presented for funding. The committee was working on securing funding for the final stages of business planning and design in 2015 when the Large Projects presentations to council were offered.

The Greater Sudbury Synergy Centre (GSSC) was presented to Council as one of the 16 large projects in November 2015. In April 2016 Council reviewed staff evaluations and on the projects and endorsed the Synergy Centre as one of four priority projects for the community.

As directed by Council, city staff began to work with the existing GSSC proponents and sought to integrate new community champions into the process. Conversations between supportive community leaders, GSDC Board, staff and the Synergy Project Committee, led to the creation of a renewed Greater

Sudbury Synergy Centre (GSSC) Committee. The committee is co-chaired by Wendy Watson (GSDC Board Chair) and John Caruso (Synergy Project Steering Committee Chair) and supported by the following members: Brian Koivu, Brian Tremblay, Carmen Simmons, Carol McAulay, Debbi Nicholson, Doug Morrison, Guy Labine, Jean Leblanc, Michael Luciw, Scott Overton, and Viviane Lapointe.

In late 2016, the GSDC Board identified the Greater Sudbury Synergy Centre project as one of their top priorities to advance in 2017. The Board encouraged staff to begin to resource the project and also committed funds to assist in the effort.

Since January 2017, the GSSC and staff have engaged the assistance of consultants with CBRE Tourism & Leisure to revaluate the work completed to date, and lead additional research to prepare the attached Strategic Business Plan (received June 1, 2017). This Plan confirms the updated project concept, core business functions, identifies courses of demand and supply, as well as potential economic impacts on the downtown and the community as a whole. The plan will provide direction and foundation to finalize the full detailed business plan and conceptual design phase needed to move the project closer to shovel ready. A summary of the key highlights of the Plan completed by CBRE and Novita are below.'

HIGHLIGHTS OF THE STRATEGIC BUSINESS PLAN

The Strategic Business Plan prepared for the City of Greater Sudbury and the Greater Sudbury Synergy Centre (GSSC) Committee was received on June 1, 2017 from CBRE Leisure & Tourism Group, completed in partnership with Novita Interpares Ltd.

The Greater Sudbury Synergy Centre (GSSC) is proposed to be the largest, most state-of-the-art, flexible and economically viable meeting and performance facility in Northern Ontario. It will be primarily focused on the attraction of larger scale meeting and convention business that is not currently being hosted in Sudbury. The secondary focus of providing a larger scale arts and cultural live performance space gives the venue a unique positioning in the market. The multi-purpose function of the Centre will help in its objective to achieve a higher number of events days and revenue streams to lessen its dependency on municipal subsidies.

Benefits of the Project

- Effectively doubles Greater Sudbury's conference event capacity from approximately 350 to 860 attendees
- Creates a right-sized community auditorium, performing arts space with 300 more seats than the 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 performing arts shows not currently available

- Creates new jobs and businesses to support the ongoing facility operations

- Increasing flow of new money into the community, most directly through increased tourism visitation and related spending (over $82,000 per conference/convention and over $23,000 per art performance in our community)

- Continued commitment to downtown development and revitalization as outlined in the endorsed Downtown Master Plan

Recommended Functional Program

The new GSSC is proposed as a 60,500 square feet building. The largest contiguous space in the facility will be a 13,000 square feet ballroom/auditorium which will be able to host 867 people in banquet style seating or be transformed into a 950 seat theatre. The Theatre configuration will consist of 750 convertible from flat floor space and 200 fixed seats in a balcony.

This conversion of the same space from flat floor to high-quality raked auditorium seating will be accomplished through the use of state-of-the-art seating systems. This conversion can happen quickly and provides the GSSC with completely flexible space that will increase its usage throughout the year; significantly increasing community benefits and decreasing potential operating subsidies.

The main ballroom/auditorium will be complimented by 4 additional meeting spaces each with varying capacities and scalability. For the primary function of attracting larger scale meeting and convention business, the facility required to host large groups in both plenary and breakout configurations.

RENTABLE SPACE	Sq.Ft.	Divisibility	Capacity - M&C	Capacity - Fixed Seats
Flat floor area (Ballroom / 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	950
TOTAL RENTABLE SPACE	19,500		1,408	950
SUPPORT SPACE	Sq.Ft.			
Public Lobby/Crush Space/Connection Corridors	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			

Source: CBRE Limited & Novita Interpares

Market Potential and Economic Impacts

The consultants with CBRE and Notiva interviewed a number of stakeholders to help understand the current market for events facilities both of meetings/conventions and in the arts. It is estimated that Sudbury is currently hosting approximately 4300 events a year in the meeting and convention spaces and potentially 2000 in the arts.

As identified in the report, “the new GSSC has the potential to be a significant new demand generator”. The GSSC will have a significant impact directly on the community’s ability to bring in new money through the attraction of new large scale events and their direct relation to increasing over-night visitation. By focusing on attracting business not currently being serviced by existing facilities, the opportunities will be in targeting bookings for conferences/conventions and live performing arts shows with attendance over 300 people.

The Strategic Business Plan has estimated an opening date in 2021 and projects up to 5 years of activity based on fair market estimates for both meetings and convention business and perform arts shows. A summary of the key economic impacts are presented below, for activities expected by 2023.

By 2023, the GSSC estimates:

- 16 new conventions/conferences, which will have on average 90% non-resident delegates, spending over $82,000 per event in our community

- 34 new performing arts events (assuming at least 50% will be new business not currently available in the market), with an estimated 47% non-resident delegates, spending over $23,000 per event in our community

- Growing from 8 jobs within the first year (over $637,000 in payroll) to approximately 33 direct jobs with $2.4 million in salaries

- A 25% increase in room nights demand, which would nearly triple the current meetings and convention room night demand, as well as increasing incremental leisure room nights with the new performing arts offerings

- Over $3.1 million anticipated in gross domestic product for Sudbury

The impacts related to quality of life are more difficult to put into quantified results, but it is expected that increasing the access to these facilities will help position Sudbury as a knowledge centre and therefore improve the community's ability to better attract and retain professionals. These are the reasons given by supporters from Laurentian University, Health Sciences North and the Centre for Excellence in Mining Innovation.

As a downtown project, the GSSC also has a significant opportunity to continue the revitalization of the downtown, as envisioned in the CGS Downtown Master Plan (released March 2012) and started through significant investments, such as the Laurentian University School of Architecture (2013). The GSSC will attract more visitors and residents to downtown and will help build additional business demand, for not only the accommodations, but for the retail and food service sector. The facility will be a destination that will help improve the tourism and business image of the city's core, and be a significant anchor which helps to solidify Sudbury's position as a hub for the North and/or as the Capital of the North. Improving the image and perception of the city with the expected economic spinoff has positive effects for the broader community as a whole.

The GSSC has the potential to attract new investment, specifically as it related to a new hotel development. The report indicates that there is a potential to attract a co-located hotel facility and this will be fuiirther explored and detailed in the next phases of the project.

Competition

The GSSC will be competing in the Tier 3 Convention Centre market (less than 50,000 square feet of meeting space) in Canada, of which 10 have been identified as GSSCs competition within the national convention market. These range in size and scale (from 19,800 to 48,452 square feet) and the average number of events hosted in 2016 was around 290.

In the north, the GSSC is positioning itself to be the largest and most technologically advanced meeting space available. At present, Sudbury is effectively limited to hosting conferences 350 or less. As indicated, the GSSC will more than double that capacity and will surpass the only other venues capable of servicing events over 350 people: The Quattro Hotel in Sault Ste. Marie which has capacity to host full service conferences up to 775 people, and the Valhalla Inn in Thunder Bay which has capacity for up to 667 people.

Locally the GSSC will be raising the competitive bar for meetings and conventions with the existing facilities. Where there may be concern that the new GSSC will have the potential to attract business from the local competitors, the strategy will be to target attraction efforts on new events and conferences that exceed the existing venue capacities.

Capital Cost Estimates

The estimated construction cost estimated in the Strategic Business Plan is approximately $63 million and is based on the consultants experience with similar projects and recent construction costs experienced by other developments in downtown Sudbury. This total includes $2.5 million to be used toward production and operational development work during construction to maximize the potential for success in year one.

As this is an infrastructure project that helps achieve a number of priorities locally and regionally, the GSSC will be eligible to apply for support from both the provincial and federal government and this could lessen the financial burden on the municipality.

NEXT STEPS

Moving forward, the recommendation is that Council's approve the project conceptually and support the next phase of site evaluation and completing the Detailed Business Plan and Conceptual Design. This phase of planning will aim to:

- Investigate potential downtown sites with consideration of other relevant downtown large projects, evaluate them based on specific criteria (best practices will be used from work of other large projects) and make a final recommendation
- Finalize the concept, market and financial projections
- Continue public consultation and evaluation of potential partnerships
- Review governance options and best practices then make a final recommendation; produce updated conceptual design drawings
- Evaluate/confirm capital costing, sources of funding and timelines to proceed

Given that the progress of two of the downtown large projects (the Library Art Gallery and the Greater Sudbury Synergy Centre) are at similar points of development, staff will explore opportunities to align and evaluate the impact they may have on one another. This will be important for work related to site selection. Similarly, Council's decision on the Event Centre/Arena location will influence how these projects move forward.

In order to proceed to the next steps, Council is being asked to approve a contribution of $187,500 from the Tax Rate Stabilization Reserve. The GSSC Committee will continue to work with staff to then bring a completed report to Council by June 2018.

RESOURCES:

Council Update May 30, 2017
https://agendasonline.greatersudbury.ca/?pg=agenda&action=navigator&id=1128&lang=en

Council Update April 11, 2017
https://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&id=1125&itemid=13017&lang=en

Council Update March 7, 2017
https://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&id=1124&itemid=12718&lang=en

Council Update Dec 13, 2016
https://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&id=1034&itemid=12449&lang=en

Council Update July 12, 2016
https://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&id=949&itemid=11754&lang=en

STRATEGIC BUSINESS PLAN FOR GREATER SUDBURY SYNERGY CENTRE

City of Greater Sudbury, ON
CBRE File No. :16-APPRHOTELS-0099

Date: June 1, 2017

Prepared for:
Greater Sudbury Synergy Centre
Working Group

CBRE

CBRE Valuation & Advisory Services
CBRE Tourism & Leisure Group

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June 1, 2017

Greater Sudbury Synergy Centre Working Group
Via email: dana.jennings@greatersudbury.ca
Ian.wood@greatersudbury.ca

RE: Strategic Business Plan for Greater Sudbury Synergy Centre Project – Final Report

Attention: Greater Sudbury Synergy Centre Working Group,

In accordance with the terms of our engagement, CBRE in association with Novita Interpares is pleased to submit the attached Strategic Business Plan for the Greater Sudbury Synergy Centre ("GSSC").

The Greater Sudbury Synergy Centre ("GSSC") is a proposed multi-use convention centre and performing arts facility to be located in Downtown Sudbury. The recommended development program for the proposed Greater Sudbury Synergy 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 GSSC could effectively compete with other Tier 3 Convention Centres and regional hotels and event venues for large convention and conference groups in excess of 300 persons, with trade show capacity, and banquets of up to 900 persons.

While the core business of the Greater Sudbury Synergy Centre will be to attract conventions, conferences 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 Synergy Centre hosting 221 M&C events and 274 event days, as well as 34 Performing Arts events over 51 event days by its stabilized year of operation (Year 5).

The value-added GDP impacts associated with the initial $63 million in capital investment in the GSSC have been estimated at $23 million in direct and indirect impacts, with 97% ($22.3 million) expected to directly benefit Greater Sudbury. Of this $22 million in GDP, an estimated $13.5 million in salaries and wages will be generated to support 160 direct jobs in Sudbury, and a further $8.6 million is estimated to result in direct taxes for Greater Sudbury.

The direct economic activity created by operating of the GSSC in Greater Sudbury has been estimated at $3.9 Million per year, with an additional $1.0 million of GDP produced by indirect and induced sources. By 2023, the GSSC is expected to contribute a combined $6.3 Million in spending from both its operation and off-site visitor expenditures. At these demand levels, the subject GSSC is projected to operate at an annual net loss of $311,000 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 GSSC, has the potential to be a significant new demand generator. By 2023, the operation of the GSSC 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 GSSC will attract additional overnight accommodation demand into the downtown core.

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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EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

Background

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

Since the 1970s, the City of Greater Sudbury has undertaken a number of studies to determine the feasibility of a standalone arts and cultural facility, as well as a standalone convention centre and trade centre. Based on this work, it was ultimately determined that a multi-use facility would present the best operating model with the greatest economic impact for Greater 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 GSSCP, and implications for moving the project forward. Following recommendations from CBRE's Assessment of Work, CBRE in association with Novita Interpares was retained again in April 2017 to continue its assessment of the Greater Sudbury Synergy Centre (GSSC) concept and development of a strategic business plan.

The Greater Sudbury Synergy Centre project will be presented to City Council on June 28, 2017 along with proposals for other major public projects for Sudbury's downtown core. The ultimate goal of the subject study has been to define the concept of the Greater Sudbury Synergy Centre, inclusive of its core business function and sources of demand, and potential economic impact for the community.

GSSC Concept and Direct Benefits

As a multi-use facility, the core business of the GSSC will be to attract conventions, conferences, and trade shows to the City of Greater Sudbury. With 13,000 square feet in a main plenary room, and 6,500 square feet of additional meeting and breakout rooms, the GSSC 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.

The ability to convert the largest plenary hall into a live performance hall through an automated lift seating system also presents a new and unique concept for the Sudbury market. This dual-functionality model demonstrates both a commitment to the advancement of the city's knowledge centre and to the existing arts and culture scene in Sudbury and, giving the City a competitive advantage in growing the market and attracting professional talent. Furthermore, it provides event space and entertainment options for residents and tourists, while attracting meeting/conference delegates from across the country. The greatest benefits of the unique GSSC facility include:

- Generating economic benefits to the City of Greater Sudbury, with greater impacts in the downtown core;

- 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 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;
- Providing increased density in the urban core;
- Reducing the cost of land and infrastructure requirements in the downtown core, with only one development site; and
- Operating synergy benefits, including increased activities, increased hours for part-time staff, and shared personnel and building costs.

While most conference 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.

The value-added GDP impacts associated with the initial $63 million in capital investment in the GSSC have been estimated at $23 million in direct and indirect impacts, with 97% ($22.3 million) expected to directly benefit Greater Sudbury. Of this $22 million in GDP, an estimated $13.5 million in salaries and wages will be generated to support 160 direct jobs in Sudbury, and a further $8.6 million is estimated to result in direct taxes for Greater Sudbury.

The new GSSC, has the potential to be a significant new demand generator. The opening of the new GSSC is expected to induce Meeting & Convention room night demand to the Sudbury market. In 2016, the Sudbury market generated approximately 32,800 room nights from the M&C market, or 8% of total accommodation demand. By 2023, the operation of the GSSC represents a potential 25% increase in Meeting/Convention demand levels to the City compared to levels achieved today, in addition to leisure demand for live entertainment and other events at the GSSC. During this year, the GSSC is also expected to contribute a combined $6.3 million in spending from both its operation and off-site visitor expenditures, contributing to direct GDP generation of $3.9 million, 33 direct jobs with salaries of $2.4 million, and $1.3 million in direct taxes for Greater Sudbury. Off-site delegate spending on conventions alone is estimated at $1.3 million, which equates to an average value of $82,700 per convention in 2023.

GSSC Facility Program & Capital Cost

Based on market and comparable research, the recommended development program for the proposed GSSC includes 19,500 square feet of rentable meeting/conference 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 60,480 square feet.

RENTABLE SPACE	Sq.Ft.	Divisibility	Capacity - M&C	Capacity - Fixed Seats
Flat floor area (Ballroom / 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	950
TOTAL RENTABLE SPACE	19,500		1,408	950
SUPPORT SPACE	Sq.Ft.			
Public Lobby/Crush Space/Connection Corridors	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			

Source: CBRE Limited & Novita Interpares

Preliminary capital costs for the project, as proposed, have been estimated at approximately $60 Million, with an additional $2.5 Million estimated for Production and Operational Development, for a total of approximately $63 Million. Given the multiple uses of this facility and its proposed 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.

GSSC CAPITAL COSTS - PRELIMINARY ESTIMATE

	Sq.Ft.	TOTAL
Construction Cost	60,480	$33,264,000
Seating & Staging Technology		$8,086,000
FF&E		$5,000,000
Subtotal - Building Costs		$46,350,000
Soft Costs		$6,952,500
Contingency		$6,952,500
Total Capital Cost (rounded)		$60,255,000
Production & Operational Development		$2,500,000

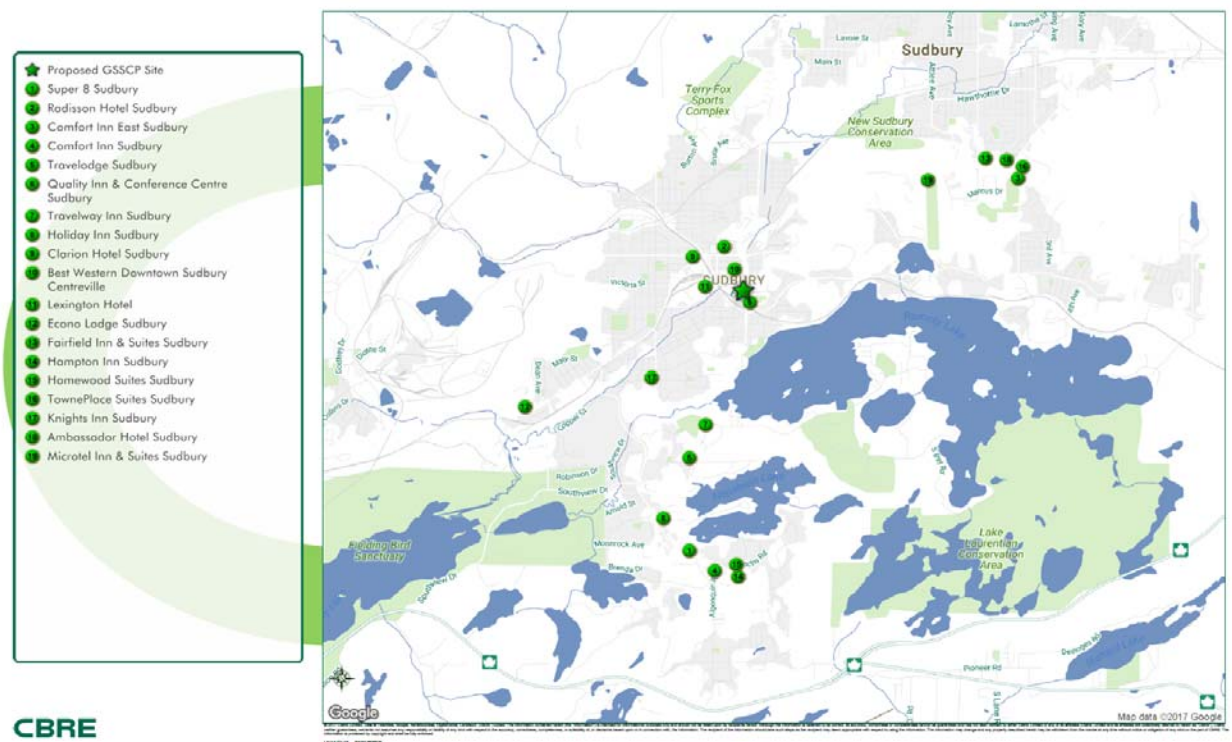
Source: CBRE & Novita Interpares Preliminary Estimate

NOTE: total project costs cannot be confirmed until a full schematic design for the building has been prepared, and the designated site is confirmed.

Site Analysis

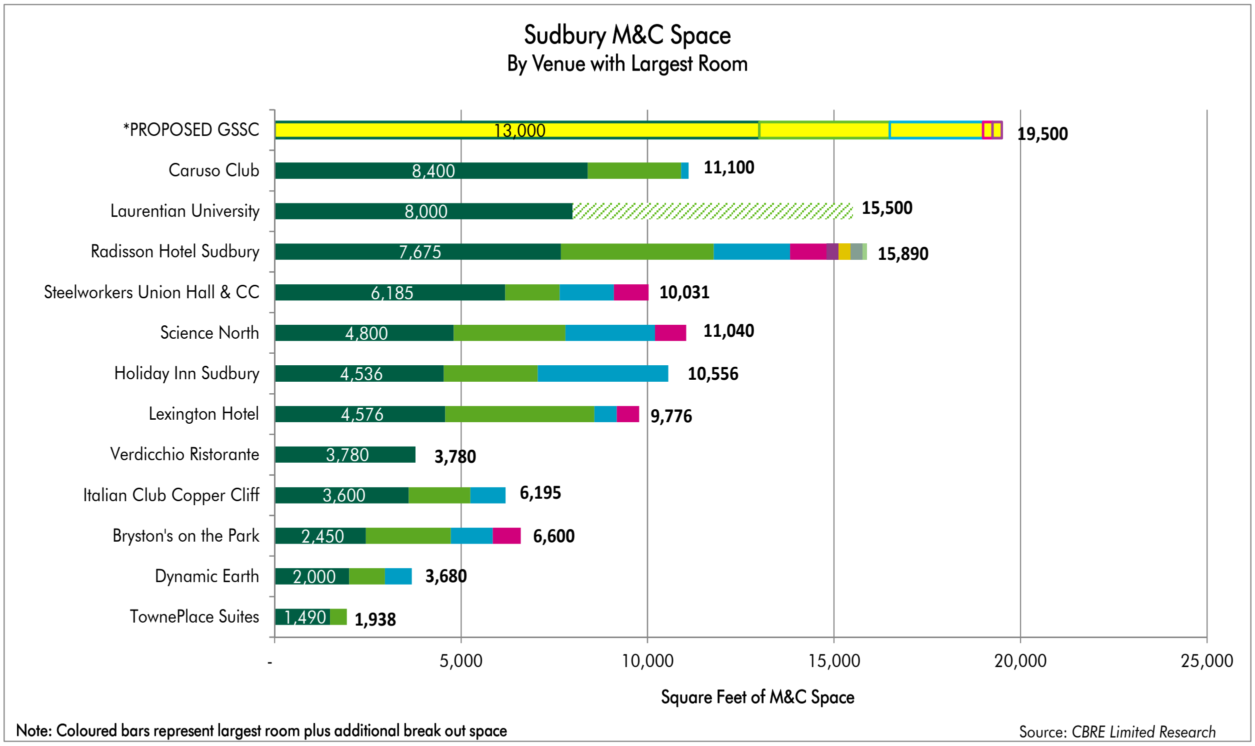
The identified 1.37-acre site is considered a good fit to accommodate a 60,500 square foot single storey or multi-storey building in downtown Sudbury. Proximity to the Sudbury Theatre Centre also presents significant opportunities for operating synergies, i.e. sharing a box office, and management is interested in working with the GSSC to create such synergies. It should be noted, however, that this location is considered to be a "base case" site, and will need to be validated as part of next steps in the final business plan for the GSSC.

From a Meeting & Convention market perspective, it will be very important for the subject GSSC to be close to a critical mass of hotels, as the majority of meeting planners view this as a significant factor driving conference 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 28% of the total rooms supply in the Greater Sudbury Area (1,669 rooms). While much of the new hotel development in the 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.



GSSC Market and Utilizations Projections

From a **Meeting & Convention** market perspective, the proposed Greater Sudbury Synergy 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 proposed positioning of the GSSC in relation to these markets from a venue size perspective:

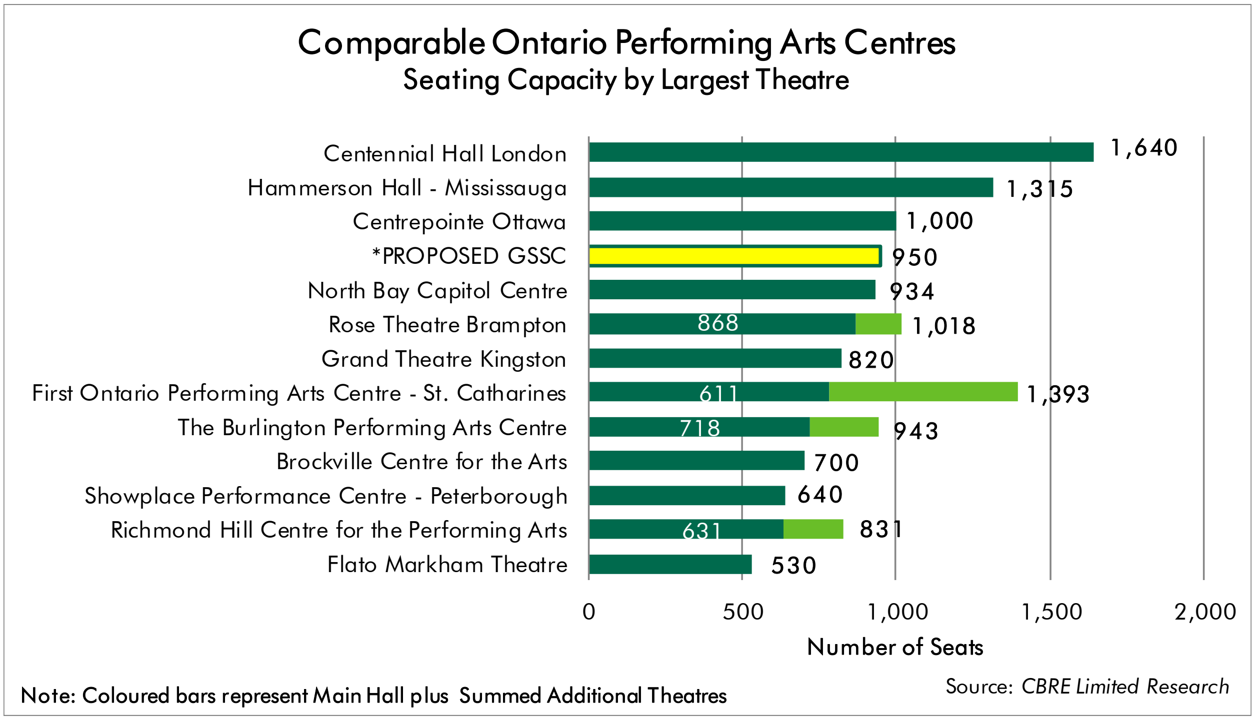


Tier 3 Canadian Convention Centre Supply, Hotel Room Inventory and Estimated Population - 2016

Convention Centre	Location	Total M&C SF	Estimated Capacity	Hotel Room Inventory	M&C SF Per Hotel Rm	Est. CMA Population 2016
London Convention Centre*	London, ON	48,452	4,038	3,489	14	509,605
Blue Mountain Convention Centre	The Blue Mountains, ON	48,377	4,031	1,590	30	19,734
Chatham-Kent John D. Bradley Convention Centre	Chatham-Kent, ON	39,703	3,309	367	108	106,115
Prince Edward Island Convention Centre*	Charlottetown, PE	36,099	3,008	1,441	25	69,561
Penticton Trade and Convention Centre	Penticton, BC	34,165	2,847	1,498	23	41,946
St. John's Convention Centre*	St. John's, NL	33,332	2,778	2,729	12	209,555
Vancouver Island Conference Centre	Nanaimo, BC	24,853	2,071	922	27	103,809
Saint John Trade & Convention Centre*	Saint John, NB	24,735	2,061	1,560	16	126,759
Prince George Conference & Civic Centre	Prince George, BC	22,800	1,900	2,089	11	87,451
Fredericton Convention Centre**	Fredericton, NB	19,834	1,653	1,753	11	98,501
Proposed GSSC Sudbury	Sudbury, ON	19,500	1,625	1,669	12	166,694

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 2016*

With respect to the GSSC's positioning in the Ontario Performing Arts market, the following chart shows the proposed 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 Synergy Centre, as well as the Greater Sudbury hotel and event venue markets, in comparison to the proposed GSSC by event type.

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

Source: CBRE

As shown, by 2023, the GSSC 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

Sudbury accommodation market through meetings and conventions will be incremental new demand for the City.

When not hosting meetings, conferences and other social banquets, the GSSC is projected to host **34 live performance events over 51 event days**. Typical events 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 summer events, touring shows (i.e. through Ontario Presents), and private shows for attendees of conventions and conferences hosted at the GSSC. These live performances are estimated to generated **36,800 attendees**, of which 53% are expected to be residents, and 47% will be visitors to Sudbury.

GSSC Operating Projections

Operating Projections have been prepared for the proposed GSSC 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 Performing Arts Centres across Ontario. Projections for the subject Greater Sudbury Synergy 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;
- The venue will be operated by third party management firm, and incur an annual management fee of $100,000 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 GSSC at 3.0% of revenues per year;
- Inflation rates have been estimated at 2% throughout the projection period; and
- An estimated 8 full-time equivalent positions have been recommended for Year 1, based on industry standards and comparable facilities, equating to $637,500 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 Synergy Centre hosting 221 M&C events and 274 event days as well as 34 Performing Arts events over 51 event days by its stabilized year of operation (Year 5).

As shown in the following table, by 2025, Total Revenues are estimated to reach $1.4 million, of which 47% will be space rental income ($657,000). Total Expenses, inclusive of departmental expenses (33%), undistributed operating costs (77%) and other fixed costs (13%) have been projected to reach $1.7 million.

The GSSC is projected to require approximately **$311,000 in an annual operating grant by its stabilized year of 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.

	2025	
REVENUES		
M&C Space Rentals	$460,200	33%
PAC Space Rentals	$196,500	14%
Total Space Rentals	$656,700	47%
Box Office Chgs	$159,334	11%
Retail / Merchandising	$121,500	9%
Food & Beverage Commission	$288,800	21%
AV Rentals	$166,400	12%
Total Revenues	$1,392,734	100%
DEPARTMENTAL EXPENSES		
Space Rentals	$307,900	47%
Retail Cost of Goods Sold	$60,750	50%
AV Rental Costs	$85,600	51%
Total Departmental Expenses	$454,250	33%
UNDISTRIBUTED OPERATING COSTS		
Administration & General	$331,200	24%
Information & Telecommunications	$58,600	4%
Sales and Marketing	$154,600	11%
Property Operations & Maintenanc	$225,000	16%
Utilities	$300,500	22%
Total Undistributed Expenses	$1,069,900	77%
OTHER FIXED CHARGES		
Management Fee	$108,200	9%
Insurance	$29,300	2%
Reserve for Asset Replacement	$41,800	3%
Total Fixed Charges	$179,300	13%
NET OPERATING INCOME	-$310,700	-22%

Source: CBRE Limited and Novita Interpares

Governance and Other Considerations

Conference Centres and Performing Arts Centres are typically publically-owned and operated and/or managed by a third party.

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

Given the multiple uses of the GSSC, it will be imperative to set up policies and procedures related to:

- Programming – may require 2 different skill sets
- Rental Rate Structure
- Booking Policies
- Cancellation Policies
- Conflict resolution protocol
- Regional market considerations when bidding

In relation to other proposed Sudbury large-scale developments, the GSSC will have a strong advantage because of its core business to attract new money to the city through large-scale conventions, conferences, trade shows, **and** its ability to maximize both core space and utilization through its dual functionality (i.e. automated lift seating technology). Other development, such as the Place des Arts and Sports and Entertainment Complex have the potential to better attract existing market demand through their theatre and arena functionality, but the GSSC has the competitive advantage of truly drawing new demand through its convention and trade show functionality.

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 (i.e. Science North) are located. The development of the GSSC in the downtown core will be attractive to hotel developers due to its potential for new retail and other business generation, but the GSSC alone will not generate enough year-round demand on its own to sustain 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 Sudbury accommodation market has 119 new hotel rooms entering the market by 2019 in addition to the 2016 opening of the 100 room Microtel, representing a 10% 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 GSSC 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.

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 GSSC. 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 GSSC, 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 $4.0 to $5.0 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 GSSC, it would likely be a financial drain on the project, if the hotels parking needs/costs have to be absorbed.

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 GSSC itself is preliminary in nature. However, based on our preliminary assumptions, the GSSC 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 GSSC.

Conclusions

As mentioned, the value-added GDP impacts associated with the initial $63 million in capital investment in the GSSC have been estimated at $23 million in direct and indirect impacts, with over $22 million directly benefitting Greater Sudbury. The new GSSC also has the potential to be a significant new demand generator. By 2023, the operation of the GSSC represents a potential 25% increase in Meeting/Convention demand levels to the City, in addition to leisure demand for live entertainment and other events at the GSSC. Off-site delegate spending on conventions alone has been estimated at $1.3 million, which equates to an average value of $82,700 per convention in 2023.

As noted, while most conference 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 Synergy 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 GSSCP, 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 Greater Sudbury Synergy Centre (GSSC) concept and development of a strategic business plan. CBRE has 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.

Study Scope

The Greater Sudbury Synergy Centre project will be 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 Synergy Centre will need to be 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.

As such, the ultimate goal of the subject study has been to define the concept of the Greater Sudbury Synergy Centre, inclusive of its core business function and sources of demand, and potential economic impact for the community. If developed, the Synergy Centre will be part of a greater vision for Sudbury's downtown core, in concert with other large scale projects that have yet to be approved. It will be important to clearly define the Synergy Centre's market positioning and economic potential in a strategic business plan that can be used as a foundation for a full business plan.

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

- Met with the GSSC Working Group and proposed GSSC facility partners, as well as numerous stakeholders in the community, identified in the following chart:

STAKEHOLDER DISCUSSION LIST

	Name	Position	Company/Organization	Interviewed	Date Interviewed
GSSCP Steering 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
	Carol McAulay	VP Administration	Laurentian University		
	Debbie Nicholson	President & CEO	Greater Sudbury Chamber of Commerce		
	Doug Morrison	President & CEO	CEMI		
	Guy Labine	CEO	Science North	✓	May-17
	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
	Viviane Lapointe	Chief Communicationss and Community Engagement	Health Sciences North	✓	Jan-17
	Scott Overton	Freelance Writer and Author			
	Ian Wood	Director, Co-Chair	City of Greater Sudbury	✓	Apr-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
	Abrahan Jose	Sales Manager	Radisson Hotel & Conference Centre	✓	May-17
	Brian Dodds	General Manager	Quality Inn	✓	May-17
	Vina Makkar	Owner/Operator	Super 8 Sudbury & Best Western Downtown Sudbury	✓	May-17
	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 Lepera	Senior Manager Visitor Services	Science North / Dynamic Earth	✓	May-17
	Kathyrn Huneaault		Science North / Dynamic Earth	✓	May-17
	Brad Parkes		Laurentian University	✓	Jan-17
	Dominic Giroux	Chancellor, Office of the President	Laurentian University	✓	Feb-17
	Julie Ceming	Manager, Conference & Event Services	Laurentian University	✓	May-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 Lafontaine	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
	Carol Koziar	Facilities Clerk	Rainbow District School Board (Sheridan Centre)	✓	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 Schweyer	Major Events Development Officer	City of Greater Sudbury		
	Michael Atkins	Owner	Northern Ontario Business, Sudbury.com, Sudbury Mining Journal and other companies	✓	Feb-17
	Bob Deeth	Principal	Sudbury Secondary School	✓	May-17
	Brian Bigger	Mayor	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
	Ron Henderson	General Manager, Citizen and Leisure Services	City of Greater Sudbury	✓	Apr-17

Source: CBRE Limited and Novita Interpares

- 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 GSSC inclusive of functional area quantifications related to live performance and meeting/convention facilities;

- Developed Delegate and Attendee projections for the GSSC during the first 5 years of operations;

- Prepared Financial Operating Projections for the GSSC for the first 5 years of operations;

- Undertook an assessment the Economic Impacts of the GSSC derived through its construction, operation and incremental visitor spending to Greater Sudbury and its downtown;

- Provided commentary on the potential benefits of an adjacent hotel development to the GSSC site and potential parking requirements for the site with and without an adjacent hotel; and

- Compiled all findings into the subject Strategic 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.

GSSC CONCEPT AND SITE ANALYSIS

GSSC Concept

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

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 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/conferences and banquets have been hosted at local hotels and other venues with other core functions (i.e., Fraser Auditorium at Laurentian University and local 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 Sudbury from having a vibrant performing arts scene, there are very few presenters in Sudbury who have product capable of drawing 1,000 or more, and meetings and conferences 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 Synergy Centre came to forefront, as a multi-use facility that can meet a broad spectrum of community needs and drawn new visitor dollars to the City.

These previous studies have identified the following objectives, vision and mission statement for the Greater Sudbury Synergy Centre:

Objectives

- To provide a multi-use Conference and Performing Arts 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

- To be the largest host of public, industry-related events in Northern Ontario.

Mission

- The multipurpose venue should play a dynamic economic role by providing a space for the expression of innovative activities through conferences, conventions and trade shows and through contributing to a sustainable arts and culture sector and related community organizations.

The proposed Greater Sudbury Synergy Centre represents an opportunity to increase the level of meeting/conference 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 proposed Synergy Centre 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 conference 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 here will be to effectively program the GSSC with multiple events (performances, meetings and conferences, banquets, award ceremonies, weddings, 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.

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 conference 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;
- 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 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;
- Providing increased density in the urban core;
- Reducing the cost of land and infrastructure requirements in the downtown core, with only one development site; and

- Operating synergy benefits, including increased activities, increased hours for part-time staff, and shared personnel and building costs.

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 Sudbury.

The dual-function purpose of the GSSC 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 more of an opportunity to grow the market and attract professional talent from other urban centres.

Furthermore, performing arts markets in particular 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. Small markets, such as 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 is being proposed for Greater Sudbury Synergy Centre, therefore make sense in these markets.

Potential Roles for Supporters and Users of the GSSC

The following list identifies those Sudbury based organizations that have expressed an interest in playing a role to either support or make use of the GSSC as of May 2017.

For the purposes of this report, "users" would be those that would be regular or occasional renters at the proposed venue, and help to generate revenue for the GSSC. "Supporting organizations" are those service providers who would supplement the venue's delivery capacity (e.g., Sudbury Theatre Centre providing box office), without adding to the fixed overheads, and essentially remaining cost/revenue neutral.

At this point, there are no official project "partners," which would be defined as those that bring capital or operating dollars to the project that would not otherwise be there. It will be important to finalize the core purpose of the Synergy Centre, and determine whether there are opportunities to bring in new tenants, as opposed to capitalizing the project first.

Potential Roles for Supporters and Users of the GSSC

	Organization	Potential Role
1	Sudbury Symphony Orchestra	User
2	Sudbury Theatre Centre	Supporting Organization
3	Sudbury Tourism Partnership	User
4	Cinefest/Music & Film in Motion	User
5	Science North	User
6	Laurentian University	User
7	Sudbury Shared Space Project	User
8	Sudbury Community Foundation	User
9	Cambrian College	User
10	Collège Boréal	User
11	Health Sciences North	User
12	Sudbury District Law Association	User

At this time, the Sudbury Symphony has expressed interest in being a part of the multi-use Synergy Centre. Given the preliminary nature of the concept plans, the possibility remains open for the Sudbury Theatre Centre to also share space in the Synergy Centre, subject to the availability of a large enough site and the ability to maintain individual space and identity. Clustering these uses under the same roof would serve to create a destination site for the revitalization of downtown Sudbury, and presumably reduce construction and operating costs.

Proposed GSSC Site

The proposed GSSC site is a 1.37-acre site in downtown Sudbury, bounded by Shaughnessy Street on the west, Van Horne Street on the south, Paris Street on the east, and the Sudbury Theatre Centre and Brady Street on the north. There are 3 properties located on the southern end of the site that consume approximately 15,000 square feet. The City would need to purchase these properties as part of the overall site at an estimated acquisition cost of $1 Million. As outlined in the image below, the balance of the land (1.02 acres) is city owned. Site acquisition costs have not been included in previous GSSC capital costs estimates, as the proposed location is a "base case" site, and will need to be validated as part of next steps in the final business plan for the GSSC.

GREATER SUDBURY SYNERGY CENTRE – PROPOSED SITE

Source: City of Greater Sudbury

The City of Greater Sudbury also owns adjacent lands immediately east of the site as well as the Sudbury Arena site and municipal parking lot on the west side of Shaughnessy Street as depicted in the following map.

CITY OWNED LANDS HIGHLIGHTED IN YELLOW AND GREEN

Source: City of Greater Sudbury

Implications for GSSC

The subject Strategic Business Plan calls for the development of the Greater Sudbury Synergy Centre with potential connectivity to the Sudbury Theatre Centre, and other efficiencies, in order to enhance the downtown's level of economic, cultural and retail activity, its sense of place, and its role as the urban centre for the region; and to ensure the optimal level of utilization of the Centre itself on a year-round basis.

In order to achieve the greatest economic benefits to the community, it is essential that the GSSC 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 GSSC to be close to a critical mass of hotels, particularly from a meeting/conference market perspective, as the majority of meeting planners view this as a significant factor driving conference 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.

Further, at 1.37 acres, the identified site can support a 60,500 square foot facility in either a single storey building or multi-storey building. However, in a single-storey building footprint, the site would allow minimal capacity for parking on-site. Several parking projects would need to be considered in relation to the subject GSSC development, considering the potential displacement of existing surface parking facilities, and must be addressed in a full business plan. Preliminary considerations have also been addressed in the Conclusions section of this report.

Overall, the identified site is considered to be a good fit for the subject development from both a locational aspect, due to its size, proximity to other tourism infrastructure, and the potential economic spinoff for Sudbury's downtown core. However, as noted, this location is considered to be a "base case" site, and will need to be validated as part of next steps in the final business plan for the GSSC.

GREATER SUDBURY MARKET ANALYSIS

Introduction

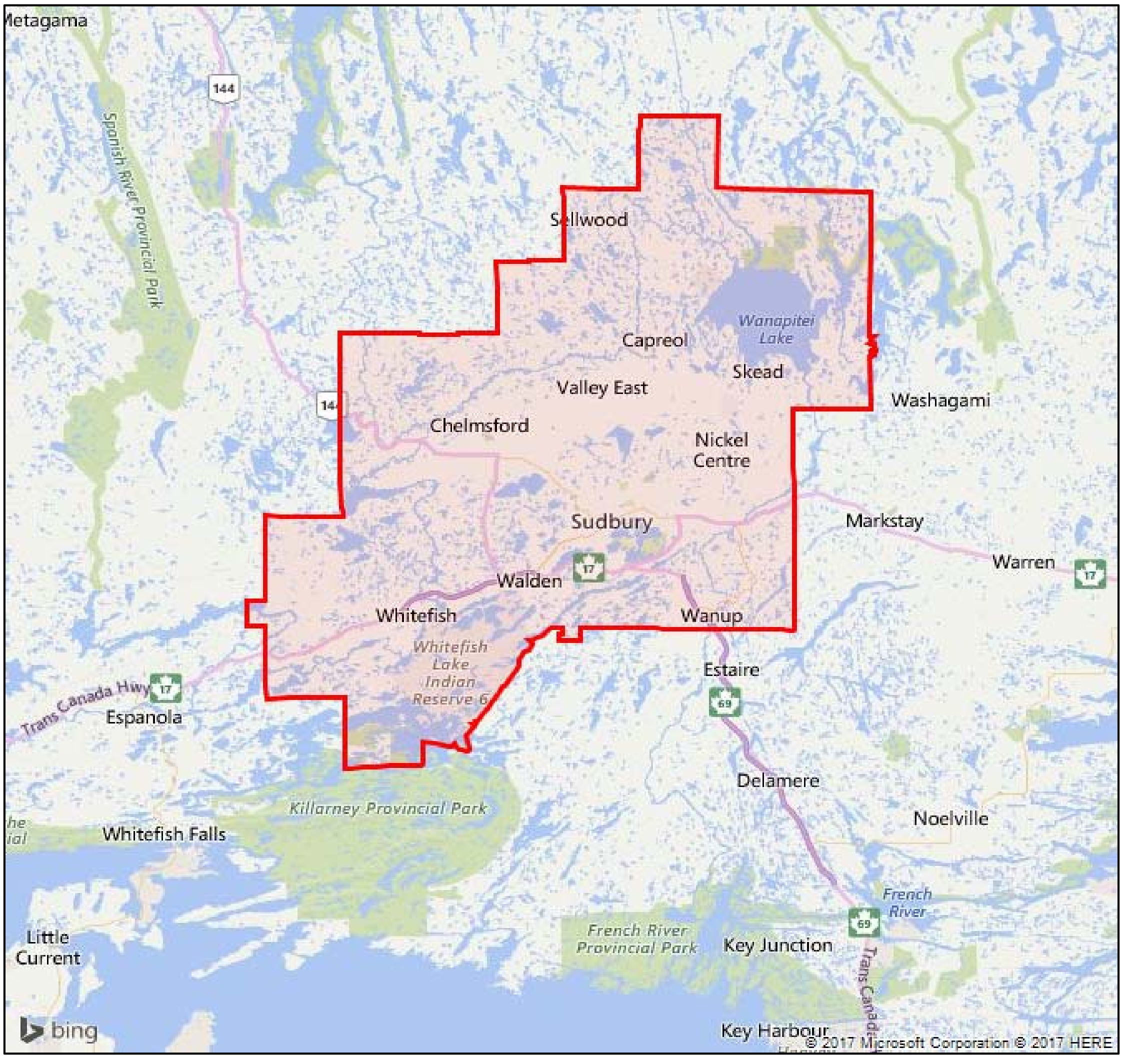
Spanning 3,627 square kilometres in area, the City of Greater Sudbury is the largest municipality in Ontario and second largest in Canada in terms of land mass. Sudbury is centrally located in Northeastern Ontario and is situated on the Canadian Shield in the Great Lakes Basin. As a world class mining 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 andrelated 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 proposed GSSC 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 proposed GSSC site location at the corner of Van Horne Street and Paris Street 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 2016*

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

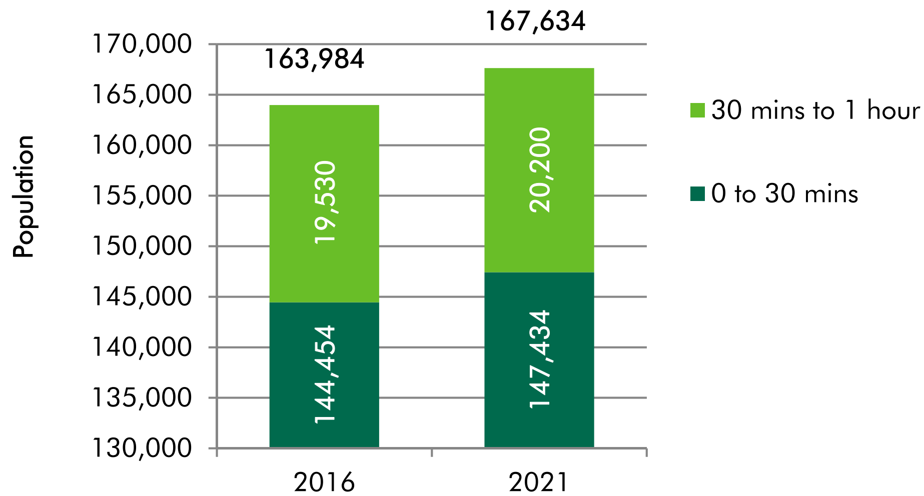
Population 2016 Estimate	% of Canadian Total	% Change 2011-2016	Average Annual Growth Rate 2011-2016	
166,694	0.5%	0.9%	0.2%	
Household Income – 2016 Average				
% Above/Below National Average	Total Income 2016	% Canadian Total	Per Capita	Hhlds. $100,000+
3.4% above	$7,063,861,000	0.5%	$42,376	36.7%
Household Spending – 2016 Average				
% Above/Below National Average	Total Household Spending 2016	% Canadian Total	Per Capita	Per Household
8.1% Below	$7,248,717,206	0.5%	$43,485	$100,977

Source: Sitewise Environics Analytics, 2016

- As Northern Ontario's largest centre, Greater Sudbury was home to 166,700 residents in 2016, achieving 0.9% growth over 2011 levels and accounting for 0.5% of the Canadian population. Sudbury's population is expected reach 169,400 by 2021, an increase of 1.6% over 2016.
- Greater Sudbury residents made up about 71,800 households, at an estimated 2.29 persons per household.
- At $98,400 in 2016, the average household income in Greater Sudbury was estimated to be 3.4% above the national average; with about 37% of households making more than $100,000 per year at a per capita income of $42,400.
- At a total expenditure of $7.2 million, household spending on live performing arts events was approximately $101 per household or 2% of total recreational household spending in 2016.
- Dissimilar to household income, household spending in Greater Sudbury is about 8% below the national average; with a per capita spend of approximately $43,500.
- The median age in Greater Sudbury was 44.6 years in 2016, with a fairly equal distribution of men to women. The population is two years older than the provincial average.
- Householder income was about is 3% higher than the National average, which household spending was 8% lower than the National average.
- About 28% of the people in the City identify as francophone.

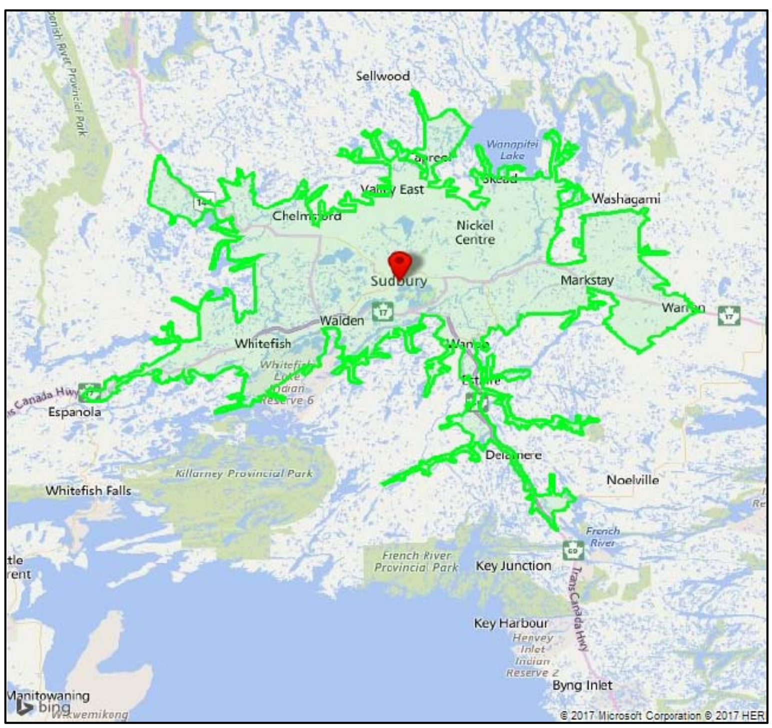
As shown below, the total available population within a 1-hour drive of the proposed GSSC site is approximately 163,984 people, accounting for 98% of the Greater Sudbury residential population. By 2021 the population of this catchment area is expected to increase by 2.2% to 167,634 residents.

DRIVE TIME POPULATION TO PROPOSED GSSC SITE- 2016 - 2021



Source: *Sitewise Environics Analytics, 2016*

DRIVE TIME MAP CATCHMENT WITHIN 1-HOUR OF PROPOSED GSSC SITE



Source: *Sitewise Environics Analytics 2016*

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 (2011) French as their mother tongue; it is relatively small, having a CMA population of about 161,000 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 $116 annually on live sporting AND performing arts. As discussed, Sudbury has about 71,800 households which equates to approximately $8.3 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 $30 average ticket would represent consumer spending of $174,000. 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 Sudbury for sporting events and performing arts can be more quickly depleted by large-scale events.

Consumer spending on live performance and sporting events has been fluctuating in recent years. However, the introduction of new facilities, such as the GSSC 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 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 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 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 lifesyle types represent an available market of almost 65,000 residents with an interest in attending performances at the proposed Greater Sudbury Synergy Centre, representing 36% of the existing population, which is considered a strong sample in relation to other jurisdictions.

GREATER SUDBURY TOP 5 PRIZM5 LIFESTYLE TYPES BY POPULATION - 2016 ESTIMATES

PRIZM5 Lifestyle Segment (#)	Population in Greater Sudbury	% of Total Population	Description
Fresh Air Families (24)	20,549	12%	• 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)	14,648	8%	• 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)	10,968	6%	• 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)	9,254	5%	• 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)	9,057	5%	• 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	64,476	36%	

Source: *Environics Analytics, Sitewise 2016*

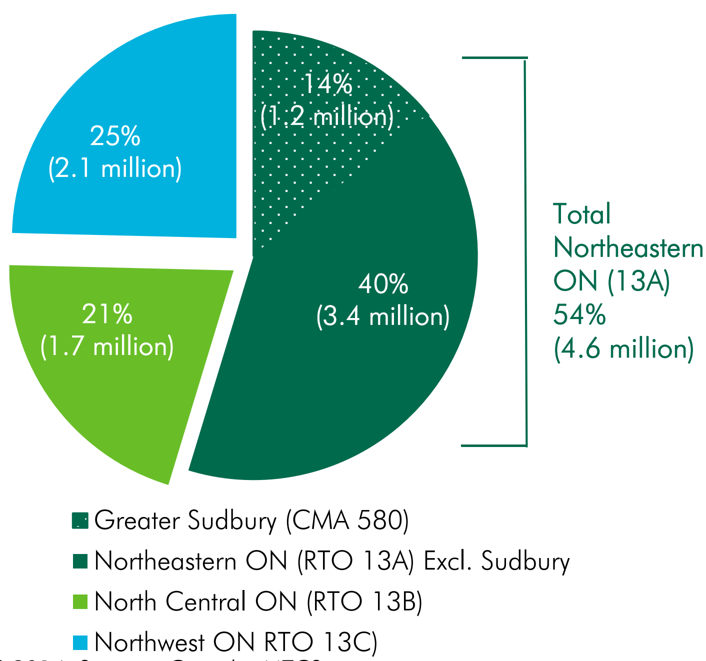
Greater Sudbury Visitor Market

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 2014, there were approximately 8.3 million visits to Northern Ontario, of which Northeastern Ontario comprised approximately 54%. Specifically, an estimated 14% of Northern Ontario's person visits were made to Greater Sudbury, while 40% were made to other Northeastern Ontario areas.

GREATER SUDBURY VISITS AS A PROPORTION OF TOTAL RTO 13 VISITATION - 2014



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

In total, Northeastern Ontario attracted an estimated 4.6 million person visits in 2014, achieving a 26% increase over 2010. Of total Northeastern Ontario visitation, Greater Sudbury accounted for approximately 26%, attracting 1.2 million visits in 2014 and achieving growth of 11% 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 26% in 2014 largely due to slower person visit growth in comparison to that of overall Northeastern Ontario.

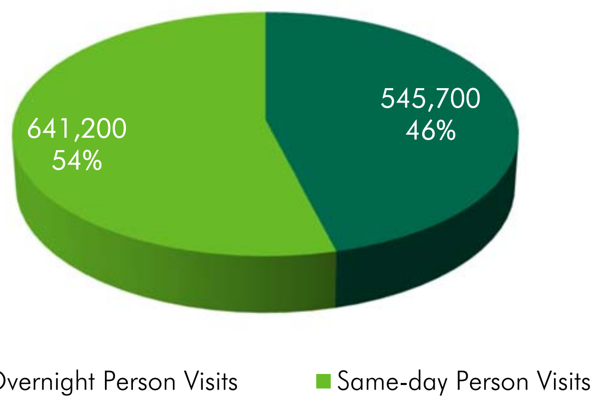
GREATER SUDBURY HISTORIC PERSON VISITS

Year	Greater Sudbury (CMA 580)	Northeastern ON (RTO 13A)	Greater Sudbury Mkt Share
2014	1,187,000	4,563,200	26%
2010	1,067,900	3,627,300	29%
2008	875,400	3,186,100	27%
2006	1,150,600	3,768,700	31%

Source: *TSRC/ITS 2006-14, Statistics Canada, MTCS*

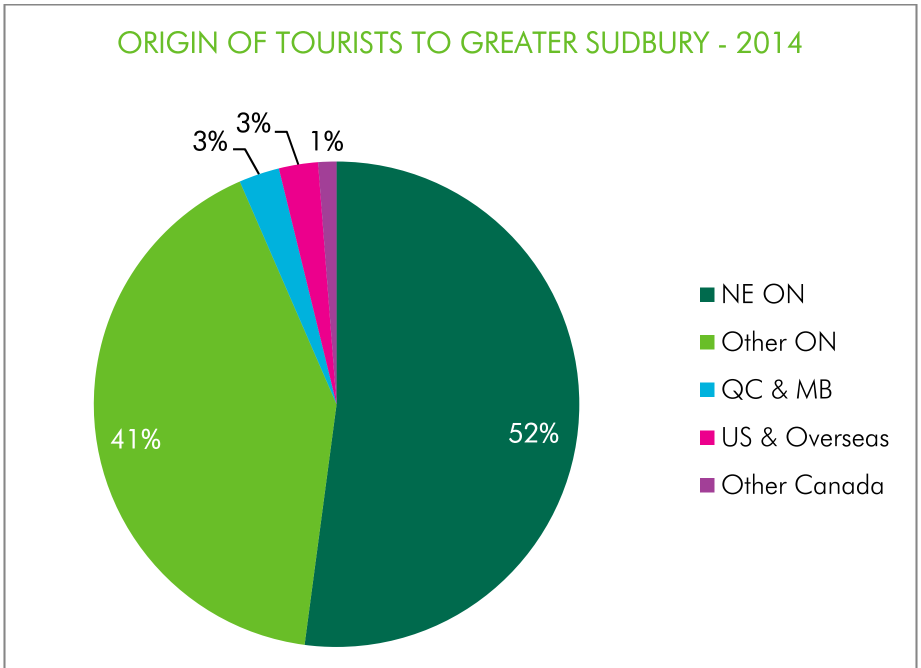
As shown below, same day visits to Greater Sudbury comprised 54% of total trips (641,200 visits), while overnight visits accounted for the remaining 46% (545,700 visits).

GREATER SUDBURY TOURISM VOLUMES BY LENGTH OF STAY - 2014



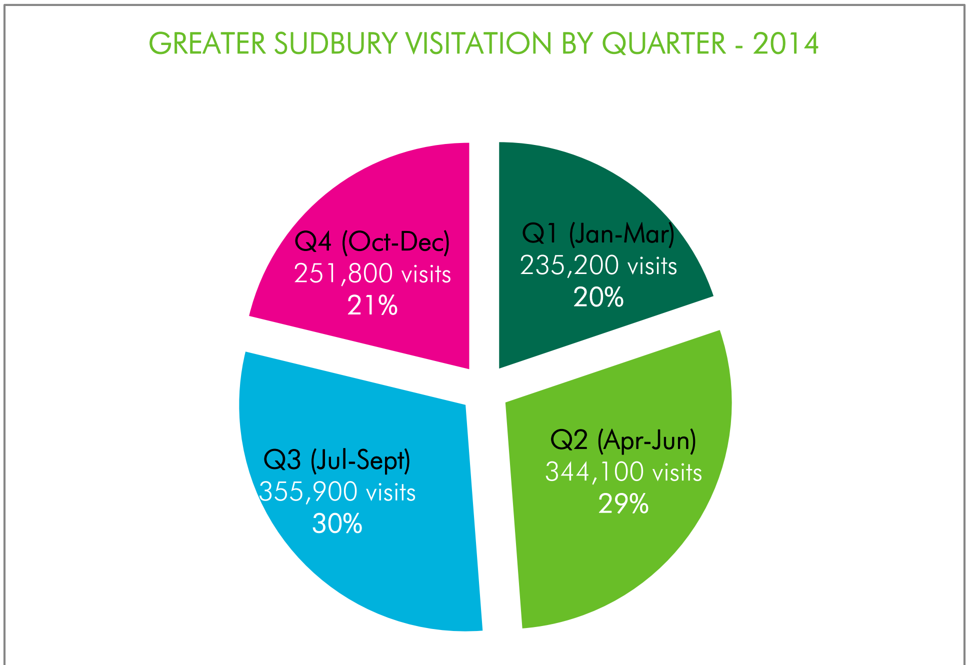
Source: *TSRC/ITS 2014, Statistics Canada, MTCS*

Northeastern Ontario residents travelling to Greater Sudbury comprise 52% of overall visitation (618,400 trips), while other Ontario residents accounted for 41% (491,100 trips) and residents from Quebec and Manitoba made up 3% (32,000) of total visits. Visitation from the U.S. and overseas generated 3% of the total (31,000 visits), while other Canadian provinces constituted approximately 1% of visits (14,400).



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

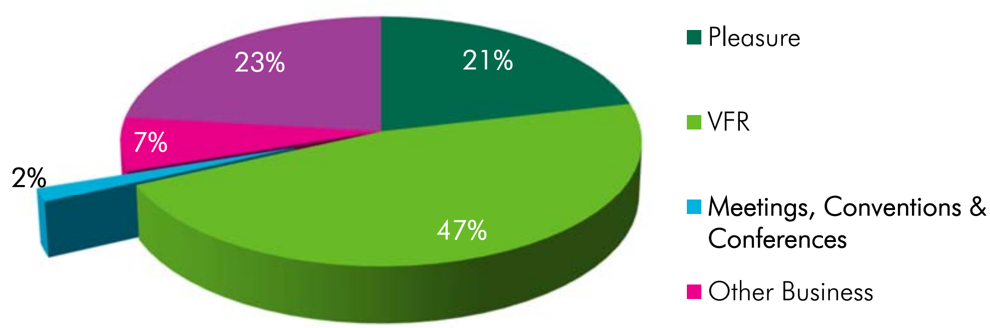
From a seasonality perspective, visitation to Greater Sudbury was highest from July to September (Quarter 3) with 30% of total visits, followed closely by April to June (Quarter 2) with 29%. Slight fluctuations in visitation were seen in the remaining period, with October to December (Quarter 4) accounting for about 21% of visitation and January to March (Quarter 1) slightly lower at 20%.



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

As a regional hub for many Northeastern Ontario residents, the majority of trips to Greater Sudbury are made to visit friends and relatives (47%), followed by trips made for other personal reasons such as shopping (23%) and those made for pleasure purposes (21%). The remaining trips are made for the primary purpose of business (9%), comprised of 2% of trips made for meetings, conventions and conferences, and 7% for other business matters.

GREATER SUDBURY VISITATION BY PURPOSE OF TRIP - 2014



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

In 2014, there were 103,000 business visitors to Greater Sudbury, of which 21,000 were convention delegates. This represents one-quarter of the total business volumes to Northeastern Ontario, and 15% 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 currently attracts less than its fair share of business travellers and meeting/conference delegates at 15% of total demand.

BUSINESS VISITOR VOLUMES TO NORTHERN ONTARIO - 2014

	Greater Sudbury	Northeastern ON	Northern ON	Greater Sudbury Share NE ON	Greater Sudbury Share N ON
Convention, Meeting & Conferences	21,100	54,600	136,200	39%	15%
Other Business	81,900	342,700	571,400	24%	14%
Total Business Visits	103,000	397,300	707,600	26%	15%

Source: *TSRC/ITS 2006-14, Statistics Canada, MTCS*

Of the total visits made to Greater Sudbury, about 4% (45,100 visits) included a cultural activity component. Specifically, 1% of visits to Greater Sudbury (15,500 person visits) included trips to cultural performances. This represents almost one-third of the total visitor volume that frequented cultural performances as part of their trip to Northeastern Ontario, and 14% to Northern Ontario.

PERSON VISITS BY THOSE THAT PARTICIPATED IN CULTURAL ACTIVITIES - 2014

	Greater Sudbury	% of Total Person Visits	Northeastern ON	Northern ON	Greater Sudbury Share NE ON	Greater Sudbury Share N ON
Festivals/Fairs	7,300	1%	81,400	156,400	9%	5%
Cultural Performances	15,500	1%	57,100	113,900	27%	14%
Museums/Art Galleries	22,300	2%	68,000	149,100	33%	15%
Total Visits W Cultural Activity Participation	45,100	4%	206,500	419,400	22%	11%

Source: *TSRC/ITS 2006-14, 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 2014.

PERSON VISITS BY THOSE THAT PARTICIPATED IN CULTURAL ACTIVITIES - RTO 13 - 2014

	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	7,300	1%	81,400	2%	55,100	3%	44,400	2%
Cultural Performances	15,500	1%	57,100	1%	36,100	2%	31,300	1%
Museums/Art Galleries	22,300	2%	68,000	2%	50,900	3%	72,500	3%
Total Visits W Cultural Activity Participation	45,100	4%	206,500	5%	142,100	8%	148,200	7%
Total Number of Activities Participated In	1,070,041	100%	4,319,600	100%	1,874,700	100%	2,268,800	100%

Source: *TSRC/ITS 2006-14, 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. Year-to-date data for the 2016/17 fiscal year indicate a 7% increase over the same period in 2015/16.

Accommodation Market Overview

In order to more precisely identify hotel market trends as they relate to the potential GSSC, 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 comprised of 19 properties, which offer a total of 1,669 rooms. Meeting and convention space offered within Sudbury hotels equates to approximately 62,400 square feet, ranging from approximately 300 square feet offered at the Best Western 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 at least 10,000 square feet of meeting and convention space each. A map showing the location of each hotel property in relation to the proposed GSSC site is included on the next page.

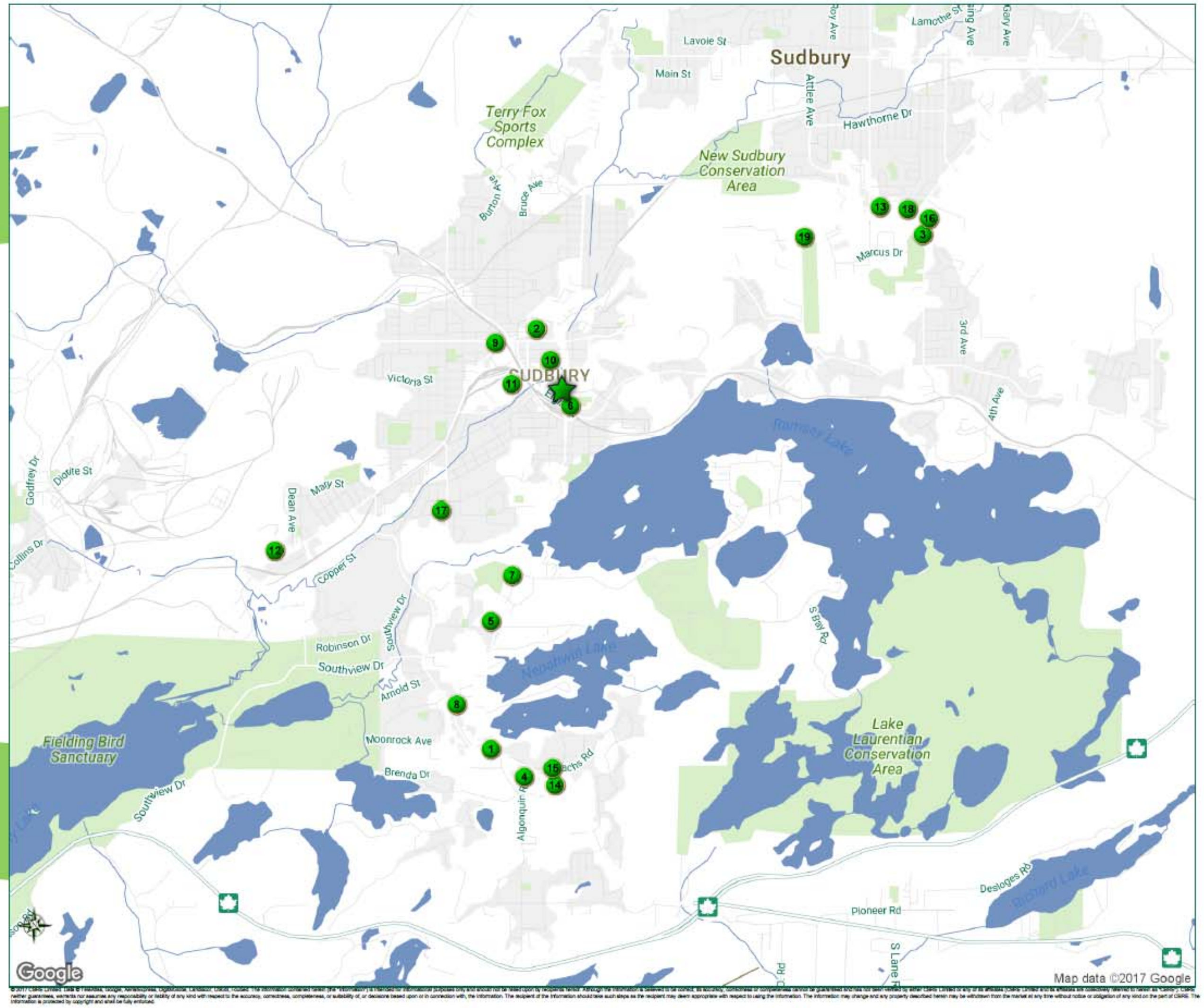
HOTEL MEETING SPACE
SUDBURY, ON

#	Property	Rooms	M&C SF
1	Radisson Hotel Sudbury	146	15,890
2	Holiday Inn Sudbury	140	10,556
3	Lexington Hotel	75	9,776
4	Clarion Hotel Sudbury	100	5,618
5	Quality Inn & Conference Centre	98	5,318
6	Ambassador Hotel	45	5,000
7	Econo Lodge Sudbury	28	3,375
8	TownePlace Suites Sudbury	105	1,938
9	Travelodge Sudbury	140	1,872
10	Hampton Inn Sudbury	121	874
11	Microtel	100	750
12	Homewood Suites Sudbury	85	635
13	Fairfield Inn & Suites Sudbury	81	538
14	Super 8 Sudbury	85	
15	Comfort Inn Sudbury	78	
16	Comfort Inn East Sudbury	79	
17	Travelway Inn	83	
18	Knights Inn	35	
19	Best Western Downtown Sudbury	45	300
	Total	1,669	62,440

Source: *CBRE Limited Research*

ACCOMMODATION MARKET MAP

- Proposed GSSCP Site
- 1 Super 8 Sudbury
- 2 Radisson Hotel Sudbury
- 3 Comfort Inn East Sudbury
- 4 Comfort Inn Sudbury
- 5 Travelodge Sudbury
- 6 Quality Inn & Conference Centre Sudbury
- 7 Travelway Inn Sudbury
- 8 Holiday Inn Sudbury
- 9 Clarion Hotel Sudbury
- 10 Best Western Downtown Sudbury Centreville
- 11 Lexington Hotel
- 12 Econo Lodge Sudbury
- 13 Fairfield Inn & Suites Sudbury
- 14 Hampton Inn Sudbury
- 15 Homewood Suites Sudbury
- 16 TownePlace Suites Sudbury
- 17 Knights Inn Sudbury
- 18 Ambassador Hotel Sudbury
- 19 Microtel Inn & Suites Sudbury



Historic Performance

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

ACCCOMMODATION MARKET PERFORMANCE RESULTS

Year	Rooms Available	% Change	Rooms Occupied	% Change	Occupancy	Change	ADR	% Change	RevPAR	% Change
2012	598,965	-	387,188	-	64.6%	-	$109.95	-	$71.08	-
2013	600,606	0.3%	380,522	-1.7%	63.4%	-1.3	$109.10	-0.8%	$69.12	-2.8%
2014	596,775	-0.6%	372,420	-2.1%	62.4%	-1.0	$108.83	-0.2%	$67.92	-1.7%
2015	573,050	-4.0%	388,236	4.2%	67.7%	5.3	$114.11	4.8%	$77.31	13.8%
2016	588,380	2.7%	390,031	0.5%	66.3%	-1.5	$113.51	-0.5%	$75.25	-2.7%
Compounded Annual Growth Rate	-0.4%		0.2%		0.6%		0.8%		1.4%	
March 2016 YTD	143,052	-	80,231	-	56.1%	-	$110.09	-	$61.74	-
March 2017 YTD	151,970	6.2%	80,781	0.7%	53.2%	-2.9	$112.46	2.2%	$59.78	-3.2%

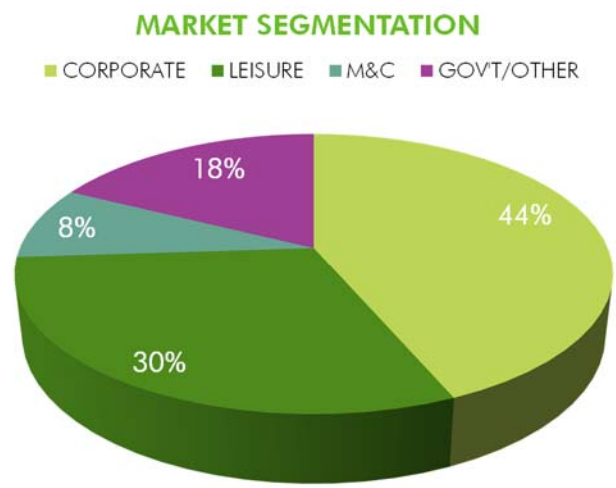
Source: CBRE Hotels

- 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 4.3% in 2015. This was followed by minimal demand growth of 0.4% in 2016, accompanied by a 2.7% increase in supply.
- Market Average Daily Rate ("ADR") increased at a compounded annual rate of 0.8% over the historic period, increasing from $109.95 in 2011 to a high of $114 in 2015. After achieving growth of 4.8% in 2015, ADR fell by 0.5% in 2016 to $113.52.
- As a result of increased room night demand and ADR growth, Revenue Per Available Room ("RevPAR") growth reached 13.8% in 2015. With larger growth in supply than in occupied room nights and ADR, RevPAR decreased by 2.7% in 2016 to $75.
- As of year-to-date March 2017, although market occupancy was down 3 points at 53%, ADR was up 2.0% compared to the same period in 2016. As a result of 6.2% growth in supply, coupled with a larger decrease in occupancy than an increase in ADR, RevPAR showed a 3.2% decline in YTD March 2017 over the same period in 2016.

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 2016 is presented below:



Source: *CBRE Hotels*

DEMAND SEGMENTATION - HOTEL MARKET 2016

Segment	Room Night Demand	%
CORPORATE	169,712	*43.5%*
LEISURE	118,598	*30.4%*
M&C	32,821	*8.4%*
GOV'T/OTHER	68,695	*17.6%*

Compiled by CBRE Hotels

- With approximately 169,700 occupied room nights, or 44% of total nights, the corporate segment made up the largest proportion of demand within the market in 2016.
- The leisure segment accounted for about 118,600 occupied room nights, comprising 30% of market demand.
- The government/other segment generated about 68,700 occupied room nights or 18% of demand within the competitive market.
- The meeting/conference segment generated the least amount of demand at approximately 32,800 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	Microtel Inn & Suites Sudbury (balance of opening)	58	100%	Limited Service Hotel	1-Jan-17	OPEN
2	Hilton Garden Inn	119	100%	Full Service Hotel	1-Jan-19	PLANNING STAGES
	Total	*177*				

Source: CBRE Hotels

- The Microtel Inn & Suites Sudbury opened in July 2016 with a total of 100 rooms. On an annualized basis, this equated to 42 rooms being added to the market in 2016, with the remaining 58 rooms coming in within 2017.
- A 119-room Hilton Garden Inn is proposed for the corner of Kingsway and Barrydowne Road (1400 Kingsway) within a busy shopping district.[2] The proposed hotel recently received building permits and construction of the hotel is expected to begin in May to June, 2017, with completion slated for early 2019.

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 GSSC

Approximately 164,000 people reside within a 1-hour drive of the proposed GSSC, and this population is expected to increase by over 2% to reach about 168,000 residents by 2021. Furthermore, with about 65,000 Sudbury residents or 36% 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 proposed performing arts centre component of the GSSC.

The introduction of new live performance and sporting facilities, such as the GSSC, 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.

[2] Source: *www.thesudburystar.com*

With regard to visitation levels, Greater Sudbury attracted 1.2 million visits in 2014, achieving growth of 11% over 2010. Looking at length of stay, overnight visits comprised 46% (45,700 visits) of total trips to Sudbury. Of total Greater Sudbury visits, approximately 2% of trips (21,100 visits) were made for meetings, conventions and conferences, and about 1% of total visits (15,500 visits) included trips to cultural performances. These statistics are strongly tied to the availability of accommodations in the Sudbury market.

Sudbury currently hosts 19 accommodation properties, which offer a total of 1,669 rooms and approximately 62,700 square feet of meeting and conference space. In 2016, with the opening of the new 100-room Microtel Inn & Suites Sudbury in July 2016, a 3% supply increase was accompanied by less than 1% demand growth, but Market Average Daily Rate ("ADR") increased to a 5-year high of $114. While we have not conducted a detailed market analysis, it is expected that supply growth will outpace demand growth and that the Sudbury accommodation market will experience an erosion of occupancy levels over the 2017-2019 period.

From a demand segmentation perspective, Sudbury is largely a corporate transient market (40%), with the meeting/conference 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.

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 Synergy 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 Synergy 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.

Also, since the founding of Northern Lights Festival Boreal in 1972, 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. Programming in the Synergy Centre can therefore be built on this established market base both through complimentary summer programming and through offerings throughout the season which would appeal to this market segment. Further, many conferences offer attendees a private concert as part of the conference experience. This amenity is most common in corporate events and the Greater Sudbury Synergy Centre would be adding value to its sales appeal to conference planners if it had the capacity for concerts.

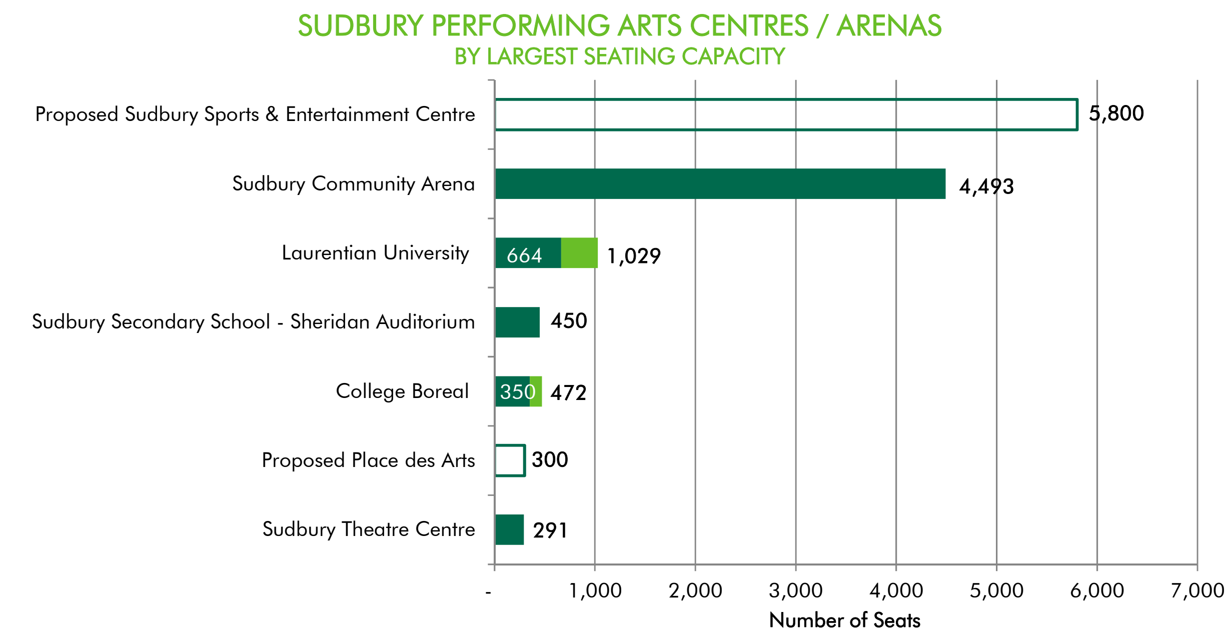
COMPETITIVE PERFORMING ARTS CENTRE SUPPLY AND DEMAND ANALYSIS

Introduction

In order to define the size of the market in which the proposed GSSC would compete and to give insight into what the proposed facility program should include, the following section examines existing and proposed performing arts centres/arenas in Sudbury, other comparable Northern Ontario facilities and other competitive Ontario performing arts centres.

Sudbury Performing Arts Supply

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). Excluding the subject GSSC, there are three major projects currently proposed for Sudbury, each of which would add seats into the existing market. The comparative seating capacity of existing and proposed Sudbury performing arts centres/arenas is summarized in the graph below.



Note: Coloured bars represent largest seating capacity theatre/arena plus additional break out space

Source: *CBRE Limited Research*

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. Although 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 – are additional disadvantages. By comparison, although the Sudbury Theatre Centre only has 291 seats, it is a very experienced and capable producer having successfully presented a full season annually for over four decades. Under the right conditions, STC could produce larger events at the subject GSSC, but only on an occasional basis.

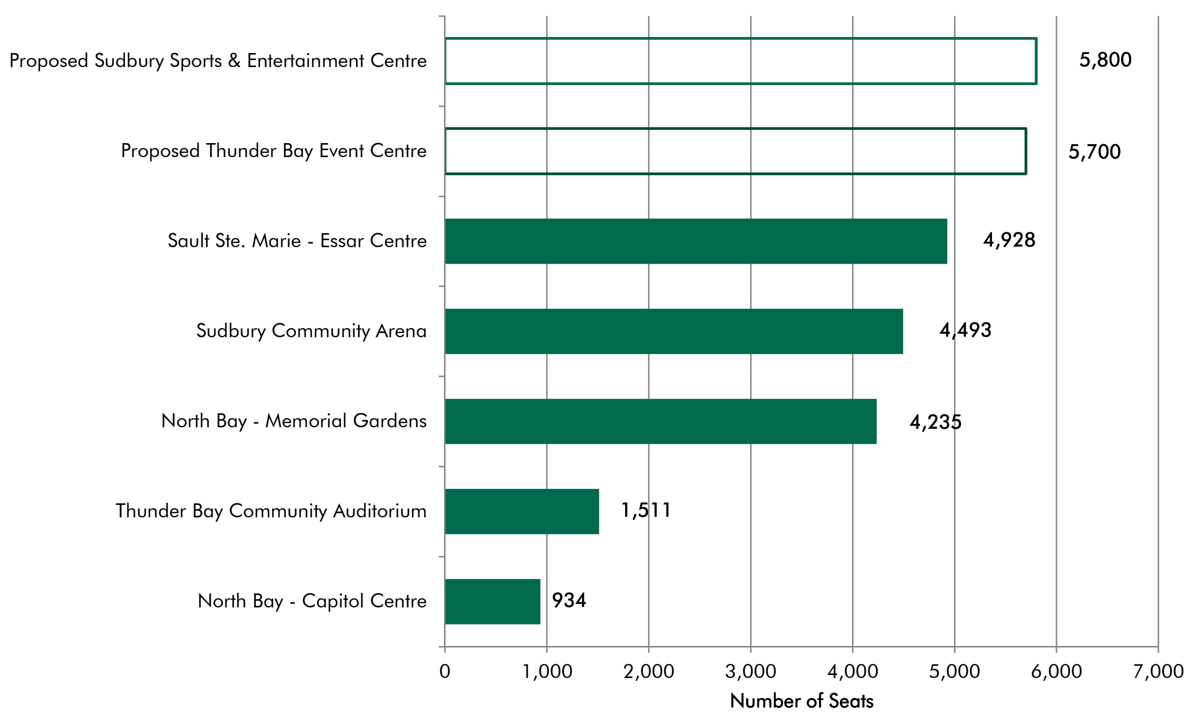
In terms of proposed facilities, the Place des Arts could easily add 20,000 to 40,000 or more new tickets into the marketplace on an annual basis. The arrival of Place des Arts will formalize and sustain Sudbury's tradition of small venues, yet the 300-seat theatre will be housed within a multi-use building 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 proposed 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 would also be effectively replacing the existing Sudbury Community Arena.

Northern Ontario Performing Art Centre / Arena Venues

In addition to local competition, the proposed GSSC would 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. The most comparable facility to the proposed GSSC would likely be North Bay's Capitol Centre, since it is a purpose built performing arts venue. Existing facilities in Northern Ontario offer in the range of 934 to 4,928 seats.

NORTHERN ONTARIO PERFORMING ARTS CENTRES / ARENAS
BY LARGEST SEATING CAPACITY



Note: Coloured bars represent largest seating capacity theatre/arena plus additional break out space capacity

Source: *CBRE Limited Research*

Other Comparable Ontario Performing Arts Centres

At the present time, there is a considerable amount of product touring throughout Ontario (identified in this report as the "Ontario Presents" network) that could be attracted to Sudbury both to serve local audiences and to provide usage for the Synergy Centre.

A survey of selected mid-size live performance venues in various performing arts markets across Ontario outside central Toronto indicates that the average seating capacity is in the order of 900 seats.

COMPARABLE MID-SIZE ONTARIO LIVE PERFORMANCE VENUES

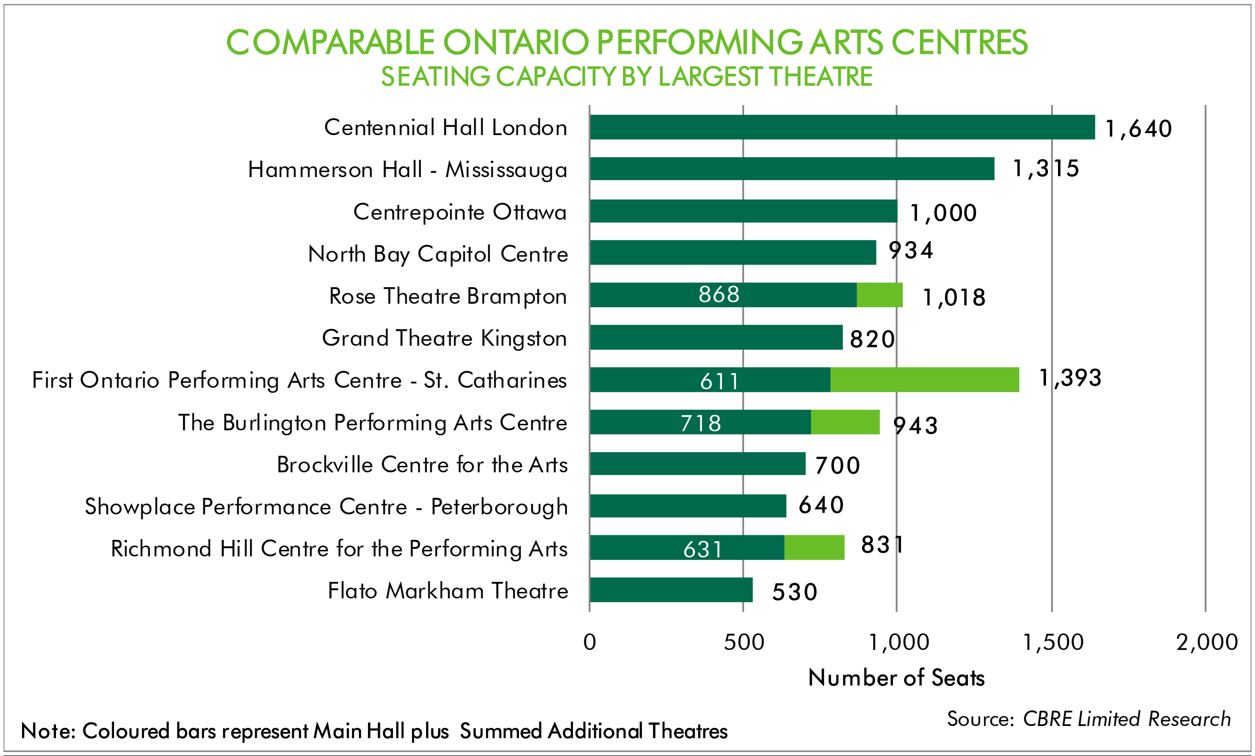
Facility	Approximate # of Seats – Main Hall
Flato Markham Theatre	530
Richmond Hill Centre for the Performing Arts	631
Showplace Theatre Peterborough	640
Brockville Centre for the Arts	700
Burlington Performing Arts Centre	718
First Ontario Performing Centre – St. Catharines	782
Grand Theatre Kingston	820
Rose Theatre Brampton	868
North Bay Capitol Centre	934
Centrepointe Ottawa	1,000
Hammerson Hall, Mississauga	1,315
Centennial Hall London	1,640

Source: *CBRE Limited & Novita Interpares*

The following table highlights the total number of theatre style seats available at competitive Ontario performing arts venues that would be considered comparable to the proposed GSSC recommended facility program.

It should be noted that it is difficult to make correlations between seat count and market size. For example, major municipalities such as Newmarket and Vaughan have venues of 400 seats, but they are also in close proximity to the City of Toronto, which is comparatively saturated with venues and other related infrastructure (i.e., restaurants, accommodations, retail, etc.). Similarly, Oakville's theatre is about 500 seats, as is the theatre in Milton.

The Capitol Centre in North Bay is a purpose built performing arts centre with a seating capacity comparable to GSSC. When the GSSC opens, it will be able to offer the same programming as North Bay (particularly if the GSSC is on the Ontario Presents circuit) and this business which is currently going out of town will be captured locally.



Demand for Performing Arts - Sudbury

Estimates provided to the GSSC Working Group by previous consultants identified 500,000 attendees at 2,000 events by 31 organizations in 2012 in Sudbury. This number may be an accurate reflection of attendance at all public events in Sudbury in that year, but it is highly misleading if it is intended to reflect the potential for live performance attendance in a market in the order of 170,000 persons.

If, on the other hand, this were a true estimate of performing arts attendance, it would indicate that the Sudbury market is already saturated.

The results of recent long term audience studies (e.g., Rand) indicate that live performance is holding its own in the digital age but it is only doing so because of a new understanding and a much increased effort in audience development, particularly in the cultivation of market niches.

In the very near future, it will be necessary to determine the true base number of the existing live performance ticket market in Sudbury, its potential for growth and the strategies that will produce the desired result.

Implications for GSSC

Within 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 Sudbury Sports & Entertainment 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 outside central Toronto indicates that the average seating capacity is approximately 900 seats.

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 Synergy Centre, but it would add new competition for leisure spending, as would the proposed 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 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 Sudbury Theatre Centre is a very experienced and capable producer having successfully presented a full season annually for over four decades in its 300 seat facility. Under the right conditions, STC could produce or present larger events but only on an occasional basis, yet, the Sudbury Theatre Centre will soon be sharing its market with Place des Arts, and its energies and resources will be spent in this direction.

The creation of a mid-size venue would definitely help in the development of local product but this is a longer tem 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.

Most civic theatres in Ontario belong to a collaborative network (identified in this report as the "Ontario Presents.") Ontario Presents is a province-wide network of performing arts touring and presenting organizations which work co-operatively to distribute live shows across Ontario. As a non-profit service agency, Ontario Presents also offers a wide variety of programs and services to assist local organizations in all aspects of presenting. Any presenter in Sudbury can join Ontario Presents.

Through its block booking program, Ontario Presents would be a prime source for product which is already touring in Ontario but not otherwise coming to Sudbury. By participating in the Ontario Presents touring network, the Synergy Centre would have access to a wide range of live performance attractions catering to local tastes and preferences which are not currently being served.

There are several commercial presenters who provide touring product across Ontario and who have been active over the years in the 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 arena with its large seating capacity, better income potential and reduced risk.

As noted in this report, the core business of the proposed Synergy Centre will be space rental. The Synergy Centre will rent space to conference 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 Synergy 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.

Based on previous recommendations, research and analysis completed for the subject study, and discussions with the GSSCP Working Group, it has been determined that the appropriate size for a venue to fill Sudbury's live performance venue gap and accommodate demand is one with a capacity of 950 seats.

COMPETITIVE MEETING AND CONFERENCE VENUE SUPPLY ANALYSIS

Introduction

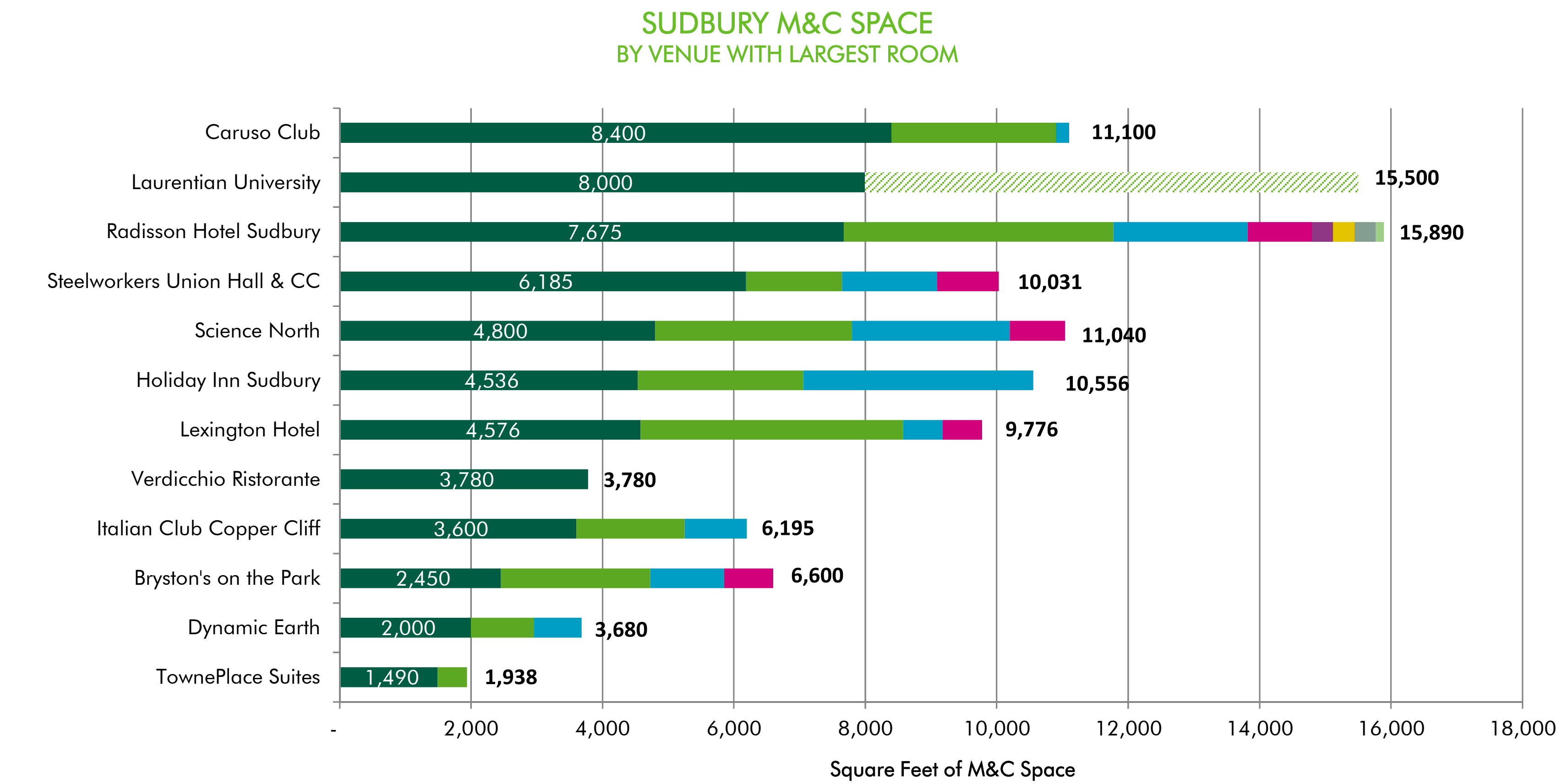
The following section examines the meeting and convention venue supply in which the proposed GSSC facility would compete. Locally, there are a number of hotels and other unique meeting/conference venues in Sudbury that would compete with the GSSC for small to mid-scale meeting, conference, and social event business. With a centralized location in Northeastern Ontario, the proposed 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 conferences that can be hosted. It should also be noted that capacity estimates per room/venue have been estimated at 12 square feet per person.

Sudbury Meeting and Conference Venues

Within the local Sudbury market, three hotels offer in excess of 10,000 square feet of rentable space and would compete with the proposed GSSC 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 conference venue offerings, sorted by the largest contiguous room available.

The total size of local competitive meeting and conference 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 conference 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/conference activity in Sudbury by providing adequate meeting space.



Note: Coloured bars represent largest room plus additional break out space

Source: *CBRE Limited Research*

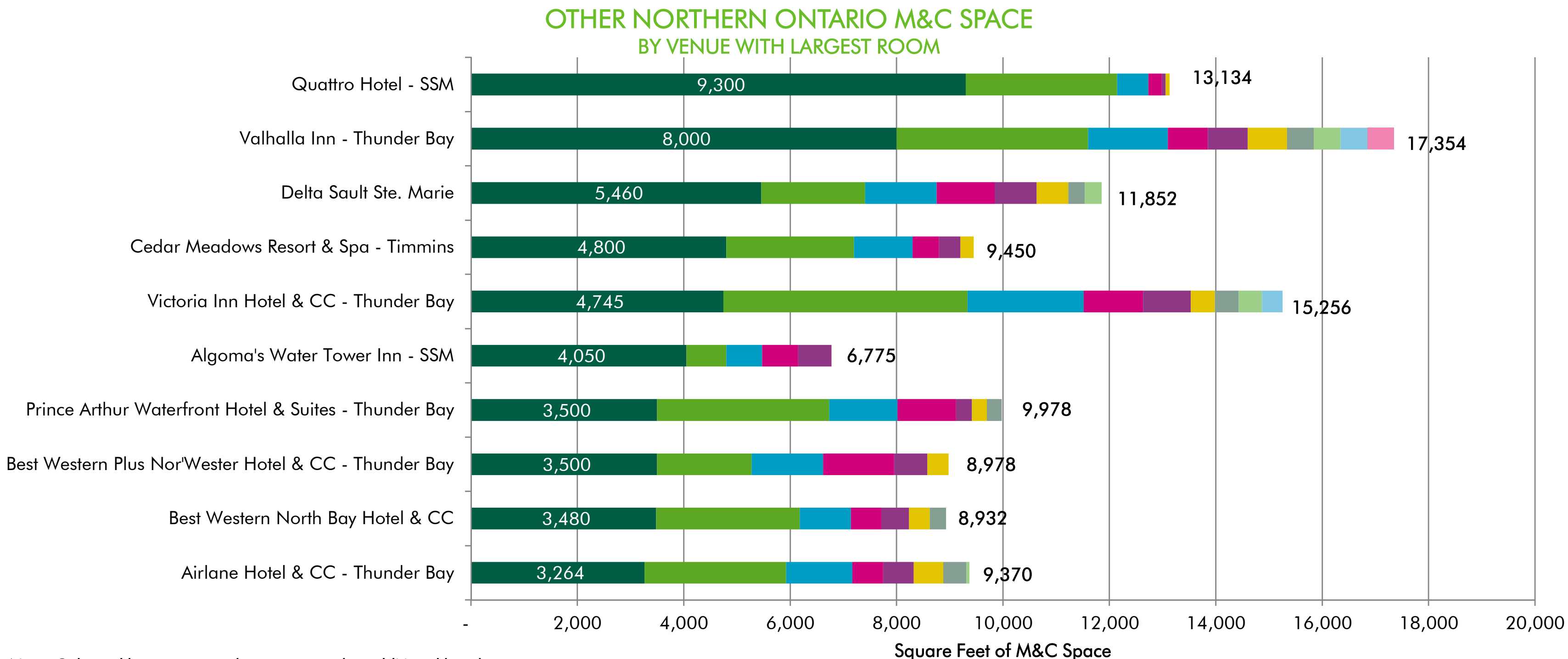
SUDBURY M&C SPACE -ESTIMATED CAPACITY OF LARGEST MEETING ROOM

Property	Largest Meeting Room	Estimated Capacity (12 SF per person)
Caruso Club	8,400	700
Laurentian University	8,000	667
Radisson Hotel Sudbury	7,675	640
Steelworkers Union Hall & CC	6,185	515
Science North	4,800	400
Holiday Inn Sudbury	4,536	378
Lexington Hotel	4,576	381
Verdicchio Ristorante	3,780	315
Italian Club Copper Cliff	3,600	300
Bryston's on the Park	2,450	204
Dynamic Earth	2,000	167
TownePlace Suites	1,490	124
AVG	4,791	399

Source: *CBRE Limited Research*

Other Northern Ontario Meeting and Conference 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 proposed GSSC. The total size of these competitive facilities range from 7,000 square feet offered at the Airlane 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 775 persons), followed by the Valhalla Inn which offers an 8,000 square feet room (capacity of 667 persons).



Note: Coloured bars represent largest room plus additional break out space

Source: *CBRE Limited Research*

OTHER NORTHERN ONTARIO M&C SPACE -ESTIMATED CAPACITY OF LARGEST MEETING ROOM

Property	Largest Meeting Room	Estimated Capacity (12 SF per person)
Quattro Hotel – SSM	9,300	775
Valhalla Inn – Thunder Bay	8,000	667
Delta Sault Ste. Marie	5,460	455
Cedar Meadows Resort & Spa – Timmins	4,800	400
Victoria Inn Hotel & CC – Thunder Bay	4,745	395
Algoma's Water Tower Inn – SSM	4,050	338
Prince Arthur Waterfront Hotel & Suites – Thunder Bay	3,500	292
Best Western Plus Nor'Wester Hotel & CC – Thunder Bay	3,500	292
Best Western North Bay Hotel & CC	3,480	290
Airlane Hotel & CC – Thunder Bay	3,264	272
AVG	5,010	417

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. As a Tier 3 Canadian Convention Centre, the proposed GSSC 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.

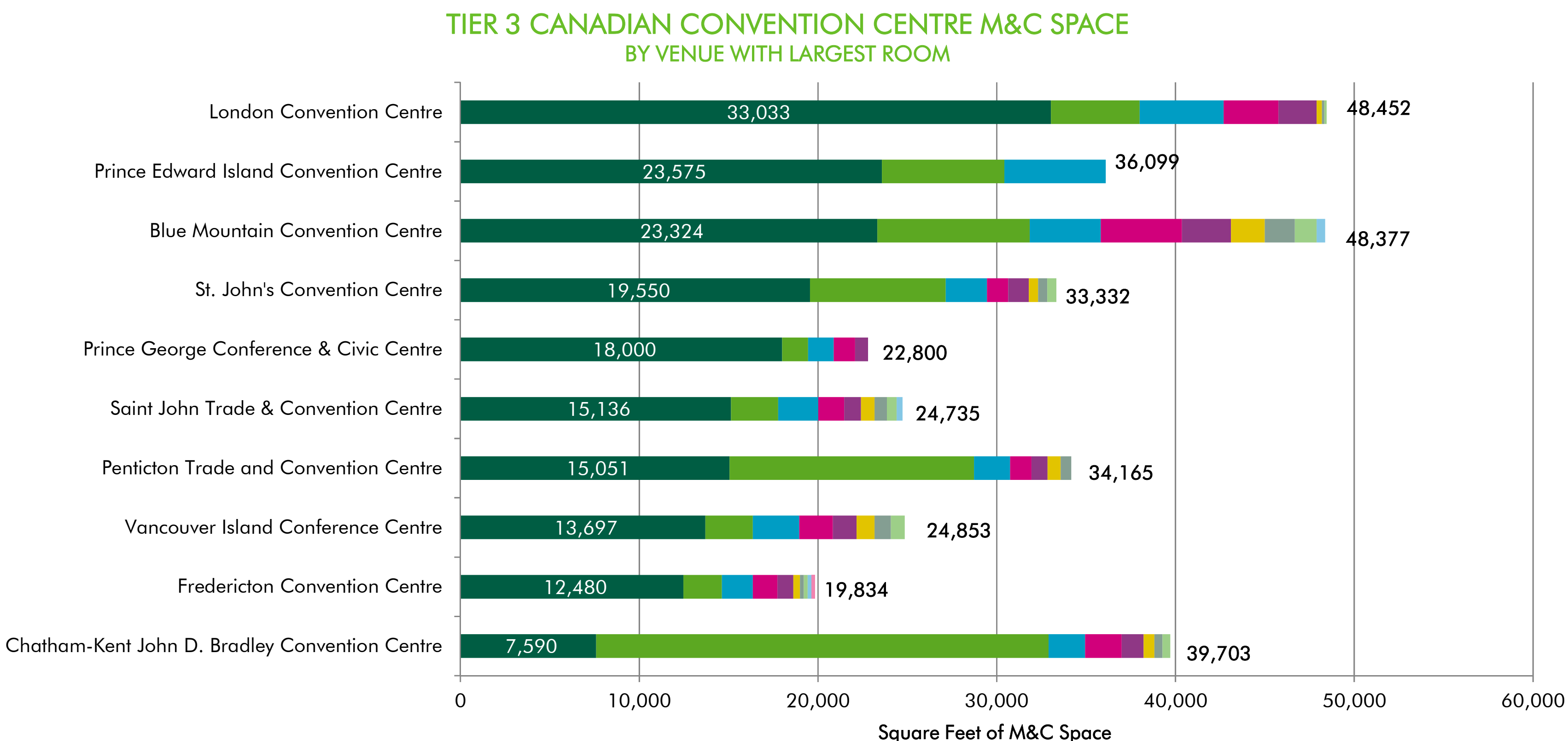
The size of the convention centres ranges from 19,800 square feet provided at the Fredericton Convention Centre to 48,500 offered at the London Convention Centre. As shown below, Tier 3 Centres offer approximately 11 (Prince George, Fredericton) to 108 square feet (Chatham-Kent) of meeting space per hotel room.

Tier 3 Canadian Convention Centre Supply, Hotel Room Inventory and Estimated Population - 2016

Convention Centre	Location	Total M&C SF	Estimated Capacity	Hotel Room Inventory	M&C SF Per Hotel Rm	Est. CMA Population 2016
London Convention Centre*	London, ON	48,452	4,038	3,489	14	509,605
Blue Mountain Convention Centre	The Blue Mountains, ON	48,377	4,031	1,590	30	19,734
Chatham-Kent John D. Bradley Convention Centre	Chatham-Kent, ON	39,703	3,309	367	108	106,115
Prince Edward Island Convention Centre*	Charlottetown, PE	36,099	3,008	1,441	25	69,561
Penticton Trade and Convention Centre	Penticton, BC	34,165	2,847	1,498	23	41,946
St. John's Convention Centre*	St. John's, NL	33,332	2,778	2,729	12	209,555
Vancouver Island Conference Centre	Nanaimo, BC	24,853	2,071	922	27	103,809
Saint John Trade & Convention Centre*	Saint John, NB	24,735	2,061	1,560	16	126,759
Prince George Conference & Civic Centre	Prince George, BC	22,800	1,900	2,089	11	87,451
Fredericton Convention Centre**	Fredericton, NB	19,834	1,653	1,753	11	98,501

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
CMA for Blue Mountain Convention Centre is Collingwood, Ontario.
Sources: *CBRE Limited, Environics Analytics Sitewise 2016*

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.



Notes: Coloured bars represent largest room plus additional break out space
Chatham-Kent CC largest banquet space is 7,590 sq.ft. - total includes 25,310 sq.ft. of expo space

Source: *CBRE Limited Research*

Implications for GSSC

A combined total of approximately 97,000 square feet of space is offered at 11 competitive meeting and conference venues in Sudbury. On a per venue basis, total meeting and conference 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 proposed GSSC should offer at least 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, it appears that the proposed GSSC would have to 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 required.

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 banquets of more than 500 persons.

Stakeholders identified that the only venue with the ability to comfortably host conventions and conferences of 300 people with at least 4 breakout rooms and capacity for a trade show would be the Holiday Inn, while smaller conferences 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, it appears that there is an opportunity to increase meeting/conference 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 GSSC 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 Synergy Centre would need to be able to host more than 300 people for conferences/conventions (including supportive breakout space) and more than 500 people for banquets, while also providing adequate available parking. In addition, the Centre would 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 CONFERENCE DEMAND ANALYSIS

Introduction

For the purposes of analysis, CBRE collected historic performance data from the competitive meeting & conference 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/conference 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 Conference Centre Market

The proposed Greater Sudbury Synergy 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 • Provincial/Regional • National • US/International	<u>Provincial/Regional</u> <u>National Level:</u> Tier 3 Convention Centres,
2.	Trade Shows	
3.	Consumer Shows	
4.	Meetings & Conferences	<u>Local/Regional Level:</u> 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/Conference 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 proposed Greater Sudbury Synergy 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 bsis (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 conferences 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 and Conferences

The competitive Tier 3 Convention Centres hosted an estimated 1,600 meetings and conferences 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 and conferences. 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, conferences 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 Synergy 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 proposed Greater Sudbury Synergy Centre would 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, 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.

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

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/conferences. 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 GSSC 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 GSSC will operate within the Sudbury hotel and event venue market, it will not be positioned to compete directly for small meetings and banquets with local Sudbury facilities.

RECOMMENDED GSSC FACILITY PROGRAM

Introduction

Based on the market and comparable research, the following section details the recommended development program for the proposed Greater Sudbury Synergy Centre as a multi-use performing arts and conference 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 GSSC could effectively compete for large meeting and conference groups in excess of 300 persons, and banquets of up to 900 persons.

The live performance function of the Greater Sudbury Synergy 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 GSSC 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 conferences, banquets, and live performances, and meet the core mandate of the Greater Sudbury Synergy 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 SYNERGY CENTRE PROJECT PRELIMINARY FACILITY PROGRAM

RENTABLE SPACE	Sq.Ft.	Divisibility	Capacity - M&C	Capacity - Fixed Seats
Flat floor area (Ballroom / 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	950
TOTAL RENTABLE SPACE	19,500		1,408	950
SUPPORT SPACE				
Public Lobby/Crush Space/Connection Corridors	11,500	Connection Corridors, AV Support Room, Drop Off, Weather vestibule, Box office, Box office administration, Main Lobby Assembly, Coat Check, Public washrooms, FOH Manager Station, Fixed Bar(s), Storage of bar supplies/portable bars, Storage of chairs/tables, Janitor's room, Storage for lobby		
Administration	1,300	Reception Area, Management and Administration Offices, Internal Meeting Room, Kitchenette, Printing Room		
Live Performance Support	1,200	Production Manager/Technical Director Office, Visiting Company Office, Dressing Rooms, Green Room, Audio Storage/Workroom, Lighting Storage/Workroom, Stage Maintenance Workroom		
Convention Meeting Support	5,400	Chef's Office, Kitchen/Food prep/ Plating/Dishwashing, Freezer and Cold Storage, Dry Storage for tableware/linens, etc, Storage for chairs/tables/platforms		
Common Support Space	1,600	Staff/performance entrance, Staff locker rooms (M&F), Common washrooms, Communications/broadcast room, Main Loading Dock, Secure holding room, Recycling room, Custodian's office, Janitorial equipment and supplies		
Building Technology and Services	2,700	HVAC Room, Main electrical room, Emergency power room, Water main/sprinkler system		
Subtotal - Support Space	23,700			
NET BUILDING	43,200			
Gross Up (40%)	17,300			
TOTAL BUILDING	60,500			

Source: CBRE Limited & Novita Interpares

As shown in the following table, in terms of the meeting/conference and banquet function, the facility program at the proposed GSSC 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.

As noted, we believe that 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 space, 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.

GREATER SUDBURY SYNERGY CENTRE - RENTABLE MEETING/CONFERENCE SPACE

Rentable Space	Total SF	Divisibility	Breakouts (SF)	Capacity
Plenary/Live Performance Hall	13,000	3		1,083
Ballroom A			6,000	500
Ballroom B			4,000	333
Ballroom C			3,000	250
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	1,625

Source: CBRE & Novita Interpares

Addendum "A" graphically depicts the proposed GSSC'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 may 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.

GSSC Capital Cost Projections

Indicative capital cost estimates for the proposed GSSC have been prepared based on the recommended facility size of 60,480 square feet. CBRE and Novita have prepared high level cost estimates based on benchmarked capital costs from comparable precedent conference centres, performing arts centre and industry estimates.

Preliminary capital costs for the project, as proposed, have been estimated at approximately $60 Million, with an additional $2.5 Million estimated for Production and Operational Development, for a total of approximately $63 Million.

Production and Operational Development is an essential aspect of public venue development, particularly with the proposed dual-functionality of the GSSC. 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

GSSC CAPITAL COSTS - PRELIMINARY ESTIMATE

	Sq.Ft.	TOTAL
Construction Cost	60,480	$33,264,000
Seating & Staging Technology		$8,086,000
FF&E		$5,000,000
Subtotal - Building Costs		$46,350,000
Soft Costs		$6,952,500
Contingency		$6,952,500
Total Capital Cost (rounded)		$60,255,000
Production & Operational Development		$2,500,000

Source: CBRE & Novita Interpares Preliminary Estimate

NOTE: total project costs cannot be confirmed until a full schematic design for the building has been prepared, and the designated site is confirmed.

Given the multiple uses of this facility and its proposed 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.

MARKET AND OPERATING PROJECTIONS

Introduction

Market projections have been prepared for both the competitive Sudbury conference/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 Synergy Centre based on an opening date 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 – Conference 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/Conferences, Trade and Consumer Shows, Meetings, Food & Beverage, 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 proposed Greater Sudbury Synergy 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 - PROPOSED GREATER SUDBURY SYNERGY 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 Projections[2]	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										
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%*

Summary[3]	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	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

GSSC Meeting/Conference and Banquet Utilization Forecasts

The market potential for M&C events at the proposed Greater Sudbury Synergy 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 proposed GSSC 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/Conference 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 proposed GSSC from all event types, relative to its competitive Tier 3 Convention Centre market. In its first year of operation, the GSSC 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 Conference, Canadian Association of Science Centres, North American Mining Expo, etc.

The GSSC 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 GSSC will be of a quality level that requires higher caliber service and facilities, i.e. wedding shows, as opposed shows featuring large scale equipment, etc. A key part of GSSC 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 GSSC 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 Synergy 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.

PROPOSED GREATER SUDBURY SYNERGY CENTRE
SUDBURY, ONTARIO
MEETING AND CONVENTION PROJECTIONS

SUPPLY	2021	2022	2023	2024	2025
PROPOSED GREATER SUDBURY SYNERGY CENTRE	1	1	1	1	1
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					
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
Total Major Events Captured	188	204	221	221	221
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 GSSC and associated room nights generated, the following assumptions have been utilized for each type of event:

Conventions/Conferences

- Conventions and conferences 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 GSSC 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 and conferences at the GSSC, 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 diem. This equates to total spending of $1.3 Million on the 16 conventions projected to be hosted by the GSSC in 2023, or an estimated value of **$82,700 per convention in off-site delegate spending**, not including spending associated with meals and other expenditures at the events on-site at the GSSC.

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 GSSC 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 GSSC 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 time period as the GSSC, 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 GSSC will be of a quality level that requires higher caliber service and facilities, i.e. wedding shows.

Meetings

- The typical meeting hosted at the GSSC will be 1.2 days in duration at an average size of 75 delegates.
- An estimated 35% of guests will stay overnight, at an average of 1.2 nights, based on 1.1 guests per room.

The number of delegates attending meetings at the Synergy Centre has been estimated at 9,775 in Year 1 increasing to 10,610 by Year 3. This demand segment will generate 3,730 room nights in Year 1, increasing to 4,050 room nights by Year 3.

Food & Beverage Events

- 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.

By its 3rd year of operation, the Synergy Centre is expected to host 10,625 guests stemming from Food & Beverage 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 will require overnight accommodations, averaging 1.2 guests per room and 1 night in duration.

By its 3rd year of operation, the Greater Sudbury Synergy 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 proposed Greater Sudbury Synergy Centre over its first 5 years of operation.

Based on the preceding analysis, the GSSC 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 Synergy Centre will be incremental new demand for the City, equating to an estimated 6,750 additional room nights.

PROPOSED GREATER SUDBURY SYNERGY 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	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	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	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	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*

GSSC Performing Arts Utilization Forecasts

As discussed, the core business of the GSSC will be to host meetings/conference and banquet style events. When not in use for the afore-mentioned 235 to 275 meeting/conference related event days, the Greater Sudbury Synergy 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 market potential for live performance events at the proposed Synergy Centre 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 GSSC, 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 GSSC, the Symphony has the potential to increase its performances to 12 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 looking to produce large shows again, and the proposed GSSC would be able to accommodate their 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 GSSC, they could undertake multiple events. If developed, it has been estimated that the GSSC would host up to 2 to 3 events produced by the STC.

- Summer Events
    - On an annual basis, Sudbury hosts a variety of summer events. An assumption has been made that if developed, the GSSC could be used to accommodate existing/potential summer event activities/shows would be able to do 2 events, each over 2 days.

Touring Shows

- Ontario Presents
    - 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 GSSC, 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 10 to 12 Ontario Presents productions could be hosted at the GSSC 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 conferences offer attendees a private concert as part of the conference experience. This amenity is most common in corporate events and the Greater Sudbury Synergy Centre would be adding value to its sales appeal to conference planners if it had this capacity. The Greater Sudbury Synergy Centre's convention function is a potential market (through private concerts) for its live performance function. The GSSC is projected to attract 2 to 3 convention-related private shows on an annual basis.

Total Performing Arts Events

The following table provides a summary of the total delegates and room nights generated by the proposed Greater Sudbury Synergy Centre over its first 5 years of operation.

Based on the preceding analysis, the Greater Sudbury Synergy Centre is forecast to host 34 live performance events over 51 event days, attracting 36,800 attendees, of which 53% will derive from the resident market and 47% will be overnight and same-day visitors to Sudbury.

PROJECTED GSSCP PERFORMING ARTS EVENTS AND ATTENDANCE LEVELS BY MARKET - (2021-2023)

Number of Performance Events	2021		2022		2023	
Sudbury Symphony	10		11		12	
Laugh out Loud - Com Festival	2		2		2	
Sudbury Theatre Centre	2		3		3	
Ontario Presents	10		11		12	
Conv/Private Events	2		3		3	
Summer	2		2		2	
TOTAL EVENTS	28		32		34	
Number of Performance Dates						
Sudbury Symphony	10		11		12	
Laugh out Loud - Com Festival	8		8		8	
Sudbury Theatre Centre	4		6		6	
Ontario Presents	15		17		18	
Conv/Private Events	2		3		3	
Summer	4		4		4	
TOTAL PERFORMANCE EVENT DAYS	43		49		51	
	2021		2022		2023	
Available Market Segments	Total	% of Total	Total	% of Total	Total	% of Total
Resident Market	17,400	57%	18,400	53%	19,500	53%
Overnight Tourists	9,900	32%	12,600	37%	13,800	37%
Same-Day Tourists	3,400	11%	3,500	10%	3,500	10%
TOTAL ATTENDANCE	30,700	100%	34,500	100%	36,800	100%

Source: *CBRE Limited and Novita Interpares*

Estimated spending on performances at the GSSC in 2023, based on off-site resident and visitor spending (i.e. on meals, local transportation, etc.), as well as projected Average Daily Rates for Sudbury accommodations, has been forecast to reach $790,700. This equates to an estimated value of **$23,300 per performing arts event in off-site delegate spending**, not include ticket costs or any food and beverage consumer on-site at the GSSC.

Preliminary GSSC Operating Revenue and Expense Forecast

Operating Projections have been prepared for the proposed GSSC 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 Performing Arts Centres across Ontario. Projections for the subject Greater Sudbury Synergy 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.

Preliminary GSSC Staffing Schedule

The total Year 1 full-time staffing requirements for the proposed Greater Sudbury Synergy Centre have been presented in the following table. As shown, an estimated 8 full-time equivalent positions are recommended, which based on industry standards and comparable facilities, equates to $637,500 in payroll and benefits in Year 1.

PROPOSED GREATER SUDBURY SYNERGY CENTRE
MANAGEMENT STAFFING SCHEDULE

Position	Payroll
General Manager	$100,000
Executive Assistant	$50,000
Bookkeeper	$50,000
Director of Marketing	$80,000
Director of Events	$65,000
A/V Technician	$50,000
Facility Manager	$65,000
Asst Facility Manager	$50,000
Total Payroll	$510,000
Benefits (25%)	$127,500
TOTAL PAYROLL & BENEFITS	$637,500

Source: *CBRE Limited and Novita Interpares*

Departmental Revenues and Expenses

Space Rental Analysis

Meeting & Convention Events

Space rental rates for Conference 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 conferences, and lowest for local meetings and other events.

The following table provides an overview of Year 1 rental rates for the proposed GSSC 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. Space discounting would be required to negotiate for major events that generate multiple room nights in the Sudbury market. The Convention Centre should not provide discounts for small social events and local meetings.

GSSC M&C Space Rental Rates

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	3,929	$1,768	$0.45
Year 1 Achieved Rental Income from M&C Events		$354,100	$0.05

Source: CBRE Limited

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.

GSSC Performance Venue Rental Rates

Assumptions	Seats	Rate	Revenue	Per Sq.Ft.
	950	$2.00	$1,900.00	$0.15
	950	$3.00	$2,850.00	$0.22
	950	$4.00	$3,800.00	$0.29
	950	$5.00	$4,750.00	$1.36
Rehearsals			$1,000.00	$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			$149,650	

In Year 1, the GSSC is projected to host 28 Performing Arts events at an average rental rate of $3,325, 10 Symphony rehearsals at $1,000 and 28 set up/take down days at an average of $1,662, for a total of just under $150,000 in venue rental income, increasing to just under $200,000 by Year 5.

Space Rental Expenses

Space rental expenses include payroll and benefits associated with a Director of Events, cost of labour for set up and tear down of events, and a Box Office Charge of $2.50 per performing arts ticket assuming the subject GSSC runs its own box office.

In the proposed GSSC's1st year of operation, direct expenses are projected at an estimated $251,300, or 50% of total event revenues.

Retail/Merchandising

Retail/merchandising income has been estimated at $1.50 per capita, with 50% cost of goods sold, for net retail income of $45,000 in Year 1, increasing to over $60,000 by Year 5.

Food and Beverage Analysis

For the purposes of our analysis, we have assumed that the Food and Beverage will be outsourced to a third party operator.

Food and beverage revenues have been projected on a delegate day basis, at $20.23 per capita in Year 1, increasing by inflation and utilization for the balance of the projection period.

At these levels, the proposed GSSC is expected to generate $1.4 Million in revenues for Year 1, increasing to approximately $1.9 Million by Year 5. At a 15% commission rate, the GSSC is projected to generate $212,600 in F&B commissions in Year 1, increasing to $290,000 by Year 5.

Other Event Services Analysis

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 $130,600 in Year 1, increasing to $166,400 by Year 5 of operation.

Other Event Services payroll and benefits include A/V Technician at $50,000 plus benefits, and direct operating expenses, which have been projected at 10% of other event revenues. Total expenses approximate $

76,800 or 59% of Other Event Services revenues in Year 1, decreasing to an estimated 51% 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 General Manager, Executive Assistant, and Bookkeeper at $204,000 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 $51,000 in Year 1, increasing to an estimated $55,000 by Year 5.

As such, total administrative and general expenses have been estimated at $306,000 in Year 1, or 29% 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 $54,000 in Year 1 increasing to $58,600 by Year 5.

Marketing

A Marketing Director will oversee the Sales and Marketing Department. The total payroll and benefits for the department have been estimated at $102,000 in Year 1, increasing with inflation to an estimated $110,400 by Year 5.

It has also been forecast that the department will budget $40,000 towards sales and promotion. Total marketing and sales expenses are expected to reach $142,800 in Year 1, or 13% of gross revenues.

Property Operation and Maintenance

This expense category consists of salaries, wages and employee benefits for a Facility Manager, and an Assistant Facility Manager, 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 $207,800 in Year 1, increasing to $225,000 by Year 5, representing 16% of total revenues.

Utilities

Energy expenses, related to the heat, light and power of the GSSC, have been projected at $4.50 per square foot, equating to $277,600 in Year 1 for a total building of 60,480 square feet, increasing to over $300,000 by Year 5.

Other Fixed Charges

Management Fee

For the purposes of this analysis, we have assumed that the GSSC will be operated by a 3rd party management firm, at an annual fee of $100,000 in Year 1, increasing by inflation thereafter.

Insurance

Insurance expenses have been estimated at $25,000 in current dollars inflated to $27,100 in Year 1, increasing by inflation for the remainder of the projection period.

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 GSSC. As a percentage of gross revenues, these expenditures have been projected at 3.0% per year. This will amount to just under $200,000 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 Synergy Centre hosting 221 M&C events and 274 event days as well as 34 Performing Arts events over 51 event days by its stabilized year of operation (Year 5).

As shown in the following operating statement, the subject GSSC is projected to operate at a net loss of $460,000 in Year 1, decreasing to a net loss of $311,000 by Year 5.

PROFORMA STATEMENT of INCOME and EXPENSES
PROPOSED GREATER SUDBURY SYNERGY CENTRE
2021 - 2025

	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.)	60,480		60,480		60,480		60,480		60,480	
M&C Events										
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	
Social Banquets	20		26		30		30		30	
Other Events	21		24		30		30		30	
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										
Sudbury Produced	16		18		19		19		19	
Touring Shows	12		14		15		15		15	
Total PAC Events	28		32		34		34		34	
Total PAC Event Days	43		49		51		51		51	
Total PAC Attendees	30,700		34,500		36,800		36,800		36,800	
TOTAL EVENTS	216		236		255		255		255	
TOTAL EVENT DAYS	278		303		325		325		325	
TOTAL ATTENDANCE	60,300		68,400		74,800		74,800		74,800	
TOTAL ATTENDEE DAYS	99,600		113,200		124,400		124,400		124,400	
REVENUES										
M&C Space Rentals	$354,100	33%	$398,800	33%	$442,300	33%	$451,100	33%	$460,200	33%
PAC Space Rentals	$149,700	14%	$174,000	14%	$188,900	14%	$192,700	14%	$196,500	14%
Total Space Rentals	$503,800	48%	$572,800	47%	$631,200	47%	$643,800	47%	$656,700	47%
Box Office Chgs	$122,800	12%	$140,760	12%	$153,147	11%	$156,210	11%	$159,334	11%
Retail / Merchandising (Net)	$90,400	9%	$104,600	9%	$116,800	9%	$119,100	9%	$121,500	9%
Food & Beverage Commission	$212,600	20%	$244,800	20%	$277,500	21%	$283,100	21%	$288,800	21%
AV Rentals	$130,600	12%	$144,900	12%	$159,900	12%	$163,100	12%	$166,400	12%
TOTAL REVENUES	$1,060,200	100%	$1,207,860	100%	$1,338,547	100%	$1,365,310	100%	$1,392,734	100%
DEPARTMENTAL EXPENSES										
Space Rentals	$251,300	50%	$276,800	48%	$296,000	47%	$301,900	47%	$307,900	47%
Retail Cost of Goods Sold	$45,200	50%	$52,300	50%	$58,400	50%	$59,550	50%	$60,750	50%
AV Rental Costs	$76,800	59%	$79,500	55%	$82,300	51%	$84,000	52%	$85,600	51%
Total Departmental Expenses	$373,300	35%	$408,600	34%	$436,700	33%	$445,450	33%	$454,250	33%
UNDISTRIBUTED OPERATING COSTS										
Administration & General	$306,000	29%	$312,100	26%	$318,400	24%	$324,700	24%	$331,200	24%
Information & Telecommunications	$54,100	5%	$55,200	5%	$56,300	4%	$57,400	4%	$58,600	4%
Sales and Marketing	$142,800	13%	$145,700	12%	$148,600	11%	$151,500	11%	$154,600	11%
Property Operations & Maintenance	$207,800	20%	$212,000	18%	$216,200	16%	$220,500	16%	$225,000	16%
Utilities	$277,600	26%	$283,200	23%	$288,800	22%	$294,600	22%	$300,500	22%
Total Undistributed Expenses	$988,300	93%	$1,008,200	83%	$1,028,300	77%	$1,048,700	77%	$1,069,900	77%
OTHER FIXED CHARGES										
Management Fee	$100,000	9%	$102,000	9%	$104,000	9%	$106,100	9%	$108,200	9%
Insurance	$27,100	3%	$27,600	2%	$28,200	2%	$28,700	2%	$29,300	2%
Reserve for Asset Replacement	$31,800	3%	$36,200	3%	$40,200	3%	$41,000	3%	$41,800	3%
Total Fixed Charges	$158,900	15%	$165,800	14%	$172,400	13%	$175,800	13%	$179,300	13%
NET OPERATING INCOME	-$460,300	-43%	-$374,700	-31%	-$298,900	-22%	-$304,600	-22%	-$310,700	-22%

Source: CBRE Limited and Novita Interpares

GSSC ECONOMIC IMPACT

Introduction

While most conference 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 proposed GSSC 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).[3]

[3] Meetings Activity Profile Report (CEIS 3.0), 2012 Base Year, pg. 3

If developed, the direct operating and capital expenditures made by the GSSC 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 GSSC'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 GSSC 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 proposed 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
- 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 $63 million will be spent in the initial capital expenditure required to develop the GSSC.

Value Added Impacts

The additional value associated with the initial capital investment has been estimated at $23.3 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 $6.2 million has been estimated for induced impacts. Of the $29.5 million in total GDP generated by the capital investment, 94% ($27.8 million) is expected to directly benefit Greater Sudbury.

Employment Impacts

Approximately $21 million will trickle down into wages and salaries from the $29.5 million in Provincial GDP. Close to $20 million (94%) of wages and salaries will be retained within Greater Sudbury. These wages will support 164 direct, 41 indirect and 60 induced jobs in Ontario, for a total of 265 jobs province-wide.

Revenues to Government

The capital investment for development of the GSSC will contribute to total annual direct taxes of close to $9 million in Sudbury, with approximately $4 million in Federal Taxes, $4 million in Provincial Taxes and $778,000 in Municipal Taxes.

ECONOMIC IMPACTS OF CAPITAL INVESTMENT
GREATER SUDBURY SYNERGY CENTRE

Total Impact of Capital Investment				
	Greater Sudbury	Rest of Ontario	TOTAL	
Total Capital Spending	$62,755,000			
Gross Domestic Product (GDP)				
Direct	$18,772,000	$433,000	$19,205,000	65%
Indirect	$3,576,000	$485,000	$4,061,000	14%
Induced	$5,453,000	$751,000	$6,204,000	21%
Total	**$27,801,000**	**$1,669,000**	**$29,470,000**	**100%**
Labour Income				
Direct	$13,487,000	$317,000	$13,804,000	66%
Indirect	$2,633,000	$357,000	$2,990,000	14%
Induced	$3,613,000	$539,000	$4,152,000	20%
Total	**$19,733,000**	**$1,213,000**	**$20,946,000**	**100%**
Employment (Jobs)				
Direct	160	4	164	62%
Indirect	36	5	41	15%
Induced	52	8	60	23%
Total	**248**	**17**	**265**	**100%**
Direct Taxes				
Federal	$3,935,000	$79,000	$4,014,000	46%
Provincial	$3,903,000	$61,000	$3,964,000	45%
Municipal	$778,000	$1,000	$779,000	9%
Total	**$8,616,000**	**$141,000**	**$8,757,000**	**100%**
Total Taxes				
Federal	$6,299,000	$313,000	$6,612,000	51%
Provincial	$5,317,000	$244,000	$5,561,000	43%
Municipal	$844,000	$5,000	$849,000	7%
Total	**$12,460,000**	**$562,000**	**$13,022,000**	**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 GSSC operations within Greater Sudbury and the rest of Ontario.

Value Added Impacts

Projected operating revenue of $3.2 million by the third stabilized year (2023) will translate into an estimated $2.4 million in Gross Domestic Product for Greater Sudbury on a direct and indirect basis, with a further $50,000 benefiting the balance of the province. An additional $824,000 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 GSSC.

Overall the GSSC is projected to generate $3.1 million in GDP for Greater Sudbury in 2023.

Employment Impacts

Of the $2.4 million in direct and indirect GDP generated for the province, an estimated total of $2.1 million would filter down into wages and salaries within Ontario, with about 98% expected to be retained in Greater Sudbury. The GSSC's related induced spending would contribute a further $551,000 in wages and salaries within Ontario, of which $493,000 (89%) would benefit Sudbury.

Greater Sudbury would retain 96% (25 jobs) of the total 26 jobs created by the GSSC.

Revenues to Government

All levels of government would benefit from the GSSC's operational revenue. By 2023, the annual operation of GSSC would generate an estimated $400,000 in Federal Government Taxes, a further $361,000 in Provincial Taxes and $3,000 in Municipal Taxes (direct taxes) province-wide.

ECONOMIC IMPACT OF PROJECTED OPERATIONS
GREATER SUDBURY SYNERGY CENTRE

Total Impact of Projected Operations - Year 3 (2023)				
	Greater Sudbury	Rest of Ontario	TOTAL	
Total Revenue	$3,197,000			
Gross Domestic Product (GDP)				
Direct	$1,785,000	$25,000	$1,810,000	56%
Indirect	$589,000	$25,000	$614,000	19%
Induced	$744,000	$80,000	$824,000	25%
Total	**$3,118,000**	**$130,000**	**$3,248,000**	**100%**
Labour Income				
Direct	$1,710,000	$18,000	$1,728,000	64%
Indirect	$398,000	$18,000	$416,000	15%
Induced	$493,000	$58,000	$551,000	20%
Total	**$2,601,000**	**$94,000**	**$2,695,000**	**100%**
Employment (Jobs)				
Direct	13	0	13	50%
Indirect	5	0	5	19%
Induced	7	1	8	31%
Total	**25**	**1**	**26**	**100%**
Direct Taxes				
Federal	$396,000	$4,000	$400,000	52%
Provincial	$358,000	$3,000	$361,000	47%
Municipal	$3,000	$0	$3,000	0%
Total	**$757,000**	**$7,000**	**$764,000**	**100%**
Total Taxes				
Federal	$671,000	$24,000	$695,000	54%
Provincial	$563,000	$19,000	$582,000	45%
Municipal	$13,000	$0	$13,000	1%
Total	**$1,247,000**	**$43,000**	**$1,290,000**	**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 GSSC 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 GSSC 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 GSSC 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 GSSC would generate direct spending of $6.3 million, which equates to an average of $17,000 per day for Sudbury businesses, or $84 for every person who attends a meeting/convention or event at the Centre (74,800 local and non-local attendees). Furthermore, total off-site visitor spending has been estimated $3.1 million per annum.

The highest yielding events hosted at the GSSC would be conventions and conferences, which are projected to generate $82,700 per event in off-site visitor spending within the City of Greater Sudbury.

ESTIMATED VISITOR SPENDING GENERATED BY GREATER SUDBURY SYNERGY CENTRE

Events	2023	
Conventions	16	
Trade/Consumer Shows	4	
Meetings/ Social	202	
Total M&C Events	**221**	
Performing Arts	34	
TOTAL GSSC EVENTS	**255**	
M&C Delegates	38,030	
M&C Delegate Days	**49,643**	
PAC Attendees	36,800	
Total Delegates/Attendees	**74,830**	
Visitor Spending	**Total Spending**	**Per Event**
Convention Delegate Spending	$1,292,000	$82,678
Trade Show & Consumer Show Visitor Spending	$140,100	$38,520
Non Resident Meeting Spending	$525,500	$3,715
F&B and Other Event Visitor Spending	$312,200	$5,166
Off Site M&C Visitor Spending	**$2,269,800**	$8,895
Performing Arts Visitor Spending	**$790,700**	$23,256
TOTAL OFF SITE VISITOR SPENDING	**$3,060,500**	**$11,994**
On Site Spending at GSSC	**$3,197,300**	$12,530
TOTAL VISITOR AND GSSC SPENDING	**$6,258,000**	**$24,525**
Avg Spending Per Day	*$17,000*	
Avg Spending Per Capita	*$84*	

Source: CBRE Estimates

Economic Impact of Off-Site Visitor Spending

Based GSSC's total estimated visitor off-site spending of $3.1 million in 2023, the following table summarizes the expected impact of visitor expenditures to related businesses in Greater Sudbury.

Value Added Impacts

Of the $3.1 million in total off-site spending that GSSC visitors are expected to generate, an estimated $1.9 million would be contributed to Gross Domestic Product for Ontario, with $1.8 million (94%) in GDP for Greater Sudbury.

Employment Impacts

Approximately $1.3 million (67%) of the provincial GDP generated by GSSC's visitor off-site spending will go towards wages and salaries within Ontario. An estimated $1.2 million of these wages and salaries will be retained in Greater Sudbury. These wages will support 28 jobs in the province, with 96% of jobs (27 jobs) located in Greater Sudbury.

Revenues to Government

Off-site visitor spending would contribute to total annual direct taxes of $562,000 in Greater Sudbury, with approximately $274,000 in Federal Taxes, $286,000 in Provincial Taxes and $2,000 in Municipal Taxes.

ECONOMIC IMPACTS OF ESTIMATED OFF-SITE VISITOR SPENDING
GREATER SUDBURY SYNERGY CENTRE

Total Impact of Estimated Visitor Spending - Year 3 (2023)				
	Greater Sudbury	Rest of Ontario	TOTAL	
Total Visitor Spending	$3,061,000			
Gross Domestic Product (GDP)				
Direct	$1,129,000	$0	$1,129,000	59%
Indirect	$363,000	$69,000	$432,000	23%
Induced	$301,000	$46,000	$347,000	18%
Total	**$1,793,000**	**$115,000**	**$1,908,000**	**100%**
Labour Income				
Direct	$737,000	$0	$737,000	58%
Indirect	$263,000	$51,000	$314,000	25%
Induced	$197,000	$33,000	$230,000	18%
Total	**$1,197,000**	**$84,000**	**$1,281,000**	**100%**
Employment (Jobs)				
Direct	20	0	20	71%
Indirect	4	1	5	18%
Induced	3	0	3	11%
Total	**27**	**1**	**28**	**100%**
Direct Taxes				
Federal	$274,000	$0	$274,000	49%
Provincial	$286,000	$0	$286,000	51%
Municipal	$2,000	$0	$2,000	0%
Total	**$562,000**	**$0**	**$562,000**	**100%**
Total Taxes				
Federal	$471,000	$22,000	$493,000	55%
Provincial	$388,000	$17,000	$405,000	45%
Municipal	$5,000	$0	$5,000	1%
Total	**$864,000**	**$39,000**	**$903,000**	**100%**

Sources: CBRE Limited and Ontario Ministry of Tourism, Culture and Sport TREIM Model

Total Economic Impact of GSSC Operations & Off-Site Visitor Spending

The following table summarizes the total estimated economic impacts that are expected to be produced by the GSSC after stabilization as a result of operations and off-site visitor spending. In 2023, the GSSC is expected to contribute a combined $6.3 million in spending from both its operation and off-site visitor expenditures. This translates into province-wide GDP generation of $2.9 million in direct impacts and $2.2 million in indirect and induced impacts.

As a result, the direct economic activity created in Greater Sudbury has been estimated at $3.9 million, with an additional $1.0 million of GDP produced by indirect and induced sources. Overall, the GSSC is expected to support a total of 33 direct jobs in Greater Sudbury with salaries and wages of $2.4 million. Furthermore, the GSSC will benefit all levels of government, contributing $1.3 million in direct taxes, of which 99% will benefit Greater Sudbury.

TOTAL ECONOMIC IMPACT OF OPERATIONS & OFF-SITE VISITOR SPENDING
GREATER SUDBURY SYNERGY 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	$6,258,000			
Gross Domestic Product (GDP)				
Direct	$2,914,000	$25,000	$2,939,000	57%
Indirect	$952,000	$94,000	$1,046,000	20%
Induced	$1,045,000	$126,000	$1,171,000	23%
Total	$4,911,000	$245,000	$5,156,000	100%
Labour Income				
Direct	$2,447,000	$18,000	$2,465,000	62%
Indirect	$661,000	$69,000	$730,000	18%
Induced	$690,000	$91,000	$781,000	20%
Total	$3,798,000	$178,000	$3,976,000	100%
Employment (Jobs)				
Direct	33	0	33	61%
Indirect	9	1	10	19%
Induced	10	1	11	20%
Total	52	2	54	100%
Direct Taxes				
Federal	$670,000	$4,000	$674,000	51%
Provincial	$644,000	$3,000	$647,000	49%
Municipal	$5,000	$0	$5,000	0%
Total	$1,319,000	$7,000	$1,326,000	100%
Total Taxes				
Federal	$1,142,000	$46,000	$1,188,000	54%
Provincial	$951,000	$36,000	$987,000	45%
Municipal	$18,000	$0	$18,000	1%
Total	$2,111,000	$82,000	$2,193,000	100%

Sources: CBRE Limited and Ontario Ministry of Tourism, Culture and Sport TREIM Model

CONCLUSIONS AND OTHER CONSIDERATIONS

GSSC as a Multi-Purpose Facility

While the core business of the Greater Sudbury Synergy Centre will be to attract conventions, conferences 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 reduce the risk associated with creating a full blown mid-size venue into a market that is not developed enough to sustain a dedicated building. The Greater Sudbury Synergy Centre's convention function is also in itself a potential market for the live performance function (i.e., through private concerts).

Similarly, the core business of the proposed new Sports and Entertainment Centre in Sudbury will be ice sports and large scale trade and consumer shows. Having the capacity to create a temporary "concert bowl" within this venue will, in the same way, provide the capacity and reduce the risk associated with a dedicated facility for large concerts. A new arena with a larger capacity will take a large percentage of the household spending in Sudbury in the combined live performance and sport events market and, depending upon the number of concerts it presents, on the performing arts spending in particular. While it is not within the scope of this report to consider the impact of the new facilities on existing facilities, it will be necessary at some point to address the question of impact on the operation of existing facilities in Sudbury.

While the focus of the present work is on the business case concept for live performance in the Greater Sudbury Synergy Centre, there is a need as planning goes forward to take into account the current societal and demographic changes including changing patterns in attendance at live performance events; socio-demographic changes in tastes and preferences and modes of participation; local demographic projections, etc.

Further, although the core business of the Synergy Centre will be space rental, there may be organizations who wish to develop live performance product based on opportunities created by a new facility, (i.e. service clubs). 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.

Governance Considerations

Based on previous studies and consultations with Greater Sudbury City Council, it was decided that Council may wish to participate in the governance of the Centre under a structure similar to that employed by the City of North Bay, in the operation of the North Bay Capitol Centre. The Capitol Centre is governed by a 15-member board, which includes one elected City of North Bay Councillor, one liaison for the North Bay Symphony Orchestra, one liaison for the WKP Kennedy Art Gallery, and nine citizens elected by the Board of the Capitol Centre and its membership. The Capitol Centre's General Manger, reports to the board, and has approximately 7 full-time staff, 30 part-time employees and up to 70 volunteers.

Convention Centres and Performing Arts venues are typically publically-owned and operated and/or managed by a 3rd party. Assuming that the City of Greater Sudbury is the owner of the Greater Sudbury Synergy Centre, it is expected that the City would contract out all aspects of the operations, as opposed to internalizing them. The success of the contract-out model depends on (1) carefully detailed contracts, (2) realistic performance expectations and (3) very diligent market development work in the pre-opening years. If the City chooses to contract-out, reporting by the contracting company should be quarterly in the early years.

The Centre will require professional service in terms of Management, Marketing and Sales, Programming Productions, Food and Beverage catering, and AV and technical logistical services. Given the multiple use of the Centre (Convention Centre, Performing Arts Venue, Banquet facility, etc.), and project partners, it will be imperative to set up policies and procedures related to:

- Programming – Assigning of space usage and activity
- Rental Rate Structure
- Booking Policies
- Cancellation Policies
- Conflict resolution protocol between groups competing for schedules/event placement
- Regional market considerations when bidding for large events bringing in outside demand versus local priorities.

Furthermore, programming the Centre with arts and cultural events and selling the venue for Meetings and Conferences may require 2 different skill sets. In negotiating a contract agreement with a potential facility manager, consideration should be given to including an incentive fee with specific criteria related to achieving agreed upon operating performance results.

Other details relevant to the proposed governance of the GSSC are as follows:

- If owned by a corporation, it would be a non-profit and the non-profit corporation would apply to CRA to be a registered charity (in order to be able to provide tax receipts for private donations).
- The board of the non-profit corporation would be comprised of community leaders representing the stakeholders.
- The City would have the right to appoint one or more persons to the board.
- As soon as possible, the board would develop its goals and objectives, by-laws and policies, etc. In collaboration with the City, the board would develop its business plan for the first five years.
- Based on its five-year business plan, the board would enter into a partnership agreement with CGS whereby the parties would set out their mutual commitments for the operation of this public asset based on commonly held goals.
- In collaboration with knowledgeable HR professionals and using industry norms, the board will develop the job description of its General Manager and will enter into a national search for the best candidate. The GM would report to the board; all other staff report to the GM.

- In collaboration with the GM, the board would create a series of key performance indications (related to overall goals) which would form the regular reporting format for the GM. Reporting would be quarterly.
- The board will create and maintain a governance manual and we ensure that every member of the board fully understands her/his role and obligations as a director of the corporation.

Automated Seating System for the Greater Sudbury Synergy Centre

In terms of selecting and purchasing an automated seating system for the Centre, management of the River Rock and Hard Rock Casinos recommended that the City of Greater Sudbury negotiate an annual preventive maintenance program into any prospective sales agreement with the supplier. Currently, Great Canadian Casinos brings in 1 to 2 maintenance people from the manufacturer once per year, for 2 weeks – 1 week per venue – to undertake an annual preventive maintenance program of the system. Typically, maintenance is done during July, because it is a slow month. Overall, management has been pleased with the operation of their system and attributes its performance success to these annual maintenance checks.

Other Cultural Uses for the Synergy Centre

It is our understanding that in addition to its role as a live performing arts venue, the Greater Sudbury Synergy Centre is considering building space for related cultural uses (office, rehearsal spaces) on an occasional or full time rental basis.

The current proposal projects 171 days of "classes" and 100 days of "rehearsals." Experience in other centres and the realities of economics in the non-profit sector suggest that these uses will gravitate to low-rent facilities and that the proposed facilities would need to be offered well below market rates to be attractive.

Given these realties and the fact that the Synergy Centre's main identity is as a venue for meetings and conventions, this report recommends that other cultural functions (offices, rehearsal facilities, etc.) not be included in the GSSC programming.

Implications of Adjacent Hotel Development and Parking Considerations

In 2016, the 19 hotels and motels comprising Sudbury's primary accommodation market, represented by 1,669 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, this new supply is still expected to impact the market by almost 4% 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 20 hotel properties representing 1,788 rooms. While we have not conducted a detailed market analysis, it is expected that supply growth will outpace demand growth and that the Sudbury accommodation market will experience an erosion of occupancy levels over the 2017-2019 period. In the absence of significant new demand generators, it is unlikely that the 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.

The new GSSC, has the potential to be a significant new demand generator. The opening of the new GSSC is expected to induce Meeting & Convention room night demand to the Sudbury market. In 2016, the Sudbury market generated approximately 32,800 room nights from the M&C market, or 8% of total accommodation demand. **By 2023, the operation of the GSSC 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 GSSC will attract additional overnight accommodation demand into the downtown core. However, these levels of 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 GSSC in the downtown core will be attractive to hotel developer due to its potential for new retail and other business generation, but the GSSC alone will not generate enough year-round demand on its own to sustain 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 Sudbury accommodation market has 119 new hotel rooms entering the market by 2019 in addition to the 2016 opening of the 100 room Microtel, representing a 10% 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 GSSC 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.

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 GSSC. 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 ADR 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.

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 GSSC, 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 $4.0 to $5.0 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 GSSC, 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 GSSC itself is preliminary in nature. From a theatre perspective, the GSSC 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 GSSC 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 GSSC 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 GSSC might be sufficient.

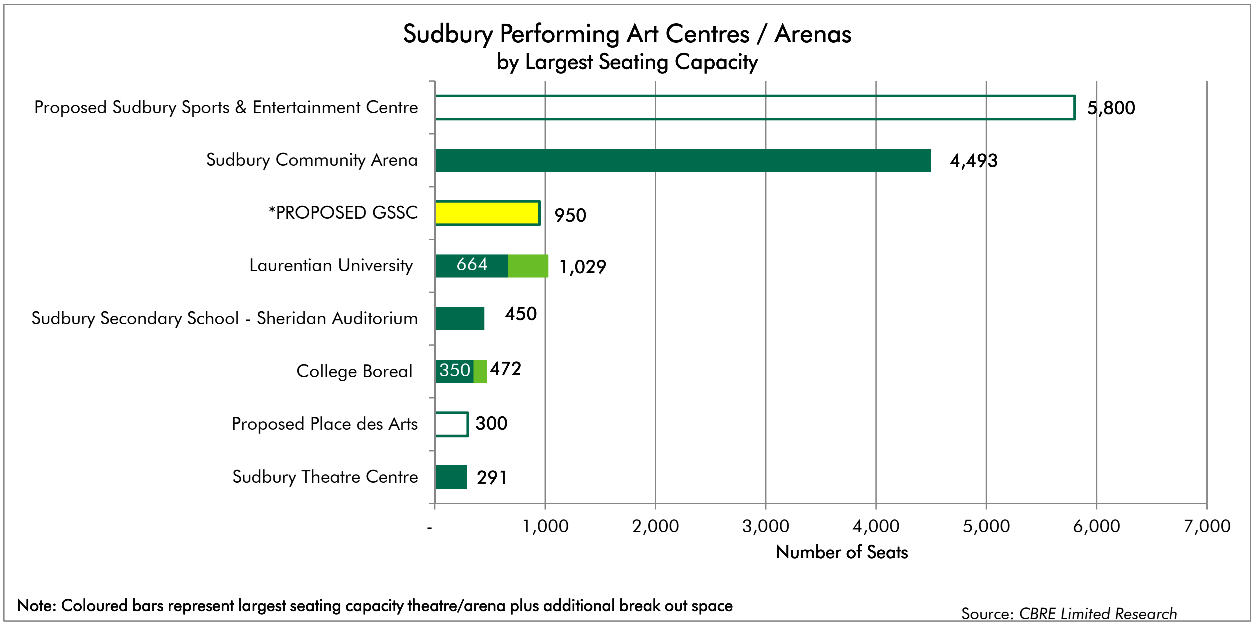
Based on these preliminary assumptions, the GSSC would require 150-200 dedicated parking stalls without an adjacent hotel, and 250-300 stalls with an adjacent hotel.

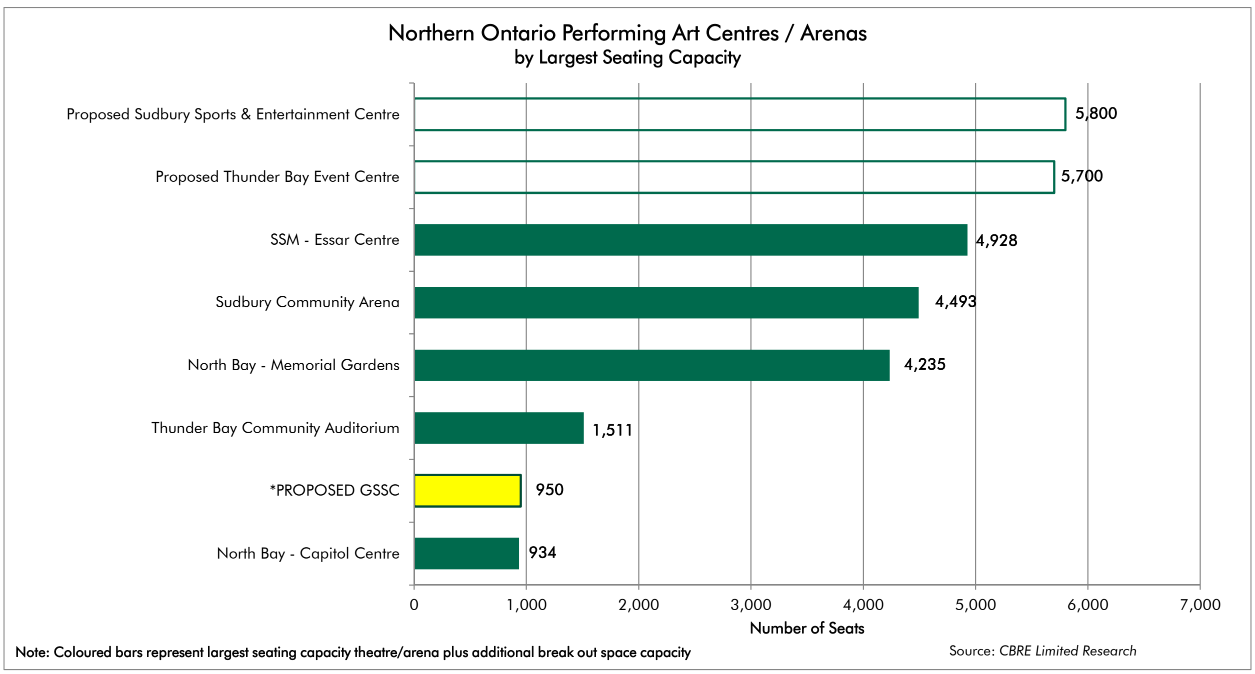
Ultimately, while there may be an opportunity for further hotel development in the downtown core, the prospect is seen as a mid to long term initiative, and will require additional studies, which has not been considered within the current mandate for the GSSCP.

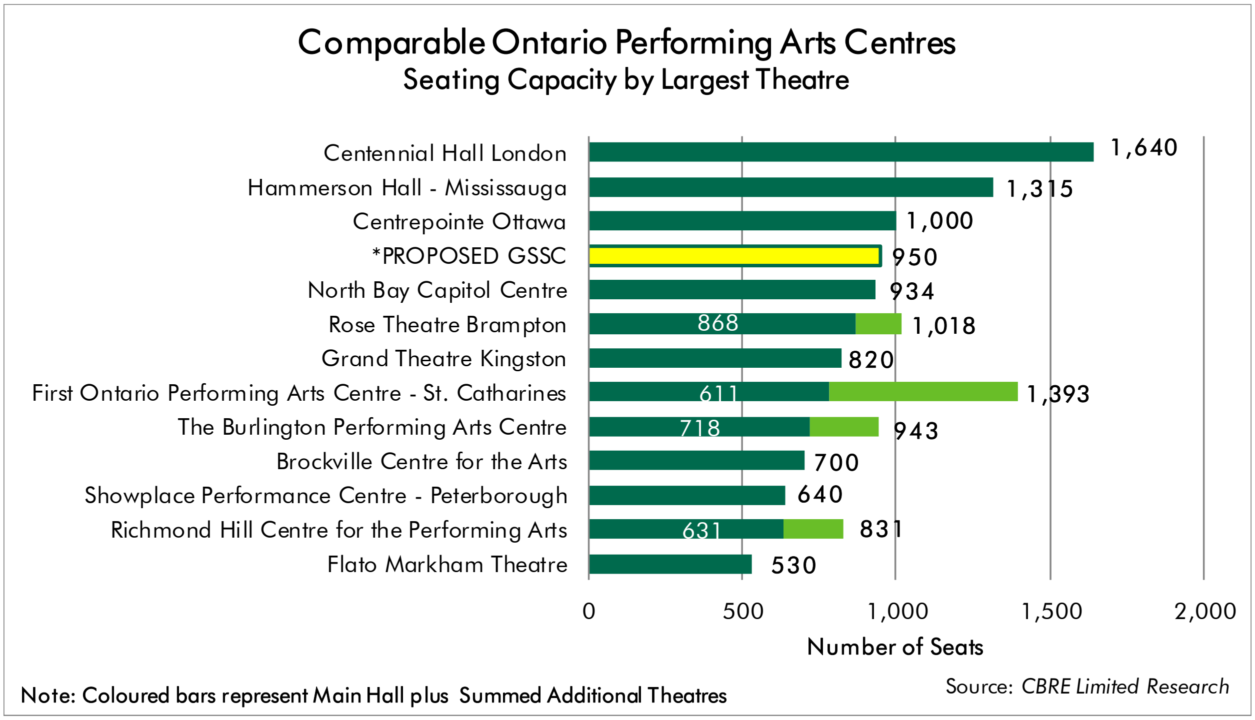
Addendum "A"

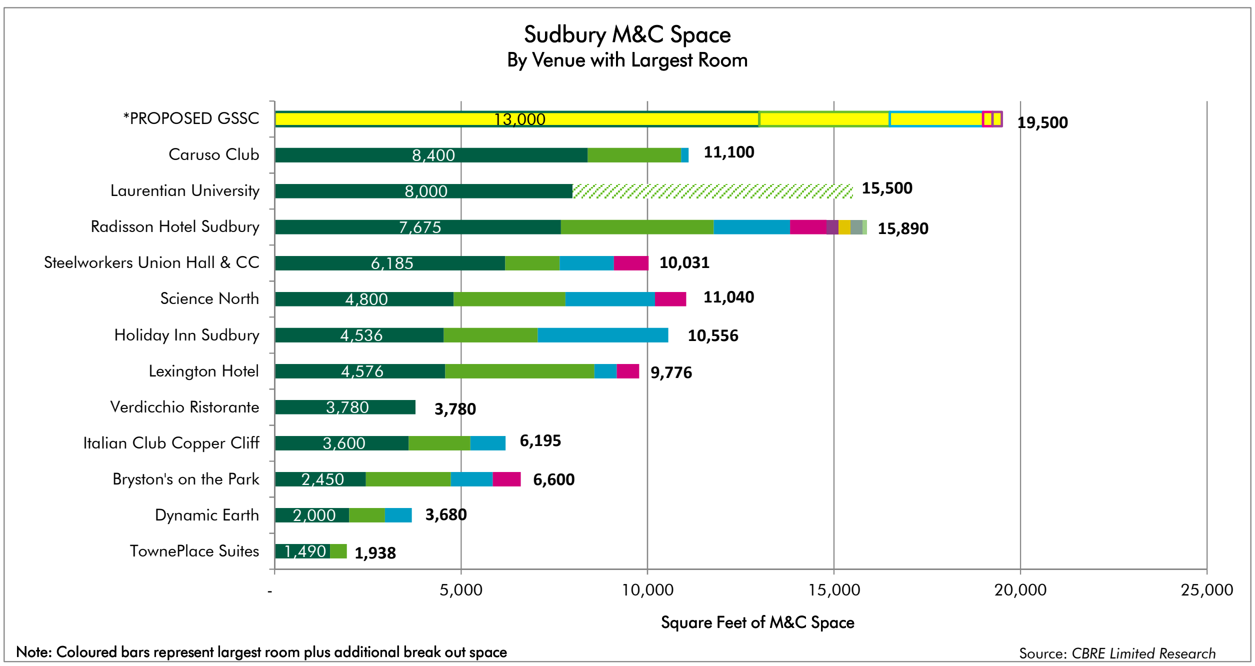
Proposed GSSC Positioning

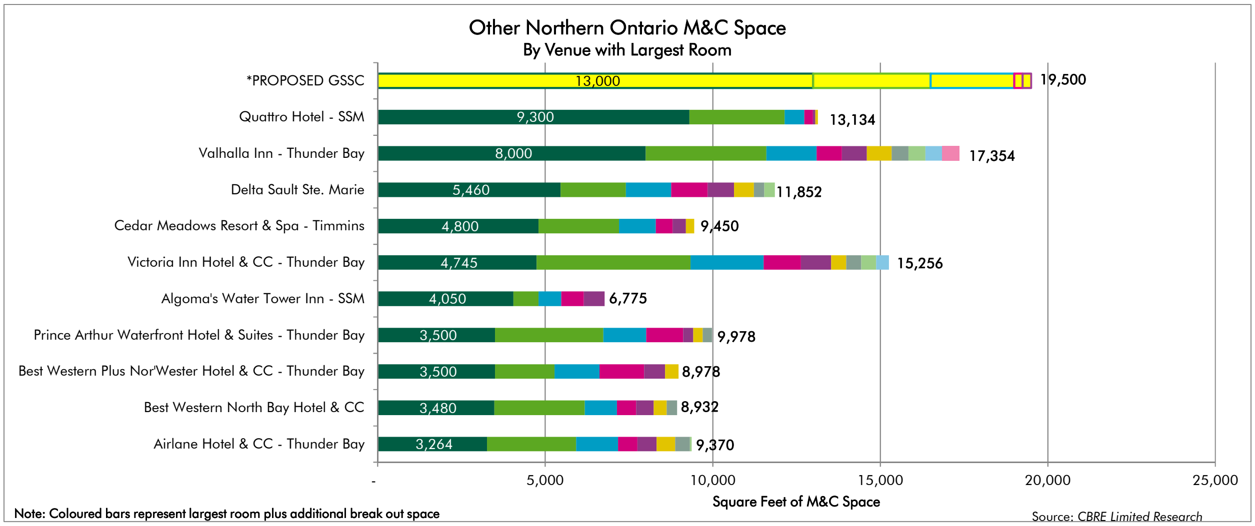
Proposed GSSC Positioning






Comparable Ontario Performing Arts Centres
Seating Capacity by Largest Theatre
Centennial Hall London
1,640
Hammerson Hall - Mississauga
1,315
Centrepointe Ottawa
1,000
*PROPOSED GSSC
950
North Bay Capitol Centre
934
Rose Theatre Brampton
868
1,018
Grand Theatre Kingston
820
First Ontario Performing Arts Centre - St. Catharines
611
1,393
The Burlington Performing Arts Centre
718
943
Brockville Centre for the Arts
700
Showplace Performance Centre - Peterborough
640
Richmond Hill Centre for the Performing Arts
631
831
Flato Markham Theatre
530
0
500
1,000
1,500
2,000
Number of Seats
Note: Coloured bars represent Main Hall plus Summed Additional Theatres
Source: CBRE Limited Research

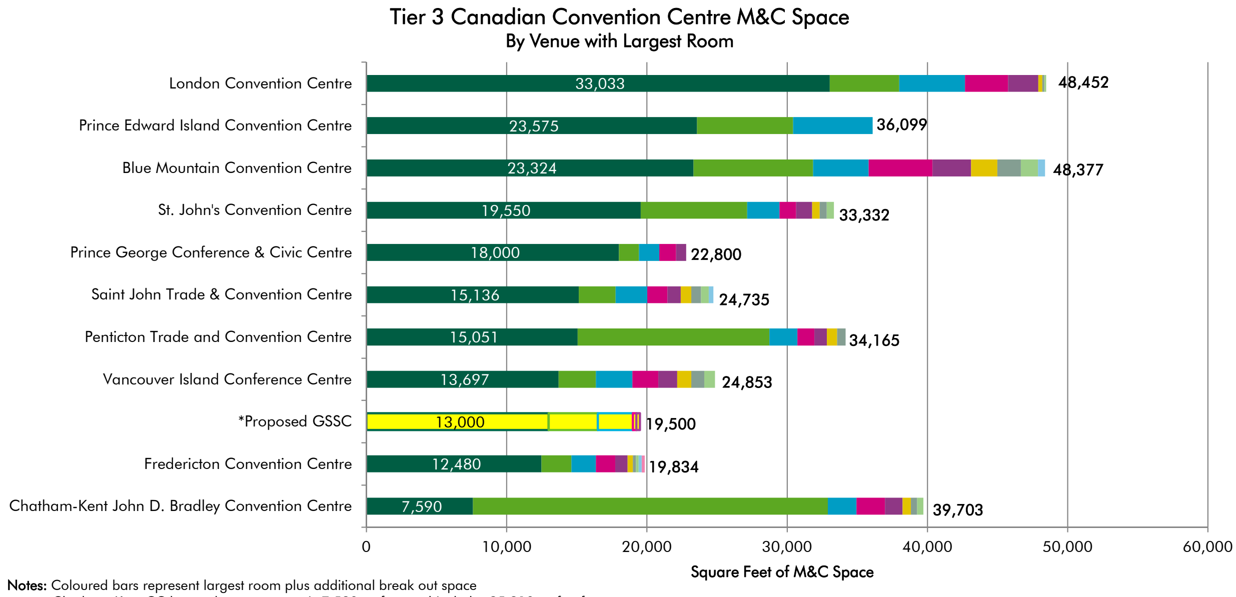

Sudbury M&C Space
By Venue with Largest Room
*PROPOSED GSSC
13,000
19,500
Caruso Club
8,400
11,100
Laurentian University
8,000
15,500
Radisson Hotel Sudbury
7,675
15,890
Steelworkers Union Hall & CC
6,185
10,031
Science North
4,800
11,040
Holiday Inn Sudbury
4,536
10,556
Lexington Hotel
4,576
9,776
Verdicchio Ristorante
3,780
3,780
Italian Club Copper Cliff
3,600
6,195
Bryston's on the Park
2,450
6,600
Dynamic Earth
2,000
3,680
TownePlace Suites
1,490
1,938
-
5,000
10,000
15,000
20,000
25,000
Square Feet of M&C Space
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 - 2016

Convention Centre	Location	Total M&C SF	Estimated Capacity	Hotel Room Inventory	M&C SF Per Hotel Rm	Est. CMA Population 2016
London Convention Centre*	London, ON	48,452	4,038	3,489	14	509,605
Blue Mountain Convention Centre	The Blue Mountains, ON	48,377	4,031	1,590	30	19,734
Chatham-Kent John D. Bradley Convention Centre	Chatham-Kent, ON	39,703	3,309	367	108	106,115
Prince Edward Island Convention Centre*	Charlottetown, PE	36,099	3,008	1,441	25	69,561
Penticton Trade and Convention Centre	Penticton, BC	34,165	2,847	1,498	23	41,946
St. John's Convention Centre*	St. John's, NL	33,332	2,778	2,729	12	209,555
Vancouver Island Conference Centre	Nanaimo, BC	24,853	2,071	922	27	103,809
Saint John Trade & Convention Centre*	Saint John, NB	24,735	2,061	1,560	16	126,759
Prince George Conference & Civic Centre	Prince George, BC	22,800	1,900	2,089	11	87,451
Fredericton Convention Centre**	Fredericton, NB	19,834	1,653	1,753	11	98,501
Proposed GSSC Sudbury	Sudbury, ON	19,500	1,625	1,669	12	166,694

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
Sources: *CBRE Limited, Environics Analytics Sitewise 2016*



Notes: Coloured bars represent largest room plus additional break out space
Chatham-Kent CC largest banquet space is 7,590 sq.ft. - total includes 25,310 sq.ft. of expo space

Source: *CBRE Limited Research*

Addendum "B"

Assumptions and Limiting Conditions

Assumptions and Limiting Conditions

1. This report has been prepared at the request of the City of Greater Sudbury for the purpose of providing a review of the work completed to date on the Greater Sudbury Synergy Centre Project. It is not reasonable for any person other than the person or those to whom this report is addressed to rely upon this appraisal without first obtaining written authorization from the client and the author of this report. This report has been prepared on the assumption that no other person will rely on it for any other purpose and all liability to all such persons is denied.
2. This report has been prepared at the request of the City of Greater Sudbury and for the exclusive (and confidential) use of, the recipient as named herein and for specific purpose and function as stated herein. All copyright is reserved to the author and this report is considered confidential by the author and the client. Possession of this report, or a copy thereof, does not carry with it the right to reproduction or publication in any manner, in whole or in part, nor may it be disclosed, quoted from or referred to in any manner, in whole or in part, without the prior written consent and approval of the author as to the purpose, form and content of any such disclosure, quotation or reference. Without limiting the generality of the foregoing, neither all nor any part of the contents of this report shall be disseminated or otherwise conveyed to the public in any manner whatsoever or through any media whatsoever or disclosed, quoted from or referred to in any report, financial statement, prospectus, or offering memorandum of the client, or in any documents filed with any governmental agency without the prior written consent and approval of the author as to the purpose, form and content of such dissemination, disclosure, quotation or reference.
3. The estimated market value of the real estate, which is the object of this appraisal, pertains to the value of the freehold or fee simple estate in the real property. The property rights appraised herein exclude mineral rights, if any.
4. The estimate of value contained in this report is founded upon a thorough and diligent examination and analysis of information gathered and obtained from numerous sources. Certain information has been accepted at face value, especially if there was no reason to doubt its accuracy. Other empirical data required an interpretative analysis pursuant to the objective of this appraisal. Certain inquiries were outside the scope of this mandate. For these reasons, the analyses, opinions and conclusions contained in this report are subject to the following Contingent and Limiting conditions.
5. The property has been valued on the basis that title to the real estate herein appraised is good and marketable.
6. The author of this report cannot accept responsibility for legal matters, questions of survey, opinions of title, hidden or unapparent conditions of the property, toxic wastes or contaminated materials, soil or sub-soil conditions, environmental, engineering or other technical matters, which might render this property more or less valuable than as stated herein. If it came to our attention as the result of our investigation and analysis that certain problems may exist, a cautionary note has been entered in the body of the report.

7. The legal description of the property and the area of the site were obtained from the Registry Office. Further, the plans and sketches contained in this report are included solely to aid the recipient in visualizing the location of the property, the configuration and boundaries of the site and the relative position of the improvements on the said lands.
8. The property has been valued on the basis that the real estate is free and clear of all value influencing encumbrances, encroachments, restrictions or covenants except as may be noted in this report and that there are no pledges, charges, liens or special assessments outstanding against the property other than as stated and described herein.
9. The property has been valued on the basis that there are no outstanding liabilities except as expressly noted herein, pursuant to any agreement with a municipal or other government authority, pursuant to any contract or agreement pertaining to the ownership and operation of the real estate or pursuant to any lease or agreement to lease, which may affect the stated value or saleability of the subject property or any portion thereof.
10. The interpretation of the leases and other contractual agreements, pertaining to the operation and ownership of the property, as expressed herein, is solely the opinion of the author and should not be construed as a legal interpretation. Further, the summaries of these contractual agreements, which appear in the Addenda, are presented for the sole purpose of giving the reader an overview of the salient facts thereof.
11. The property has been valued on the basis that the real estate complies in all material respects with any restrictive covenants affecting the site and has been built and is occupied and being operated, in all material respects, in full compliance with all requirements of law, including all zoning, land use classification, building, planning, fire and health by-laws, rules, regulations, orders and codes of all federal provincial, regional and municipal governmental authorities having jurisdiction with respect thereto. (It is recognized there may be work orders or other notices of violation of law outstanding with respect to the real estate and that there may be certain requirements of law preventing occupancy of the real estate as described in this report. However, such circumstances have not been accounted for in the appraisal process).
12. Investigations have been undertaken in respect of matters, which regulate the use of land. However, no inquiries have been placed with the fire department, the building inspector, the health department or any other government regulatory agency, unless such investigations are expressly represented to have been made in this report. The subject property must comply with such regulations and, if it does not comply, its non-compliance may affect the market value of this property. To be certain of such compliance, further investigations may be necessary.
13. The property has been valued on the basis that all rents referred to in this report are being paid in full and when due and payable under the terms and conditions of the attendant leases, agreements to lease or other contractual agreements. Further, it is assumed that all rents referred to in this report represent the rental arrangements stipulated in the leases, agreements to lease or other contractual agreements pertaining to the tenants' occupancy, to the extent that such rents have not been prepaid, abated, or inflated to reflect extraordinary circumstances, and are full enforceable notwithstanding that such documentation may not be fully executed by the parties

thereto as at the date of this appraisal, unless such conditions have been identified and noted in this report.

14. The data and statistical information contained herein were gathered from reliable sources and are believed to be correct. However, these data are not guaranteed for accuracy, even though every attempt has been made to verify the authenticity of this information as much as possible.
15. The estimated market value of the property does not necessarily represent the value of the underlying shares, if the asset is so held, as the value of the share could be affected by other considerations. Further, the estimated market value does not include consideration of any extraordinary financing, rental or income guarantees, special tax considerations or any other atypical benefits which may influence the ordinary market value of the property, unless the effects of such special conditions, and the extent of any special value that may arise as a result, have been described and measured in this report.
16. Should title to the real estate presently be held (or changed to a holding) by a partnership, in a joint venture, through a Co-tenancy arrangement or by any other form of divisional ownership, the value of any fractional interest associated therewith may be more or less than the percentage of ownership appearing in the contractual agreement pertaining to the structure of such divisional ownership.
17. In the event of syndication, the aggregate value of the limited partnership interests may be greater than the value of the freehold or fee simple interest in the real estate, by reason of the possible contributory value of non-realty interests or benefits such as provision for tax shelter, potential for capital appreciation, special investment privileges, particular occupancy and income guarantees, special financing or extraordinary agreements for management services.
18. Should the author of this report be required to give testimony or appear in court or at any administrative proceeding relating to this appraisal, prior arrangements shall be made therefore, including provisions for additional compensation to permit adequate time for preparation and for any appearances, which may be required. However, neither this nor any other of these assumptions nor limiting conditions is an attempt to limit the use that might be made of this report should it properly become evidence in a judicial proceeding. In such a case, it is acknowledged that it is the judicial body, which will decide the use of this report, which best serves the administration of justice.
19. Because market conditions, including economic, social and political factors, change rapidly and, on occasion, without notice or warning, the estimate of market value expressed herein, as of the effective date of this appraisal, cannot necessarily be relied upon as of any other date without subsequent advice of the author of this report.
20. The value expressed herein is in Canadian dollars.
21. This report is only valid if it bears the original signature(s) of the author(s).

Request for Decision

Art Gallery/Public Library Project Update

Presented To:	Special City Council
Presented:	Wednesday, Jun 28, 2017
Report Date	Wednesday, Jun 14, 2017
Type:	Presentations

Resolution

THAT the City of Greater Sudbury approves the Art Gallery of Sudbury/Greater Sudbury Public Library Project concept as described in the Co-Location Facility and Business Plan, Phase 1A Report, dated March, 2017, for the development of a new main library and art gallery facility to be developed in downtown Sudbury;

AND THAT the City of Greater Sudbury Council directs staff to work with the Art Gallery of Sudbury/Greater Sudbury Public Library Working Group to undertake a site evaluation and selection process. Staff shall coordinate this work with the site selection process associated with the Synergy Centre project and shall ensure that all relevant options are examined, including the potential for shared site development. The results of this process will be reported back to City Council by December 31, 2017;

Signed By

Report Prepared By
Ron Henderson
General Manager
Digitally Signed Jun 15, 17

Financial Implications
Ed Stankiewicz
Executive Director of Finance, Assets and Fleet
Digitally Signed Jun 15, 17

Recommended by the C.A.O.
Ed Archer
Chief Administrative Officer
Digitally Signed Jun 15, 17

AND THAT the City of Greater Sudbury City Council directs staff to work with the Art Gallery of Sudbury/Greater Sudbury Public Library Working Group to secure Lord Cultural Resources to finalize a detailed business plan, operational model, and financial plan for the proposed centre, with recommendations arising from this work to be reported to Greater Sudbury City Council by June 30, 2018;

AND THAT the City of Greater Sudbury City Council approves a one-time allocation of up to $100,000 through equal contributions from the Library and Citizen Service Centre Reserve Fund and the Tax Rate Stabilization Reserve to fund the costs of the above activities.

Relationship to the Strategic Plan / Health Impact Assessment

The new Main Library and Art Gallery of Sudbury project aligns with the Corporate Strategic Plan in both the Quality of Life and Place and Growth and Economic Development priority areas. This facility will be one of Greater Sudbury's primary public spaces providing high quality educational and recreational opportunities for all residents. As one of the identified "large projects" and a priority identified in the Downtown Master Plan this project further represents a key Growth and Economic Development driver.

Report Summary

Research to date identifies that a co-located Main Library and Art Gallery in Sudbury's downtown is not only feasible but would result in capital and operational efficiencies.

Significantly, a co-located Main Library and Art Gallery also present opportunities for organizational collaboration and cross-promotion while presenting distinct benefits to users of both Greater Sudbury Public Library and Art Gallery of Sudbury that would not otherwise be realized in discrete facilities.

This report summarizes the research established through Phase I of the project and proposes an outline for Phase II, including site selection and a more complete business plan including detailed pro forma, conceptual design, more detailed costing and a financing plan.

Financial Implications

If approved, a one-time allocation of up to $100,000 will be funded by equal contributions from the Library and Citizen Service Centre Reserve Fund and the Tax Rate Stabilization Reserve.

Large Project Update on Art Gallery/Public Library Project
Wednesday, June 28th, 2017

BACKGROUND

On Tuesday, July 12, 2016, City Council approved a funding allocation of $100,000 for consulting services to assist with the development of the Joint Art Gallery of Sudbury and Greater Sudbury Public Library Main Library project, as part of the ongoing work on this Large Project identified as a priority of the City of Greater Sudbury.

The focus of the Art Gallery of Sudbury/Greater Sudbury Public Library Working Group, which includes board and staff represents from both organizations, is to explore a collaborative approach to capital development and to determine whether or not alignment of vision exists between the two projects.

The project management services of Lord Cultural Resources were subsequently secured through an RFP process. Lord Cultural Resources has provided the report attached as Appendix A, *Greater Sudbury Public Library and Art Gallery of Sudbury: Co-Location Facility and Business Plan, Phase 1A Report*.

The resulting report has been reviewed in detail by the Art Gallery of Sudbury/Greater Sudbury Public Library Working Group, which has endorsed the findings and direction provided. The key recommendations are summarized below.

PHASE 1 SUMMARY OF REPORT

Phase I Key Findings

The findings of the Phase 1A report indicated clearly that a co-located main Greater Sudbury Public Library and Art Gallery of Sudbury facility is feasible and will result in a more efficient use of space and reduced operating and capital costs when compared to discrete constructions.

- Based on review of functional programming requirements, the proposed facility is assumed to be 61,800 net sq. ft.
- The Art Gallery of Sudbury would have approximately 18,000 net sq. ft. of dedicated space as well as access to shared Library space
- Approximately 43,800 net sq. ft. would be operated by the Main Library
- The Greater Sudbury Public Library and the Art Gallery of Sudbury would remain distinct organizations and would continue to operate independently of each other
- A co-located facility is expected to generate opportunities for collaboration and partnership while creating a "one-stop shop" experience for users
- The City of Greater Sudbury would own and operate the joint facility

- The Art Gallery of Sudbury would be a tenant in the City of Greater Sudbury owned facility, leasing the space on a long-term basis at the proposed rate of one dollar per year
- The City of Greater Sudbury would be responsible for annual building occupancy costs including utilities, maintenance, and insurance.
- Revenue opportunities would be made available to both Greater Sudbury Public Library and Art Gallery of Sudbury through rentals:
    - Revenue from lobby rentals and gift shop as allocated to the Art Gallery of Sudbury
    - Revenue from rental of the auditorium and meeting rooms as allocated to Greater Sudbury Public Library
- The Art Gallery of Sudbury and Greater Sudbury Public Library would both have defined capital contributions to the project, to be supported through government contributions and a private capital campaign

Size and Capital Cost

The recommended size of the facility is 61,800 net sq. ft. with an estimated capital cost, not including land and servicing, ranging from $35 million to $45 million. Of this total space approximately 18,000 net sq. ft would be dedicated to the Art Gallery of Sudbury. The remaining 43,800 net sq. ft. will be dedicated Library space and shared multi-use space. Currently, the Main Library is utilizing 32,892 sq. ft. at the Mackenzie Branch location.

Functional Plan

Based on the Detailed Space Program for the shared facility,

- The Art Gallery of Sudbury's proposed functional plan includes space dedicated to permanent and temporary exhibition, collection storage space, studio and educational space, as well as a retail store. As a Category "A"-designated gallery, the proposed facility will qualify the Art Gallery of Sudbury to host major travelling exhibitions, providing greater opportunities for unique visitor experiences as well as a substantial revenue stream.

- The building's lobby space will function both as a shared entrance for both the Art Gallery of Sudbury and the Greater Sudbury Public Library as well as a rental space for private events. A café in the lobby will provide visitors with on-site access to refreshments while also supporting lobby rentals and related catering services through dedicated kitchen facilities.

- The proposed functional plan for the main Greater Sudbury Public Library incorporates a broad-range of functions ranging from spaces housing the Library's various print collections to a technology learning hub and Makerspace.

- A wide variety of seating options throughout the building will provide opportunities for users to study, work, and play, and includes several private quiet study rooms.

- A multi-functional auditorium and community meeting rooms will support both Library programming and rentals for the public.

- Dedicated spaces for children, teens, reference, genealogy and local history, will provide specialized resources reflecting the community's information and recreation needs.

- Further, a technology learning hub and Makerspace will allow Greater Sudbury Public Library to support increasing demand for technology help as well as initiatives promoting innovation throughout the community.

- Co-location provides a unique opportunity for shared spaces. The report outlines several opportunities for shared space. These include "back-of-house" functions such as storage, shipping & receiving, and utility rooms as well as staff meeting rooms, programming space, and a shared lobby.

Operational Considerations

The Phase I report projects that a new Main Library would see branch usage increase in the range of 50% to 300% while maintaining the current Main Library operating schedule. The Phase 1A report suggests that several new positions may be required to support this projected increase in usage as well as to support new, specialized functions such as the Makerspace/Technology Learning Lab.

Similarly, it is recommended that the Art Gallery of Sudbury may need to add positions; further, it is recommended that the Art Gallery of Sudbury modify its existing operating schedule in order to provide consistent open hours throughout the week.

In compliance with the *Ontario Public Libraries Act*, the Greater Sudbury Public Library does not charge for membership or admission. Primary sources of revenue include fines levied for overdue material and charges for room rentals. It is anticipated that revenue from fines will increase in correlation to a general increase in usage. Further, the addition of several rentable rooms in the proposed new facility will result in new revenue opportunities. It is recommended that Greater Sudbury Public Library explore opportunities for fundraising and sponsorship to support programming and the acquisition of resources.

The Art Gallery of Sudbury currently operates under an admission-by-donation model which is consistent with the majority of art galleries in Ontario. The Phase I report recommends that the Art Gallery of Sudbury maintain an admission-by-donation model ("pay what you can") for its permanent collection and minor temporary exhibitions while implementing a mandatory admission charge for major temporary exhibitions. It is also recommended that the Art Gallery of

Sudbury maintain its existing paid membership program. Other sources of revenue for the Art Gallery of Sudbury include retail sales, rentals, and paid programming (such as summer camps), and fundraising.

Site

The Phase I report strongly recommends that the proposed facility be located in the downtown core citing several key considerations. Both the Greater Sudbury Public Library Board and the Art Gallery of Sudbury Board have identified the downtown core as the preferred location for their respective projects. The Art Gallery of Sudbury is also noted explicitly in the Downtown Master Plan.

The Phase I report presented by Lord Cultural Resources builds upon previous feasibility studies conducted by the Greater Sudbury Public Library Board and the Art Gallery of Sudbury Board respectively. This previous research identified sites within the downtown core as feasible locations for new facilities.

Several key considerations are recommended regarding the downtown location. Accessibility is identified as a key component, noting that both the Library and Gallery serve all demographics of the population and should therefore be accessible by all modes transportation. Particular emphasis is placed on public transportation to ensure access irrespective of socioeconomic status.

Parking—both for personal vehicles and buses—is also emphasized as an important means of access for families, school groups, and others with mobility limitations. Unpaid parking supported by validation system is identified as a means of supporting access while limiting potential financial barriers

The potential economic impact of a downtown Library/Gallery on the downtown itself is also emphasized. A combined Library/Gallery in the downtown core will represent a major social and cultural hub. The Greater Sudbury Public Library continues to see growth in the physical use of library branches despite the increasing availability of resources and services online. The anticipated increase in usage stemming from a new facility, in addition to the existing trends in visitation, suggests that a new Library/Gallery will act as a "destination" and an attractor to the downtown, which will in turn yield benefits to surrounding businesses and other services.

The report also identifies the proposed Library/Gallery as a potential driver for residential development in the downtown.

PHASE II

Phase II of the project will primarily focus on site selection. Additional consideration will also be given to potential future uses of the existing Main Library and Bell Mansion facilities as well as the development of a communications strategy during this phase of the project.

Site Selection

With input from Lord Cultural Resources, members of the joint Art Gallery of Sudbury/Greater Sudbury Public Library Working Group are proposing that the following criteria form the basis of the site evaluation process:

- **Cost** – What are the comparative costs associated with this site taking into account land acquisition costs, site preparation, and utility servicing?
- **Size** - Identification of potential sites based on their physical dimensions (is the site large enough)
- **Ease of Development** – Are there expected issues or costs with the development of this particular site? Does the site meet specific or technical requirements of development of purpose-built facilities for the Art Gallery of Sudbury and/or the Greater Sudbury Public Library?
- **Access** – What improvements are required to support vehicular, pedestrian and transit (current and future)?
- **Parking** – Is there existing parking in the area that can be reasonably used to accommodate demands. Can it be added?
- **Economic Impact** – Does the development of this site have an enhanced economic impact for the area?
- **Alignment with Vision**– is the development of a shared facility at this location consistent with the long term vision of the City of Greater Sudbury?
- **Complimentary Benefits** – does development of this site enhance the neighbouring area?
- **City-Building** – does this site enhance the process of "city-building" by contributing to economic growth, community pride, quality of life and citizen satisfaction?

These criteria reflect those used to evaluate sites for the proposed Event Centre project. The evaluation team will be comprised of the project consultants, members of the joint Art Gallery of Sudbury/Greater Sudbury Public Library Working Group, and a team of City staff representing the Real Estate, Planning, and Economic Development departments.

NEXT STEPS

The next steps for this project will be comprised of a two step process, first to determine the best site in the context of City Council's decision regarding the potential even centre.

City staff will coordinate an approach to ensure that the needs of the Art Gallery of Sudbury/Greater Sudbury Public Library are acknowledged and that the process is coordinated with that associated with the Synergy Centre Project. All potential options will be explored, including the potential for shared site development. A report and recommendation from the site selection process will be brought forward to Council by the end of 2017.

Once potential sites have been identified, a more detailed architectural concept and business case will be required. This would be due by June 30, 2018 with a recommendation for the preparation of a funding option for consideration by the new Council in the 2019 Budget.

Given this two-step process, the Greater Sudbury Public Library/Art of Gallery of Sudbury project will require additional funding to assist with costs associated with the finalized business plan. An additional one-time allocation of up to $100,000 is recommended for this work, with the funding to come equally from the Library Reserve and the Tax Rate Stabilization Reserve.

The report will also recommend a process and key considerations for determining possible future uses of existing facilities, including the Mackenzie Branch Library and the Bell Mansion.

RESOURCES:

Council Update May 30, 2017
https://agendasonline.greatersudbury.ca/?pg=agenda&action=navigator&id=1128&lang=en

Council Update April 11, 2017
https://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&id=1125&itemid=13017&lang=en

Council Update March 7, 2017
https://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&id=1124&itemid=12718&lang=en

Council Update Dec 13, 2016
https://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&id=1034&itemid=12449&lang=en

Council Update July 12, 2016
https://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&id=949&itemid=11754&lang=en

APPENDIX

Appendix A: *Greater Sudbury Public Library and Art Gallery of Sudbury: Co-Location Facility and Business Plan, Phase 1A Report*

GREATER SUDBURY PUBLIC LIBRARY AND ART GALLERY OF SUDBURY

Co-Location Facility and Business Plan
Phase 1A Report

Prepared by:
Lord Cultural Resources

and
Susan Kent Consulting

March 2017

Lord Cultural Resources

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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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 seven 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 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. 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 are subject to substantial temperature variation 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 mixture of 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 department 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.

This facility and business planning study is being phased to lead to capital and operating cost projections at the end of Phase 1. Pending Council approval whether or not to proceed, Phase 2 will include a recommended site or at least Identification of criteria for it, as well as recommendations for potential future uses of the Bell Mansion and the Mackenzie branch facility and a communications plan.

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, Lord Senior Consultant Marina Ramirez (facility planning), Communications and Marketing Specialist Sarah Hill, Co-President Barry Lord, 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 have 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 (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. These 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 this Phase 1A report, which detailed the analyses, conclusions and recommendations in this study. The recommendations and preliminary assumptions are in Chapter 4. A meeting to be held in Sudbury will be used to finalize the assumptions to underlie the projections of attendance, operating revenues and expenses for a co-located GSPL/AGS in Phase 1B of the study. This will be followed by a meeting with City Council to present the full Phase 1 report, scheduled for May 30, 2017. Phase 2, if approved, includes a site evaluation, recommendations for the existing sites/buildings and a communications plan.

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 in this interim report and the capital cost estimates and attendance, operating revenue and expense projections in the next phase of the 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 n small or medium sized 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 should include elements of selective integration in regards 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. It proposed a model for the future that enhances the intellectual and informational value of collections on display by assuming a "cabinet of curiosities" approach wherein textual and object records are displayed side by side, providing greater access to information for all users. 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 pursing 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 space 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 also 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: www.amandachachia.com
Image by Amanda Cachia

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 7PM on Mondays through Thursdays. The Gallery operates on reduced hours from noon to 5 p.m. Tuesday, Wednesday and Friday, noon to 4 p.m. Saturday and Sunday and is closed to the public 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 2ART 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-chitects” 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 integration of performance art.

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. 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 THE ONTARIO, CANADIAN AND US 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 States[2]. 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 average and median 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. Substantially 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%) charged compared to the overall museum average of 41% free. In 2016 admissions revenue in 2016 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. ***The new facility should increase overall attendance, including more school visitors, and 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. ***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***

[3] https://uwaterloo.ca/canadian-index-wellbeing/

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*.

	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	11.8%	7.4%	9.0%	6.6%	7.2%	8.5%	6.4%	6.0%	8.4%	12.3%
Members	200*	56	253	6864	740	374	2,143	767	999	795
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 For Better or Worse 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 For Better or Worse 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 of the future must be an exciting new public landmark that provides its users a mixture of tradition and innovation, creativity and discovery, risk taking and adventure. It should bring together analog and digital, books, media and electronic information, to meet the needs of the people it serves. The future library 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 formals
- 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 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 Central Library 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 that offer the ability 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, the International City/County Management Association (ICMA) 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 Central Library 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 with commentary regarding the main findings and implications.

The data indicate that of the four libraries compared, the GSPL serves the largest population base and has the most facilities, a Main Library and 12 branch libraries.

Comparison of Data for Exiting Public Library Systems in Four Northern Ontario Cities

Active Card Holders by Population

	Resident Population Served + Contracting	Resident Households Served	Active Library Cardholders	% of pop with Library Card
Greater Sudbury	161,900	75,158	86,335	53%
North Bay	53,651	23,257	43,990	82%
Sault St. Marie	82,971	34,527	18,912	23%
Thunder Bay	108,359	49,547	27,688	26%

Source: Ontario public library statistics 2015

As a result, the GSPL is open the most hours per week (618) and has the greatest number of visitors annually (767,800). 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. At 68.5, Greater Sudbury's main library is open the most hours a week, more than 12 hours more hours than the comparable 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.

In terms of annual operating budgets, the Greater Sudbury Public Library expenditure budget for 2015, the most recent year for comparative purposes, was about $8,179,000, the highest among the four libraries. This equates to $50.52 per capita, the second highest in the group of four. The GSPL expends $6.79 per capita on library materials (books, media and electronic resources) or a realistic 13% of it's annual per capita expenditures.

Comparison of Data for Exiting Public Library Systems in Four Norther Ontario Cities	Revenue					
	Total Operating Revenue	Revenue Per Capita	Government Revenue (%)	Contributed Revenue (%)	Earned Revenue (%)	Total Capital Revenues
Greater Sudbury	$8,030,210.00	$49.60	98%	0.2%	1.8%	$493,659.00
North Bay	$2,349,071.00	$43.78	96%	0.0%	4.3%	$200,000.00
Sault St. Marie	$3,362,208.00	$40.52	97%	0.9%	7.6%	$50,000.00
Thunder Bay	$5,872,326.00	$54.19	96%	2.1%	1.6%	$910,000.00
Source: Ontario public library statistics 2015						

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 is made available electronically by libraries to their customers. It is 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 increase and more and more become available.

Comparison of Data for Exiting Public Library Systems in Four Northern Ontario Cities	Reference Collection						
	Titles Held	Volumes Held	Databases	Total No. of CD and DVD Titles	Total No of copies of CD DVD	Total Special Collections- Original Format	Total Special Collections Digital Format
Greater Sudbury	14,363	22,557	19	29	44	2,271	19,495
North Bay	10,905	11,076	19	0	0	2,380	2,573
Sault St. Marie	4,629	10,229	53	0	0	46,000	69,420
Thunder Bay	2,992	5,460	29	27	39	0	0
Source: Ontario public library statistics 2015							

The Greater Sudbury Public Library has the highest annual circulation of library materials (items borrowed), holds the most programs annually and has the highest annual program attendance. It circulated a bit more than 5 books per capita and has 53% of the population having an active library card

Comparison of Data for Exiting Public Library Systems in Four Norther Ontario Cities							
Staffing	**Full Time**						
	Librarians	Library Technicians	Other Professional Staff	EXCEL Graduates	Other Staff	Total Full Time Staff	
Greater Sudbury	10	3	2	0	33	48	
North Bay	4	4	0	0	13	21	
Sault St. Marie	5	3	0	0	21	29	
Thunder Bay	9	17	0	0	30	56	
	Part Time						
	Librarians	Library Technicians	Other Professional Staff	EXCEL Graduates	Other Staff	Total Part Time Staff	Volunteers
Greater Sudbury	0	1	0	0	51	52	148
North Bay	0	0	0	0	14	14	22
Sault St. Marie	0	0	0	0	39	39	60
Thunder Bay	0	0	0	0	68	68	0
Source: Ontario public library statistics 2015							

Additional analysis of data indicated that the Greater Sudbury Public Library appears to be having excellent success with its programs for children and teens as seen by excellent attendance ratios in the range of 1:20 and above. Programs aimed at adults and seniors generally have a lower attendance ratio between 1:3 and 1:16. Thunder Bay Public Library has consistently higher ratios than Sudbury in the areas of adult and senior programs, however, Sudbury is providing a broader range of program offerings than the comparison libraries.

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 their local governmental entity and open to the public free of charge and considered 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 11%, ***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 Central Library of the GSPL is located in downtown Sudbury and is the largest facility in the system, has the largest collection of library materials, the largest staff including those providing direct services to the public and those who are required to run the entire library system. As a Central Library, 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 Central Library of the Greater Sudbury Public Library 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 library is 32,892 sq. ft. according to library staff. 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 he 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 employees of an autonomous public library. However, the GSPL receives city services that other libraries do not receive.

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 off-site program delivery.

The AGS opens on a year-round basis for six days per week, closed on Mondays, from 10 a.m. to 5 p.m. and one hour earlier plus open Mondays during the summer months. 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:

- 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. The art gallery market tends to skew older so the relatively low 20% for those 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 school 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 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 the operating budget was about $725,000 with a projected reduction to the $600,000 to $700,000 range over the next three years to reflect reduced corporate funding in the mining sector. The City of Greater Sudbury $205,000 in grants accounted for about 30% of total operating revenues.

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 received by the AGS 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.

Staffing costs at $276,300 in 2016 were only 38% of operating expenses. This appears to reflect higher costs that year in paying for the Lynn Johnston "For Better or Worse" exhibition as well as marketing and other costs associated with it. The norm is for staffing costs to be at least 50% of the total operating budget. ***Building occupancy costs at $90,600 in a gross building space of 9,122 gsf translates to $9.94 per gross square foot, well above the common $6.00 to $8.00 per gsf and reflecting the energy inefficiency, maintenance requirements 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.

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.

The 2016 census data are being released in stages. The only data currently available are for population levels. The next releases of data will take place after the completion of this study, and so it is 2011 demographic and socioeconomic data that is used in most cases.

3.2.1.1 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 central 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

Source: Statistics Canada, 2016 and 2011 Census; Community & Strategic Planning Section, City of Greater Sudbury
Note: The definition of Downtown Sudbury is from a realtively large Census Dissemination Area

3.2.1.2 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 indicate age comparisons of the residents of downtown Sudbury to Greater Sudbury, Ontario and Canada in 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 but emphasizes the importance of a site that is easily accessible to seniors by public transportation.

Age of Population, 2011	Downtown Sudbury		Greater Sudbury		Ontario		Canada	
			#	%	#	%	#	%
0-9 years	85	3%	16,060	10%	1,417,015	11%	3,686,990	11%
10-19 years	120	4%	19,415	12%	1,627,390	13%	4,098,490	12%
20-29 years	475	17%	20,220	13%	1,668,030	13%	4,357,040	13%
30-39 years	285	10%	19,530	12%	1,644,700	13%	4,336,835	13%
40-49 years	335	12%	24,000	15%	1,979,955	15%	5,000,005	15%
50-59 years	470	17%	24,945	16%	1,870,760	15%	4,999,600	15%
60-69 years	355	13%	18,120	11%	1,329,140	10%	3,574,385	11%
70-79 years	315	12%	11,240	7%	796,930	6%	2,075,765	6%
80 years and older	275	10%	6,755	4%	517,910	4%	1,347,585	4%
Median Age	N/A		42.3		40.4		40.6	
	2715		160,285		12,851,830		33,476,695	
Source: Statistics Canada, 2011 Census								
Source: Downtown Public Community Profile 2011								

3.2.1.3 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 either the provincial or national average. A new public library and art gallery should help to enhance the quality of life of Sudbury and the likelihood of attracting and retaining more people with higher levels of educational attainment.

The second table sets out median family income levels in Greater Sudbury in 2011[4] that were only slightly lower than the provincial average but higher than the national and indicate median income lower than average income levels. However, interviews suggest that income levels in Sudbury have likely declined. For example, 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 a ***substantial degree of price consciousness heard in the interview process that will need to be taken into account in establishing whether or not fixed admission charges should be recommended for the AGS.***

[4] The census was in 2011 but the income data are from 2010.

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*.

Resident Educational Attainment 2011

Educational Attainment	Downtown Sudbury (15-64)	Greater Sudbury	Ontario	Canada
Less than high school	21%	12%	19%	13%
High school	30%	24%	27%	23%
Trade certificate	13%	11%	7%	12%
College diploma or some university	21%	34%	24%	26%
University diploma or degree	16%	19%	23%	26%
Total Pop (25 to 64 yrs)	**100%**	**100%**	**100%**	**100%**

Source: Statistics Canada, National Household Survey 2011, total population 25+

Income	Downtown Sudbury	Greater Sudbury	Ontario	Canada
Median Family Income- all census families, 2010	$ 23,699	$ 80,084	$ 80,987	$ 76,511
Median Family Income- all census families, 2005	N/A	$ 68,411	$ 69,156	$ 53,634
% Increase	N/A	17.1%	17.1%	42.7%

Source: Statistics Canada, 2011 and 2006 Census, Downtown Public Community Profile 2011

3.2.1.4 Gender

Women account for a slightly larger percentage of the population but are generally a more important market for art galleries 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. 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.

	Downtown Sudbury		Greater Sudbury		Ontario		Canada	
			#	%	#	%	#	%
Male	1305	48.4%	78,225	48.8%	6,263,140	48.7%	16,414,225	49.0%
Female	1390	51.6%	82,050	51.2%	6,588,685	51.3%	17,062,460	51.0%
	2,695		160,275		12,851,825		33,476,685	
Source: Statistics Canada, 2011 Census								

3.2.1.5 Ethnic Origin

The following table indicates a very substantial percentage of residents of Greater Sudbury in 2011 who were of French (40%) ethnic origin as well as 11% who were of Aboriginal (First Nations) origin. Increased ethnic diversity is likely to be reflected in the 2016 census and into the future. 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.

Ethnic Orgin (2011)		
Greater Sudbury	**Total Responses**	**%**
Total - Ethnic origin*	157,765	**100%**
North American Aboriginal origins	17,280	**11%**
Other North American Origins	67,620	**43%**
British Isles origins	67,335	**43%**
French origins	63,745	**40%**
Western European origins (except French origins)	17,525	**11%**
Northern European origins (except British Isles origins)	11,095	**7%**
Eastern European origins	13,640	**9%**
Southern European origins	16,345	**10%**
Other European origins	460	**0%**
Caribbean origins	535	**0%**
Central and South American origins	625	**0%**
Central and West African origins	125	**0%**
North African origins	160	**0%**
Southern and East African origins	250	**0%**
Other African origins	495	**0%**
West Central Asian and Middle Eastern origins	875	**1%**
South Asian origins	950	**1%**
East and Southeast Asian origins	1,650	**1%**
Other Asian origins	0	**0%**
Oceania origins	175	**0%**
Source: 2011 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.		

3.2.1.6 Mother Tongue

The 2011 data indicate that close to 64% of Greater Sudbury residents reported English as their mother tongue while about 27% 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	Mother Tongue	
Selected Languages	Number	%
Total	158,705	100%
English	102,320	64%
French	42,805	27%
Non-Official language	10,290	6%
Multiple Responses	3,285	2%

Source: 2011 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. For a public art gallery like 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.

3.2.2.1 Enrolment Levels and Projections

School enrollment levels declined from the 28,000 level in 2010 to about 26,200 in 2015 for the three school districts most likely to attend the Art Gallery of Sudbury, as set out in the following table. However, given travel times and costs the school groups most likely to attend are those in or close to Greater Sudbury.

School Board Enrolment	Rainbow District School Board		Sudbury Catholic School Board		Conseil Scolaire catholique de Nouvel-Ontario		Total Enrolment	
	Schools	Pupils	Schools	Pupils	Schools	Pupils	Schools	Pupils
Elementary	49	8,462	13	4,022	29	5,090	91	17,574
Secondary	8	5,030	4	1,966	9	1,631	21	8,627
Total	**57**	**13,492**	**17**	**5,988**	**38**	**6,721**	**112**	**26,201**

Source: Annual Report, Sudbury Catholic District School Board, 2015-16

Source: Annual Report, Rainbow District School Board, 2014-15

Source; Annual Report, Conseil Scolaire catholique de Nouvel-Ontario, 2015-16

3.2.2.2 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 an arts magnet school, and these students take field trips to Toronto, Ottawa and the McMichael Gallery in Kleinburg.

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 high quality public library facilities.

3.2.2.3 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.

3.2.2.4 Field Trip Policies and Cost

It is 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. This is also because teachers prefer to focus on one unit of study and not mix up the focus of the field 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.

Available data regarding the profile of tourist markets for Region 13A, which is for Northeastern Ontario, of which Greater Sudbury is a primary destination. The data are from 2014:

- **Total Person-Visits, Day Trip and Overnight Visitors**: There were about 4,563,200 person visits to the region, of which 52% are day trip visitors from within the region, and the remaining 48% overnight visitors. 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, some 89% are from within Ontario, with the remainder mostly from elsewhere in Canada and therefore most likely to be familiar with the Franklin Carmichael and the Group of Seven.
- **Main Purpose of Trip**: For total person-visits, the main purpose of trip for some 41% of person-visits is to visit friends and relatives (VFR), followed by leisure travel at 37%, business 9%, shopping 6% and other 7%. ***Of particular importance is VFR market 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 is the summer, followed by the spring, fall and winter.
- **Activities Participated In:** Only 1.5% of visitors to the region 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 must be approved or modified by the client group before assumptions are finalized to form the basis for the capital cost estimates and the attendance, operating revenue and expense projections for a potential co-location of the Greater Sudbury Public Library (GSPL) and the Art Gallery of Sudbury (AGS) in the next phase of this study.

4.1 CORE ELEMENTS OF THE CO-LOCATION

The analyses in the previous chapters, the direction that emerged from the two vision/assumptions workshops, 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 capital and operating costs, as well as the sharing of some spaces.
3. The size of the overall Library 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.
4. The separate missions, governance and staffing structures and sources of operating revenues of AGS as an independent art gallery and GSPL as a municipal public library will continue.
5. The AGS will have its own clear identity within the Library 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 to be presented in the

next phase of the study ***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 $205,000 level based on the following recommendations/ assumptions that assume in-kind City support for the Gallery***:

- Space will be leased by the City/GSPL to AGS on a long-term basis at one dollar per year.
- AGS will retain its own independent governance as a tenant within the space, including its own Board and staff.
- As in-kind rather than cash support to AGS, the City/Library 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 auditorium and meeting rooms with 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 funds from private and non-municipal government sources as possible and to develop an endowment to support operations. We have assumed $1 million in additional endowment principal at opening of the AGS to support AGS staffing and other operating funds.

4.2 SITE

The RFP for this study refers only to facilitation and leadership for ongoing discussions with respect to site selection. However, we believe that a project is more likely to be implemented if funders are aware of a specific site that offers the credibility a generic site cannot. Our objective is to identify a specific site, if practical, in Phase 2 of the study. However, at this point we recommend the following:

7. The site for both the GSPL and the AGS, whether co-located or separate, is ***strongly recommended to be in the downtown core*** and not a park site outside the downtown. This recommendation reflects the following points:
    - A public library needs to be easily accessible to people in all income categories, especially those with lower incomes who do not have access to computers, magazines, books and other services offered by a public library without charge, as well as access by public transportation.
    - The existing AGS is already located in a relatively wealthy part of Sudbury that is accessible to people only with private automobiles. A downtown site will be far more welcoming to all and help to mitigate perceptions that the AGS is for the "elite."
    - The aesthetics of a site that overlooks water and that has opportunities for substantial free parking is not enough to overcome the need to offer access to all potential visitors,

particularly when a public library is almost completely funded and an art gallery substantially funded by government sources.

- Downtown revitalization is an objective of many towns and cities, including Greater Sudbury. A public library and art gallery that is located near restaurants, retail and other tax-paying commercial establishments will help to provide markets for them and help cultivate an arts and culture hub. An isolated site in a park will not do so.
- A downtown site will benefit from proximity to the Laurentian University Faculty of Architecture.
- A downtown public library and art gallery will encourage more people to live downtown and provide more confidence to developers to provide downtown housing. The proximity to people working and living downtown will also help to provide a market for the planned café in the new facility.

8. Parking is a very important consideration for both the GSPL and the AGS as people have been accustomed to free parking for many years. On the other hand, there is a potential for abuse if parking at a co-located facility was free to all who use it. To address this issue we recommend that a ***parking validation system*** be introduced that would offer free parking for the first two hours to those who get tickets for the public library or art gallery validated while others would need to pay parking charges. This will clearly be a cost centre as the expenses associated with validated parking will substantially exceed the revenues that will be generated from other users. This might be an item for potential sponsorship as part of the menu of sponsorships concept recommended later in this chapter.
9. It is assumed the site and building will offer good ***access*** for deliveries and school and tour buses.
10. ***Bus parking*** opportunities will be found, whether on or off-site.

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 DETAILED 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 fourth column from the left shows what spaces could be shared with the AGS.

DETAILED SPACE PROGRAM FOR GSPL IN NEW BUILDING

Legend
Area 1: Entry Level Lobby Spaces
Area 2: Meeting Rooms
Area 3: Age Level Service Spaces
Area 4: Staff Spaces

Area	Space Name	New GSPL 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		
1.1	Self Pickup Shelves	100		
1.11	Staff Workroom and storage	900		
	Subtotal Area 1 Net Sq Ft	**7,500**		

Area	Space Name	New GSPL Net Sq Ft	Library Spaces with AGS Access	Notes/Comments
2	MEETING ROOMS			
2.1	Auditorium (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	**5,550**		

Area	Space Name	New GSPL 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	**22,900**		

Area	Space Name	New GSPL 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	**7,850**		

The below chart shows GPSL's net square feet per area along with the total net floor area required for it a new build facility. It includes shared spaces owned by GPSL include a lobby, meeting rooms and some back of house spaces such general shipping and receiving spaces.

Total Square Fee by Area	New GSPL Net Sq Ft
Area1: Entry Level Lobby Spaces	7,500
Area 2: Meeting Rooms	5,550
Area 3: Age Level Service Spaces	22,900
Area 4: Staff Spaces	7,850
Total New GSPL Facilities (Net Sq Ft.)	**43,800**

The total net floor area of the new facility that will house the GSPL and AGS was then calculated by adding their net floor areas. Below are the totals:

New Building	
Total New GSPL Facilities (Net Sq Ft.)	43,800
Total New AGS Facilites (Net Sq Ft.)	18,000
Total New Building (Net Sq Ft.)	**61,800**

The following section offers a detailed breakdown of how the 18,000 net sq. ft. of dedicated space for the Art Gallery of Sudbury is allocated within the new GSPL building.

4.3.2 DETAILED AGS SPACE PROGRAM

The following detailed AGS space program is broken up into Lord's 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:

	Public	Non-Public
Non-Collections	A. AGS Public Non-Collections	D. AGS Non-Public Non Collections
Collections	B. AGS Public Collections	C. AGS Non-Public Collections

Zone	Space Name	New AGS Net Sq Ft	Notes/Comments
A1	**PUBLIC AMENITIES**		
A1.1	Public Lockers/Cloakroom	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	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	600	
A2	**PUBLIC PROGRAM**		
A2.1	Family Art Studio	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 .
	Total Zone A Net Sq Ft	**2,350**	

Zone	Space Name	New AGS Net Sq Ft	Notes/Comments
B	**PUBLIC COLLECTION**		All environmentally controlled areas
B.1	Temporary Exhibition Gallery	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	1,500	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	**6,500**	

Zone	Space Name	New AGS Net Sq Ft	Notes/Comments
C1	NON-PUBLIC COLLECTION		All environmentally controlled areas.
C1.1	Collection Storage (Sculpture)	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	5,480	

Zone	Space Name	New AGS Net Sq Ft	Notes/Comments
D1	ADMINISTRATION		
D1.1	Director/Curator	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 communciations, (+ 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 Bookins 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	300	
D2	OPERATIONS		
D2.1	Packing Supplies Storage	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	3,670	

The chart below shows the AGS' area distribution per zone in square feet and total, along with the percentage breakdown of the new AGS spaces in a new purpose-built GPSL building.

Total Sq Ft. by Zone	New AGS Net Sq Ft	New AGS Percentage
Zona A: Public Service/Program	2,350	13%
Zone B: Public Collection Space	6,500	36%
Zone C: Non-Public Collection Spaces	5,480	30%
Zone D: Non-Public Non-Collection Spaces	3,670	20%
Total Net Sq Ft.	**18,000**	**100%**

4.4 STAFFING

Staffing accounts for a large percentage of the operating costs of both public libraries and public art galleries.

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 (50 – 300%) based on the experience of new and/or major renovated and expanded libraries.

The consultants were informed that 32 Full Time Equivalent staff positions are currently allocated to the Central Library. These include administrative staff, technical services staff and others that have system -wide responsibility. Up to 26 staff members work on one or more public service shifts per week. As the new building is being developed, the GSPL management should review its current staffing allocation and consider job titles, job responsibilities and possible job realignments or reassignments.

Based on the assumptions above, ***it is recommended that the GSPL plan to add the following positions*** at a minimum:

- A manager for the Central Library responsible for all public service functions and for overseeing the building operations. (a professional librarian)
- Community technology assistants – 3 or 4 – to work with the public, assist with the technology and technology instruction and to work in the Maker Space and Digital Media Lab as needed. (Paraprofessional position)
- Hourly workers – library pages – to do shelving and meeting room set ups, etc. It would be wise to hire several when the building opens and then see what demands there are on services.

It will take some time after the building opens to see the patterns of use, peak times and demands for service. A review of staffing needs after the first three months would be wise. However, ***for the purposes of this study, we have assumed an increase of 5 FTE positions of the GSPL to a total of 37 FTE positions relative to the current 32,***

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 from the previous 7 FTE, plus part-time, seasonal and project staff. It is assumed that the two positions will be reinstated and that the staffing in a larger facility with more programming, open hours, evening rentals and other needs.

It has been 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. It is recommended that in the context of a larger but co-located facility, the AGS will add 2.4 FTE positions as shown on table, to bring the total to 13.5 FTE.

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 and Volunteer 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

11. The operating hours of the Greater Sudbury Public Library and the Art Gallery of Sudbury 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:

12. 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.
13. 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.
14. 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

15. ***The AGS store will be integrated with admissions/information*** *to allow* the same staff to operate both.
16. 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:

17. It is assumed that the lobby will be used by the GSPL from Monday to Thursday evening to 9 p.m. while the ***AGS will have access to the lobby for the purposes of evening rentals on Friday, Saturday and Sunday***. 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.
18. The second rental space will be the auditorium, which is assumed to be a flat floor space with seats that lower into the floor as takes place at the Halifax Public Library. ***The revenue from the auditorium space will accrue to the Library***.
19. The GSPL will also generate revenue from ***rental of its meeting rooms*** with a low charge for non-profits and a higher charge for commercial or for-profit entities.
20. 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

Depending on the selected site the co-located facilities may not require their own café. If there is one or more restaurants or coffee shops very close to the building then there would be no need to allocate space for one. However, at this point in the planning process it is assumed that:

21. There will be a small cafe concessioned out to a private operator 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 auditorium
22. There will be a related café/catering kitchen with storage
23. The café is envisioned to be owned by the GSPL however it is critical that no food/garbage deliveries and route of travel 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 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.

24. The ***benefits associated with lower level membership categories*** are assumed to include free admission to major exhibitions, discounts on retail, programs and rentals.
25. For upper level membership we recommend introduction of ***guest passes*** 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:

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 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 colors.
28. 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:

29. ***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.
30. 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.
31. Given the visual nature of an art gallery, ***media placement*** will focus primarily on print, web-based and social media.
32. 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 OTHER ASSUMPTIONS

33. The GSPL and AGS will not be responsible for payment of any property ***taxes***.
34. ***Debt repayment*** will be part of the operating expenses applied to the GSPL, recognizing that the City will be making the debt payments. There will be no debt payments for the AGS.
35. All revenue and expense projections will be stated in year ***2017 constant dollars***, thus a specific inflation factor will not be not 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 to be set out in the next phase of this study will be reasonable.

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 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, Chair, Greater Sudbury Public Library Board
- Demetra Christakos, Director/Curator, Art Gallery of Sudbury
- Cindy Derrenbacker, Architecture Librarian, Laurentian University
- Josée Forest-Niesing, Board Chair, Art Gallery of Sudbury
- Brian Harding, Manager of Libraries and Heritage Museums, City of Greater Sudbury,
- Lise Labine, Executive Director, Human Resources, College Boreal
- 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, Grater 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
- Ron Henderson, General Manager of Leisure Services, City of Greater Sudbury
- Ryan Humaniuk, Assistant to the Mayor, City of Grater 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
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- Debbie 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
- Mary Searle, Coordinator of Library Collections, Greater Sudbury Public Library
- Peggy Simon, Executive Director, Ojibwe Cultural Foundation
- Mark Signoretti, Councillor, City of Greater Sudbury
- Councillor Al Sizer, City of Greater Sudbury
- Karen Thistle, Manager, Development and Communications, Art Gallery of Sudbury
- 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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City of Greater Sudbury Charter

WHEREAS Municipalities are governed by the Ontario Municipal Act, 2001;

AND WHEREAS the City of Greater Sudbury has established Vision, Mission and Values that give direction to staff and City Councillors;

AND WHEREAS City Council and its associated boards are guided by a Code of Ethics, as outlined in Appendix B of the City of Greater Sudbury's Procedure Bylaw, most recently updated in 2011;

AND WHEREAS the City of Greater Sudbury official motto is "Come, Let Us Build Together," and was chosen to celebrate our city's diversity and inspire collective effort and inclusion;

THEREFORE BE IT RESOLVED THAT Council for the City of Greater Sudbury approves, adopts and signs the following City of Greater Sudbury Charter to complement these guiding principles:

As Members of Council, we hereby acknowledge the privilege to be elected to the City of Greater Sudbury Council for the 2014-2018 term of office. During this time, we pledge to always represent the citizens and to work together always in the interest of the City of Greater Sudbury.

Accordingly, we commit to:

- Perform our roles, as defined in the Ontario Municipal Act (2001), the City's bylaws and City policies;
- Act with transparency, openness, accountability and dedication to our citizens, consistent with the City's Vision, Mission and Values and the City official motto;
- Follow the Code of Ethical Conduct for Members of Council, and all City policies that apply to Members of Council;
- Act today in the interest of tomorrow, by being responsible stewards of the City, including its finances, assets, services, public places, and the natural environment;
- Manage the resources in our trust efficiently, prudently, responsibly and to the best of our ability;
- Build a climate of trust, openness and transparency that sets a standard for all the City's goals and objectives;
- Always act with respect for all Council and for all persons who come before us;
- Ensure citizen engagement is encouraged and promoted;
- Advocate for economic development, encouraging innovation, productivity and job creation;
- Inspire cultural growth by promoting sports, film, the arts, music, theatre and architectural excellence;
- Respect our historical and natural heritage by protecting and preserving important buildings, landmarks, landscapes, lakes and water bodies;
- Promote unity through diversity as a characteristic of Greater Sudbury citizenship;
- Become civic and regional leaders by encouraging the sharing of ideas, knowledge and experience;
- Work towards achieving the best possible quality of life and standard of living for all Greater Sudbury residents;

Charte
de la Ville du Grand Sudbury

ATTENDU QUE les municipalités sont régies par la Loi de 2001 sur les municipalités (Ontario);

ATTENDU QUE la Ville du Grand Sudbury a élaboré une vision, une mission et des valeurs qui guident le personnel et les conseillers municipaux;

ATTENDU QUE le Conseil municipal et ses conseils sont guidés par un code d'éthique, comme l'indique l'annexe B du Règlement de procédure de la Ville du Grand Sudbury dont la dernière version date de 2011;

ATTENDU QUE la devise officielle de la Ville du Grand Sudbury, « Ensemble, bâtissons notre avenir », a été choisie afin de célébrer la diversité de notre municipalité ainsi que d'inspirer un effort collectif et l'inclusion;

QU'IL SOIT RÉSOLU QUE le Conseil de la Ville du Grand Sudbury approuve et adopte la charte suivante de la Ville du Grand Sudbury, qui sert de complément à ces principes directeurs, et qu'il y appose sa signature:

À titre de membres du Conseil, nous reconnaissons par la présente le privilège d'être élus au Conseil du Grand Sudbury pour le mandat de 2014-2018. Durant cette période, nous promettons de toujours représenter les citoyens et de travailler ensemble, sans cesse dans l'intérêt de la Ville du Grand Sudbury.

Par conséquent, nous nous engageons à :

- assumer nos rôles tels qu'ils sont définis dans la Loi de 2001 sur les municipalités, les règlements et les politiques de la Ville;
- faire preuve de transparence, d'ouverture, de responsabilité et de dévouement envers les citoyens, conformément à la vision, à la mission et aux valeurs ainsi qu'à la devise officielle de la municipalité;
- suivre le Code d'éthique des membres du Conseil et toutes les politiques de la municipalité qui s'appliquent à eux;
- agir aujourd'hui pour demain en étant des intendants responsables de la municipalité, y compris de ses finances, biens, services, endroits publics et du milieu naturel;
- gérer les ressources qui nous sont confiées de façon efficiente, prudente, responsable et de notre mieux;
- créer un climat de confiance, d'ouverture et de transparence qui établit une norme pour tous les objectifs de la municipalité;
- agir sans cesse en respectant tous les membres du Conseil et les gens se présentant devant eux;
- veiller à ce qu'on encourage et favorise l'engagement des citoyens;
- plaider pour le développement économique, à encourager l'innovation, la productivité et la création d'emplois;
- être une source d'inspiration pour la croissance culturelle en faisant la promotion de l'excellence dans les domaines du sport, du cinéma, des arts, de la musique, du théâtre et de l'architecture;
- respecter notre patrimoine historique et naturel en protégeant et en préservant les édifices, les lieux d'intérêt, les paysages, les lacs et les plans d'eau d'importance;
- favoriser l'unité par la diversité en tant que caractéristique de la citoyenneté au Grand Sudbury;
- devenir des chefs de file municipaux et régionaux en favorisant les échanges d'idées, de connaissances et concernant l'expérience;
- viser l'atteinte de la meilleure qualité et du meilleur niveau de vie possible pour tous les résidents du Grand Sudbury.