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## Executive Summary

Recently Gallery Lambton has expanded its programming and activities including its regular participation in the very popular “First Friday” festivities. Public reactions have been very positive and community consultations have indicated a strong desire for an expanded and better-situated art gallery that would continue to offer the community a high level of relevant and engaging service delivery. In its current Bayside Centre location, however, Gallery Lambton is limited and it has long suffered from a myriad of problems including: lack of visibility, limited exhibition space, insufficient storage space and inadequate administration areas.

The purpose of this study is to evaluate the potential for a new and improved Gallery in order to better meet the needs of County residents and future visitors.

## Key Findings

The key findings and conclusions resulting from this assessment are listed below, with a reference to the sections in the Report where the detailed analysis can be found.

1. **Gallery Needs:** The Gallery currently occupies approximately 7,800 sq. ft. As identified in the 2003 Gallery Strategic Plan which included an extensive community consultation and a review of operations, it was determined that a major expansion is required in order for the Gallery to achieve its vision and provide maximum benefit to the community. The parameters of this expansion are as follows (see Section 3):

Type of Space	Current Amount of Space (sq. ft.)	Recommended Amount of Space (sq. ft.)	Existing Comparison
Visitor Services	845	3,000	X 3.5
Exhibition (Gallery)	2,840	4,400	X 1.5
Educational Program	510	1,100	X 2.2
Collection / Curatorial	2,205 *	4,000	X 1.8
Administration	480	2,000	X 4.2
20% Circulation & Structure	890	2,900	X 3.2
<b>Total Space</b>	<b>7,770</b>	<b>17,400</b>	<b>X 2.2</b>

\* includes 1,000 sf of storage space that the Gallery leases from the Bayside Centre (in a vacant store space separate from the Gallery proper)

2. **Site Identification and Selection:** A thorough site selection identification and assessment exercise was undertaken; 18 potential sites across Lambton County were reviewed. A short list of three site options was chosen, and the operating implications of the Gallery locating in each were explored. These three site options were **1) an adaptive reuse situation in downtown Sarnia, 2) a new ‘iconic’ building on the Sarnia waterfront, and 3) an expansion of the existing operation in Bayside Centre. (Sections 4, 5, 6, and 7)**

3. **Preferred Scenario:** On the basis of the assessment contained in the Report, a preferred option has been identified: this is Option A - the 'Adaptive Reuse' scenario for an existing historically significant structure in downtown Sarnia. (A specific site, is not identified in this Report to prevent undue speculation and any subsequent difficulties in obtaining a site.) The reasons underlying the selection of this option as the preferred site are shown below: (Section 7.6)

	<b>Option A. Adaptive Reuse (Downtown)</b>	<b>Option B. New Development (Waterfront)</b>	<b>Option C. Bayside Centre Expansion</b>
Adherence to Vision	X		(X)
Lowest capital cost			X
Good visibility	X	X	X
Proximity to complementary services	X		X
Potential to attract fundraising	X	X	
Potential to re-use significant buildings in community	X		
Lowest operating cost	(X)	X	
Lower operating investments required	(X)	X	

It is important to note there are several reasons to consider each of the adaptive reuse and new development options as they present advantages over the Bayside Centre expansion option. However, on the very important 'adherence to the Vision' dimension it is thought that the iconic waterfront option would be too far removed from the base of downtown cultural activity, would conflict with the Gallery's community focused vision statement and would involve significantly greater capital investment. (And while the current Bayside Centre location has proven to be one where the Vision can be achieved to some extent – witness the recent increases in attendance – it is felt that it has reached its capacity in this regard – hence the parentheses). **On balance, assuming an appropriate site is available, the adaptive reuse building is favoured because of its downtown location, its ability to stimulate and revitalize the surrounding business area, its potential to save and re-use a historically and socially significant building, its lower capital cost relative to the new development which is appropriate given the current economic climate.**

4. **Capital Cost:** The preliminary capital cost of the preferred scenario ('Adaptive Reuse') is **\$6.4 million**. (For comparison, the 'New Development' capital cost estimate was approximately \$10 million.) **These capital cost estimates do not include the cost of land acquisition.** (Section 6.2)
5. **Staffing:** At present, the Gallery operates with 6 staff positions; 4 of these are full-time and two are part-time. To operate the expanded and relocated Gallery, it is recommended that an additional 5 positions (one full-time and four part time, constituting an additional 3 full-time job equivalents) be retained. These would be brought on board gradually, over a 3 – 5 year timeframe. The additional positions would be a Collections and Exhibition Coordinator (full-time), a Curatorial Assistant (part-time), a Marketing & Volunteer Coordinator (part-time), a Gallery Clerk (part-time) and a part-time janitorial / maintenance position. (Section 7.4)

6. **Attendance:** At present, visitor attendance to the Gallery is approximately 20,000/year (this reflects a considerable increase in the past two years, due primarily to more active and community-relevant programming). After a surge in the first few years after the new Gallery is opened (where attendance could easily be double or triple this number as a result of the novelty and curiosity effect) attendance is expect to settle into a new norm of on the order of 25,000 – 30,000 visits annually. (This is likely a conservative estimate.) (*Section 7.2*)
  
7. **Operating Investment Required:** The County provides an annual operating subsidy of nearly \$450,000 to Gallery Lambton. Based on financial analysis, the operating implications for the preferred scenario (Option A - Adaptive Reuse) are that this operating requirement will increase by an estimated \$202,000 (45%). This can come from a combination of some form of annual gifting fund and planned giving program to which local residents and corporations may subscribe, government cultural grants and / or an increased municipal levy. (*Section 7.5*)
  
8. **Investment in Cultural Infrastructure as an Economic Development Strategy:** While the primary reason to invest in cultural infrastructure is to provide cultural and social opportunities to residents of the County (which of course helps create a healthy and balanced community) there is a secondary economic benefit that must be recognized. Cultural infrastructure contributes to the enhanced level and type of quality of life in the community that in turn attracts the creative thinkers. This “creative class” (coined by economist Richard Florida) contains a range of occupations (eg. science, engineering, education, research, healthcare, design) who invest in and start businesses, and thus generate jobs. This is another important way in which the economic return on investment in cultural infrastructure to the community can be conceptualized, although it is obviously not amenable to the kind of quantitative analysis as can be undertaken in assessing the economic impact of construction or expenditures. (*Section 7.7*)
  
9. **Economic Impact:** The provincial TREIM model was used to assess the economic impact of both the construction and operation of the expanded Gallery (according to the Adaptive Reuse scenario). On the operating side, the analysis shows that every dollar of operating subsidy (investment) provided to Gallery Lambton is repaid in the form of significant additional economic activity in the community. (This is generated through the expenditures of the Gallery itself, as well as the expenditures of visitors to the County who spend additional time and money in Lambton as a result of the new attraction.) Operation of the Gallery is thus a good investment in the local economy. (*Section 7.7*)
  
10. **Implementation:** There are a number of next steps recommended.
  - a) Endorsement (or formal reception) of this plan by the Gallery’s Advisory Committee and by the County Community Service Department
  - b) Endorsement of this plan by County Council; resolution to proceed with further planning for a new Gallery
  - c) Formation of a fundraising team; commissioning of a fundraising study
  - d) Issuing of an RFP to identify potential site opportunities, evaluate these, and select a preferred site
  - e) Site acquisition (if not already done)
  - f) Preliminary concept design work

- g) Fundraising (including with government)
- h) Detailed design work
- i) Construction (commencing in the latter part of 2010 and taking approximately 12 to 18 months to complete)
- j) Hiring additional staff
- k) Gallery opening (early 2012)

These activities are shown on the Gantt chart below:

Key Activity by Quarter	2009				2010				2011				2012
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
a) Acceptance of plan by Adv. Cte. and Community Service Dept.	■												
b) Acceptance of plan by County Council													
c) Formation of fundraising team		■											
d) Issue RFP to assess sites and designs			■										
e) Site acquisition				■									
f) Preliminary concept design work					■								
g) Fundraising					■	■	■	■	■	■	■	■	■
h) Detailed design work					■	■	■	■	■	■	■	■	■
i) Construction									■	■	■	■	■
j) Hiring additional staff:									■	■	■	■	■
k) Gallery opening													■

## **1.0 Introduction and Background**

### **1.1 Background**

The background to this project was very succinctly stated in the Terms of Reference for this project:

*“There has been ongoing discussion for some time regarding Gallery Lambton and its current location. One of the recommendations from the Strategic Plan, undertaken by the Gallery Advisory Committee in 2003, was that Gallery Lambton be relocated to a new and larger facility, preferably located in the downtown core of Sarnia and on the waterfront, with an outside façade and environment commensurate with and complementary to the art that is on display inside.*

*In developing the Strategic Plan, the Advisory Committee consulted numerous stakeholders, including current Gallery members, local artists, art teachers, art students, other art organizations, and the media. Focus groups were conducted by an outside facilitator and one of the common themes through all the groups was that the current location did not do the Gallery justice. The focus groups corroborated the assumption made by the Advisory Committee that a new facility was needed to allow the Gallery to fully exploit its assets. The stakeholders consulted provided significant, and to a great extent, heart-felt input about the configuration and ultimate location of a new facility. Whether it was new construction or a retrofit of an existing building, there was unanimity that the architecture should be striking and that it should reflect the contents of the facility. There was sympathy for a possible retrofit if an appropriate building with a historic connection to the community was available. The preference was for the new facility to be located in downtown Sarnia and on the waterfront.*

*The Strategic Plan was approved in principle by County Council in 2004 and since then several of the recommendations have been implemented. The one area that has had no significant work undertaken is the relocation of the Gallery. Currently, the Gallery leases 6,770 square feet of space in Bayside Centre. The annual lease payments are \$50,285. In addition, the Gallery pays its own utilities, maintenance, security and cleaning as well as maintenance of its own HVAC systems.”*

Gallery Lambton has had a long and distinguished history, tracing its origins to the 1920s. Its permanent collection includes more than 900 pieces. The Gallery offers a variety of education programs and includes the sale of books on a limited basis. In recent years it has relocated from the Main Library in Sarnia into Bayside Centre which has not resulted in an (expected) increase in attendance. Moreover, the existing space in the Centre is less than optimal – it is too small to meet the Gallery’s needs and the space is quite awkwardly configured. As indicated above, Gallery Lambton’s Advisory Committee has been addressing the issue of relocating the Gallery since 2002 and its 2003 Strategic Plan recommended:

- 1. ... that Gallery Lambton be relocated into a new and larger facility, preferably located in the downtown core of Sarnia and on the waterfront, with an outside façade and environment commensurate with and complementary to the art that is on display inside.*
- 2. ... that this not be a stand-alone facility, but rather, that it encompass other synergistic*

*organizations such as a museum, library, other arts groups and collaborators, working with the Gallery.*

This study is building on the recommendations of the Strategic Plan. Since the Strategic Plan, the notion that a new Gallery must necessarily be associated with other synergistic elements has been downplayed, but the need to expand and likely relocate has become ever more apparent. Accordingly, the objective of this study is to identify and assess the various options for relocating Gallery Lambton from its current location in the Bayside Centre to a new location in the downtown area of Sarnia or elsewhere in the County of Lambton (recognizing that the Gallery is, after all, an agency of the County). This would necessarily require an evaluation of the potential to expand and re-configure the Gallery in order to better meet the needs of County residents and visitors in future. Options to utilize existing buildings downtown as well as to construct new space for the Gallery need to be examined

The key questions that need to be answered relate to articulation of the need for the space;

- Quantification of the amount and type of space
- Assessment of alternative sites that will accommodate these space requirements
- Capital costs of these various scenarios
- Operating implications of alternative scenarios (attendance, operating structure, etc.)
- Financial sustainability and feasibility implications of each scenario
- Economic and social benefits for the downtown, municipality and overall County

A Business Plan document was also required to reflect the recommended course of action.

A Terms of Reference to hire a consultant to undertake this study was released in the fall of 2007. It was clear that an interdisciplinary team bringing together strategic and business planning, expertise in public participation and workshop facilitation, gallery planning, and market and financial analysis was required. The team of TCI Management Consultants and Reich + Petch Architects Inc. who have worked together on numerous art gallery and museum projects, submitted a bid and eventually through a selection process was awarded the project. Work on the study began in January 2008.

## **1.2 Activities and Tasks Undertaken**

The work consisted of three phases of activity.

Phase 1 – Data Collection

Phase 2 – Development and Assessment of Options

Phase 3 – Business Plan for Preferred Option

Key activities undertaken in the first data collection phase of the project were a review of relevant background materials; a series of interviews with key stakeholders; focus group sessions with staff and volunteers; public meetings; and meetings with the Steering Committee. This resulted in a series of suggestions regarding current deficiencies in the Gallery and ways and means that these could be remediated, and alternative sites and locations for a new Gallery operation.

In the second phase these ideas were focused upon the development of specific options for analysis. In this phase of the work a Vision for the Gallery operation was articulated, which helped define the locational, spatial and functional requirements for a new Gallery. The needs of the Gallery in terms of spatial requirements were outlined, and an identification and analysis of potential sites undertaken. Three potential scenarios for a new Gallery were developed and assessed, and a preferred one identified.

In the third and final phase of the project, a detailed business plan was developed for the preferred option.

### **1.3 Summary of Previous Gallery Lambton Strategic Plan**

The main background document for the project that was reviewed to understand the context of this project was the **Gallery Lambton Strategic Plan**, prepared by the Gallery Lambton Advisory Committee (December 2003). This document articulated a vision and mission for Gallery Lambton, summarized as follows:

**Vision Statement:** *Gallery Lambton will be the leader for our community in the visual arts.*

**Mission Statement:** *Gallery Lambton will manage a Canadian collection, will showcase artists and their works, and will provide an environment to increase awareness, understanding and appreciation of visual art.*

(Note that while these statements of Vision and Mission still remain true, they have been considerably expanded upon by the work undertaken in the context of the present study in defining a Vision for the new Gallery – see section 3.1 of this Report.)

This strategic plan also contained four specific recommendations:

1. ... that Gallery Lambton be relocated into a new and larger facility, preferably located in the downtown core of Sarnia and on the waterfront, with an outside façade and environment commensurate with and complementary to the art that is on display inside.
2. ... that this not be a stand-alone facility, but rather, that it encompass other synergistic organizations such as a museum, library, other arts groups and collaborators, working with the Gallery.
3. ... that the Gallery diversify and expand its product offerings and services over the next five years in anticipation of a new location. There is a need for an expanded operating budget, eventually at a level sufficient to support the activities from the new location.
4. ... that a new and more dynamic marketing and promotion effort be initiated. This may involve hiring a professional marketer to enhance the image of the Gallery's offerings and the use of the recently hired Revenue Development Officer.

As was mentioned earlier in the report, the second recommendation as outlined above is no longer seen to be an essential requirement. Also, at the outset of the study it was agreed that, as this study was being funded by the County of Lambton, and the Gallery is a County asset serving all residents of Lambton, the identification of potential sites should not be restricted to only those in the downtown area of Sarnia.

## 1.4 Caveats and Limitations

There are a number of caveats and limitations to this work that must be mentioned at the outset. These include:

- **Limitation on the analysis:** The purpose of this study was essentially to identify the needs of a new Gallery, to determine where a new Gallery might be located, and to demonstrate the broad financial implications to the County that would be involved in an expansion and / or relocation. In sum, the essential purpose of the study was to determine whether or not a new Gallery was a feasible and sustainable undertaking for the County. This study alone, however, will not be the final analysis that will need to be undertaken. Assuming the findings are such as to suggest that a new Gallery is in fact sustainable, then a variety of subsequent studies will need to be undertaken: studies required for the acquisition of a particular site; more detailed design studies (ultimately resulting in tender documents); a fundraising and marketing study (and a subsequent fundraising effort); etc. This planning and feasibility study is just the first step along a long road to the eventual development of the new art gallery. While the findings and conclusions here point out an overall direction to follow, subsequent assessments will test and refine the specific assumptions made here.
- **Strategy to identify some specific sites:** The site assessment component of this project required that we cast a 'wide net' over the County to identify potential sites where a new art gallery operation might be located. While many of the sites so identified were in the public domain, several were not. These privately-held sites have not been specifically identified in this report in order to prevent undue speculation.

The next section of this report describes the results of the data collection activities undertaken.

## 2.0 Results of Data Collection

### 2.1 Themes from Interviews, Focus Groups and Public Meetings

Below we present the major themes and issues that we heard from the various interviews, focus group sessions and public meetings. Because there was a great deal of consensus and agreement in the various themes represented, rather than report on each one of these vehicles of opinion separately, the section below presents the issues in terms of integrated themes. After each theme, the parenthetical information indicates in which venues the theme was expressed.

### 2.2 SWOT Analysis

The overall organizational approach taken to reflecting these themes is that of the SWOT assessment (Strengths, Weaknesses, Opportunities, Threats). In this approach, strengths and weaknesses are seen to be factors currently affecting an organization, whereas opportunities and threats are seen to be issues and forces that may have greater effect in future.

A final point to bear in mind: the SWOT issues raised here are *perceptions* that may or may not have a bearing in reality. Clearly though, for perceptions that are not based in fact, there is an opportunity to correct them through education and awareness-building.

#### 1) **Strengths**

The key strengths of Gallery Lambton were seen to be as follows:

- **The collection:** Several mentioned that the collection of Gallery Lambton, particularly the Group of Seven, was a major asset. *(interviews, focus groups, public meeting)*  
*Note: this represents one of those perceptions that may not necessarily be true – several individuals with whom we spoke were under the impression that the Gallery’s collection of Group of Seven was the third largest in Canada (after the National Gallery and McMichael) – this is patently not the case. In the opinion of the Curator and others knowledgeable in this subject, Gallery Lambton has an impressive collection of Group of Seven work that is important to the history and people of Lambton County, but it is not of the scale and quality of institutions such as the National Gallery, McMichael or the AGO’s Group of Seven collections or even nearby galleries such as London Regional Art Gallery or the Art Gallery of Windsor.)*
- **Downtown location:** Despite some difficulties with the specific location in the Bayside Centre (see next section) many mentioned that the Gallery’s general location downtown was a major strength. Downtown, with the accessibility to support services such as restaurants, clubs, other arts and crafts venues, etc. is seen to be a culturally dynamic hub, and Gallery Lambton contributes greatly to that mix. *(interviews, focus groups, public meeting)*
- **Programs and activities:** Many see the recent programs and activities of the Gallery as being a major strength. The First Fridays (downtown) and Art Walk initiatives have proven to be very successful. The Gallery is providing energy to the downtown, demonstrating a catalytic effect with merchants. The Gallery’s attendance has

- benefitted from participating actively in First Fridays and by working with the community. (*interviews, focus groups, public meeting*)
- **A window onto the national arts scene:** Historically, Gallery Lambton has brought exhibitions into the community, exposing local residents to issues and developments on the national arts scene that they otherwise would not see. (*interviews, focus groups*)
  - **Role in expanding the arts within the local community:** Gallery Lambton is acknowledged as a leader in conveying the message of the importance of the arts in the community. It is also felt that the Gallery plays a strong role functioning as a centre of the artistic and cultural community in the County. (*interviews, focus groups*)
  - **Establishment and maintenance of high standards:** Working with local artists Gallery Lambton has had a role in establishing very high standards of artistic integrity and execution amongst local and regional artists. (*interviews, focus groups*)

## 2) Weaknesses

The key weaknesses of Gallery Lambton were seen to be as follows:

- **Site location:** The existing facility is in a less than ideal location. It suffers from a lack of visibility. The general environment of Bayside Centre is not appropriate – the majority of the population visiting the mall is not typically likely to be attracted to the arts or related programming. Moreover, the specific location within the mall is undesirable because of periodic food odours and noise from the adjacent food. Building maintenance and leaking have been issues for the Gallery in the past and are potentially a liability for the works of art. (*interviews, focus groups, public meeting*)
- **Lack of transit:** One curious comment that came up a number of times relating to the Gallery's location was that it is difficult for people without access to a car to get to the Gallery because Sarnia is "not a transit or a walking town". This of course is not a weakness of the Gallery *per se*, but rather a comment on the perceived lack of transit within the City of Sarnia. Presumably, the Gallery's location downtown would make it almost as accessible as possible by transit within the City and County. (*interviews*)
- **Size:** The existing facility is too small. There is a need for more exhibition, curatorial, workshop, collections, visitor service and storage space. The space precludes profiling the Group of Seven collection as effectively or often as might be the case and tourists have been disappointed about not being able to see the Group's work. Moreover the space needs to be more adaptable and flexible to fulfill multiple needs. (*NB. A more extensive discussion of size and space deficiencies is presented in Section 3.2*) (*interviews, focus groups, public meeting*)
- **Space configuration:** The existing space is awkward and fragmented. The Gallery has been force-fit into the available space, rather than the space suited to the needs of the Gallery. (*interviews, focus groups, public meeting*)
- **Lack of awareness:** A general lack of awareness (and possibly interest) on the part of the general community was mentioned as a weakness by several interviewees. In part this is related to the difficulties of its current location, but in part is also caused by a

- relative lack of marketing and outreach activity. (*interviews, focus groups, public meeting*)
- **Unclear role of the Advisory Committee:** The specific role and mandate of the Gallery's Advisory Committee is unclear. This creates some confusion and uncertainty as to what to do with the Committee's advice on certain issues – is it direction or advice? While perhaps not a major weakness at this point, the role of the Advisory Committee should be re-thought when a new facility is being developed. Clarity and surety in this area will help with fundraising as well as the development of liaisons and partnerships. (*interviews*)
  - **Uncertainty regarding collections policy:** Some mentioned that they did not understand what the Gallery's collections policy was, and they wondered whether Gallery Lambton, like other galleries, was 'collecting for the sake of collecting'. Clearly, this is absurd and reflects a basic ignorance as to the function of an art gallery. While we have placed this here as a perceived 'weakness' there is a major educational opportunity at stake here: both in terms of how and why art galleries generally collect art and specifically what the collections policy of Gallery Lambton is. (*focus groups*)

### 3) **Opportunities**

Major opportunities facing the Gallery were identified as follows:

- **Fundraising potential:** Popular opinion to the contrary, there are a number of fairly affluent individuals resident in the community. Lambton County, for example has a relatively high percentage of PhDs in the community. Community fundraising for past ventures (e.g. Petrolia Opera House, Imperial Theatre) has shown that positive results can be achieved when the community gets behind a fundraising initiative. (*interviews, focus groups*)
- **Opportunities for corporate sponsorship:** On a related note, some mentioned that it was time for some of the big corporations to 'give back' to the community in a highly visible way, and that the time could be right for a major gift in return for naming rights for the new Gallery. Imperial Oil's support of the Theatre was mentioned as a precedent in this regard. (*interviews*)
- **Opportunity for the Gallery to become a tourist destination:** Several identified the opportunity, or desirability, for a new Gallery to become a more significant tourist destination for Sarnia, assuming that it would be an iconic structure and built in a highly visible location. (*interviews, focus groups*)
- **Partnership opportunities:** Some identified opportunities for the Gallery to become more involved in the creation of partnerships with a variety of sectors including: education, tourism, business, etc. (*interviews, focus groups*)
- **More aggressive marketing plan:** As the flip side to one of the weaknesses mentioned, some saw an opportunity for the Gallery to develop a more aggressive marketing plan to inform residents and tourists alike of its various exhibitions, programs and activities. In particular, if the Gallery were to be expanded or relocated, there would be an exciting opportunity to have an on-going story about the plans for the new

- space and the activities that are being planned (much of this likely being free publicity).  
(*interviews, focus groups, public meeting*)
- **Opportunity for outreach to non-traditional public:** Some saw an opportunity for the Gallery, through the publicity associated with a new development, as being able to increase its artistic accessibility to the 'rest of the County's population', including non-traditional audiences. (*interviews*)
  - **Opportunity to create catalytic economic development potential:** The construction and operation of a new Gallery has the potential, depending on its scale, design and location to create economic development potential to help stimulate the surrounding community. For example, a well located project has the potential not only to generate economic activity directly, but indirectly to help revitalize the surrounding businesses and neighbourhood. (*interviews, focus group, public meeting*)
  - **Opportunity to help local artists through outreach and expansion of programming:** While it was acknowledged that the Gallery has been doing a good job of engaging with local artists and involving them in a variety of activities, it was felt by some that there was even more that the Gallery could do in this regard (especially with new workshop facilities that might be part of a new and expanded Gallery) and that the creation of a new Gallery could play a catalytic role in stimulating artistic outreach and programming. Some artists would like the Gallery to adopt a more aggressive acquisitions policy focusing on building up the collection from local artists. (*interviews, focus group, public meeting*)

#### **4) Threats**

Finally, key threats foreseen were:

- **Economic recession:** All of the interviews, focus groups and public meetings were held before the current sharp economic crisis. Even at the time they were being held (early to mid 2008) there were concerns about the overall economic environment, and how that might have an impact on the community's and County's desire to build a new art gallery<sup>1</sup>. (*interviews, focus groups, public meetings*)
- **Bleak future for tourism:** Several mentioned the bleak future envisaged for tourism with the relative strength of the Canadian dollar (at the time) which would discourage US visitors, the high cost of gasoline (at the time) discouraging travel, and the border crossing hassles and further restrictions that will come into play with WHTI (Western Hemisphere Travel Initiative) restrictions that will come into force June, 2009. (*interviews*)
- **Great expectations:** A few mentioned that as a result of the (2003) Strategic Plan, as well as other general talk in the community, that expectations regarding a new Gallery were 'huge' and there was a risk of disappointment or cynicism if the planning process ultimately did not deliver. The only way of dealing with this 'threat', if indeed it is, is to

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<sup>1</sup> Since then, however, the federal budget's economic stimulus budget, released in January 2009, has been announced. It contains \$335 million of support for arts and culture activities, so perhaps this concern is alleviated somewhat.)

be open and honest with the stakeholders and public throughout the planning process.  
(interviews)

### **3.0 Needs Assessment**

#### **3.1 Vision for the Gallery**

Early in the project it became apparent that the development of a new Gallery would need to be done within the context of a new Vision for the Gallery that was dynamic, progressive and responsive to the needs of the community. Recognizing this, management of Gallery Lambton had developed the following vision statement:

*“Informing the current artistic vision is the recognition that the public art gallery is a social forum where dialogue, debate, confrontation, innovation and experimentation can occur. That visual art and visual culture, with its capacity to reflect the multifaceted makeup of our society, is a powerful and vital medium that creates opportunities for creative exchange and discourse.*

*Exhibition projects and ancillary programming are thought of as an ongoing and living process rather than a final product. In this way we challenge and extend the traditional as we look for new creative curatorial and programming strategies. We strive for transparency in our practices and operations. Our commitment is to present a broad base of artistic production that strikes a balance between academic, educational and relational experiences of art as it relates to our audience. In this way we make Canadian art and visual culture relevant to a wider demographic within our community. Our activities are based on the cultural dynamics of our regional community within the framework of the larger (provincial and national) arts community.*

*With each program there are two equally weighted questions we ask which ensure a connection between our artistic vision and our artistic programming. Are we serving the public? Are we serving the art? Our responsibility is not only to showcase a wide range of art and art practices but to provide interpretation that draws on the experiences and stories of the region as a reference point. Striving to be multifaceted and to maintain enough flexibility to remain responsive to the community, to new media and to new ideas, our artistic programs are designed to enable the visitor to make personal connections and see something of themselves reflected in the work.”*

Implications of this Vision upon the future planning and locational assessment of a new Gallery Lambton are :

- as a social forum, the Gallery needs to be accessible and conveniently located in close proximity to other social amenities and activities;
- being based upon the cultural dynamics of the community implies that the Gallery needs to be located in close proximity to other arts and culture focal points in the community; and
- striving for transparency in operations has certain implications in terms of how the Gallery is designed.

These implications have a bearing upon both the location and internal design of the Gallery.

### 3.2 Current Space and Location Assessment

#### 1) **Space Assessment**

At present, Gallery Lambton occupies approximately 7,800 sf of space in the Bayside Centre. In order to fulfill the Vision articulated above and to better function as a community art gallery, there are a number of improvements that should be made. These were identified through extensive discussions with staff, as well as applying the expertise of the consultants in dealing with galleries in other communities.

The major improvements required are:

**Visitor Services:** The existing Gallery operation suffers from some major deficiencies in terms of basic visitor service functions. Chief among these are the size of the washrooms (which should be large enough to accommodate more than one person at once) and the lack of visitor coat check facilities. Another major deficiency is the relative lack of retail and food service areas. Insofar as other aspects of the expansion and renovation will increase the amount of gallery space available, and thus increase the average length of time that visitors spend at the gallery, some sort of food service option will be necessary as visitors will have need of some sort of snack or refreshment after 2 hours or so of viewing the art and being involved with the programming. At the moment, this is not so much of an issue as the Gallery is a shorter viewing experience and adjacent to the Food Court in the Bayside Centre in any event, but under some of the relocation / expansion options some sort of food experience will be desirable. Also, studies of visitor needs at museums and art galleries show that some sort of retail opportunity is a desirable element of a holistic visitor experience (as well as a potential source of revenue) and so a specific retail area is recommended which would require additional staff to what has been identified in this report.

**Exhibition Space:** One of the most frequently-mentioned concerns with the existing configuration of the Gallery is the lack of exhibition space in order to mount new exhibitions and display pieces from the permanent collection. A related concern is that the existing exhibition space is awkwardly-configured and does not lend itself well to exhibitions. The recommendation is to increase the amount of overall Gallery space by nearly 50%, and ensure that its configuration is such as to provide maximum flexibility and utility as well as the required environmental controls.

**Education Programs:** An area of the Gallery's activities that has seen significant growth in demand in recent years is educational programming. This demand is expected to grow over time. The recommendations call for approximately doubling the size of this space, by adding a small theatre / lecture room (with appropriate projection facilities) that could double as a multipurpose classroom.

**Collections and Curatorial:** Another major deficiency relates to the amount of space available for essential curatorial work and storage. A significant amount of proper storage space to adequately house the existing collection, as well as provide some room for growth, is badly needed. The recommendations call for approximately doubling the amount of on-site storage space. (Off site storage space is not considered to be necessary or desirable for a gallery of the size being contemplated here.)

Another critical area where additional space is required is workshop space, almost non-existent at the existing Gallery. There are several functions which should be present in a gallery of the size and significance of Gallery Lambton including: a small workshop space in the Curator's office; workshop space (one for 'dirty' work and one for 'clean' work); a photographic studio, a larger general collections work room; a crate storage area; and an environmentally controlled shipping / receiving area.

**Administration:** A final area where additional space would be highly desirable would be in the overall area of administration. The existing management and administration of the Gallery is very cramped and clearly in inadequate facilities in a number of areas. Some of the most notable deficiencies observed include: lack of a separate meeting / conference room (right now the only available space is that for workshop activities); staff areas (lunch room, separate washroom); reception area; file storage, office supplies, photocopy area; and office space for key staff and volunteers.

One other deficiency to note is with respect to the location of Gallery functions relative to one another. A key element of the Vision is to increase the overall 'transparency' of the Gallery, there is some thought that the administrative and management functions of the operation should perhaps not be tucked away out of sight to the general public, but rather in the open, or at least easily accessible and 'read' by visitors to the Gallery, so they develop a better understanding of the purpose and function of an art gallery. Also the possibility of showing a portion of the collections in storage (similar to museums and archives that provide the public with a glimpse into their vast holdings) should be considered. These considerations, as well as those relating to the sheer volume and amount of space devoted to specific functions, need to be taken into consideration in the development of options to the current situation.

## **2) Location Assessment**

The comments heard from the interviews and workshop / focus groups sessions, as well as the observations of the consultants, relating to the strengths and weaknesses of the Gallery's current location in the Bayside Centre, are as follows:

### **Strengths**

- Convenient downtown location
- Accessible indoor parking
- Access to other services in Bayside Centre: food court, some retail
- Reasonable rent

### **Weaknesses**

- Almost invisible location; difficult to find
- Little or no street presence
- Awkward configuration of space
- Space too small
- Lack of broad cross section of population using mall overall: more social services than retail activities
- Mall is often desolate: wide spaces with few people – does not convey the idea of a thriving hive of creative activity

- Lack of exciting or special brand identity: ‘just an art gallery in a shopping mall’
- Promotes a sense of impermanence: just like any retailer, the art gallery could be gone tomorrow – tends to denigrate the essential function of an art gallery in society

Clearly there are some positive as well as negative aspects of the current location, although the negatives do seem to outweigh the positives. The next Section of this report will assess a number of alternative locations (as well as the existing location) on a number of criteria.

### 3.3 Articulation of Future Needs

The table below outlines the specific spatial requirements for the Gallery. As mentioned, these were developed based upon extensive discussions with Gallery management, staff and the Steering Committee for the project.

Overall, the recommendation is for an expansion from the Gallery’s current 7,800 sf (approximately) to 17,400 sf. The major areas of expansion are as shown in the table below:

Type of Space	Current Amount of Space (sf)	Recommended Amount of Space (sf)	Existing Comparison
Visitor Services	845	3,000	X 3.5
Exhibition (Gallery)	2,840	4,400	X 1.5
Educational Program	510	1,100	X 2.2
Collection / Curatorial	1,205 + 1,000*	4,000	X 1.8
Administration	480	2,000	X 4.2
20% Circulation & Structure	890	2,900	X 3.2
<b>Total Space</b>	<b>7,770</b>	<b>17,400</b>	<b>X 2.2</b>

\* includes 1,000 sf of storage space that the Gallery leases from the Bayside Centre (in a vacant store space separate from the Gallery proper)

An apparent paradox must be mentioned here. It may seem that a major reason to expand the Gallery is to provide more and better-configured display (i.e. exhibition) space. However, a simple glance at the chart above shows that in fact Gallery space expands by the smallest percentage increment (even though functionally, ‘Gallery space’ is the largest amount of space by type). This just shows the relative deficiencies in terms of the amount of space devoted to other essential functions of an art gallery – specifically educational program space, and all the behind-the-scenes activities necessary to properly ‘serve the art’ (to use the phrase from the Vision statement). The end result, in our view, is a well-balanced program in terms of the amount of space devoted to, and required by, the essential functions of a community art gallery.

The table overleaf shows the detailed space recommendations by type of space.

### 3.4 Gallery Lambton Expansion Program Outline

Gallery Function	Sub Components Space (sf)		Total New Space (sf)	* Major Space by Type (sf)
	Existing	Recommended		
<b>VISITOR SERVICES</b>				
<b>Main Entrance</b>				
lobby	545	600	1,500	3,000
vestibule	50	100		
visitor coats	0	100		
washrooms	100	700		
<b>Volunteer / Retail Spaces</b>			250	
volunteer office / work room	150	150		
shop display / art rental	0	100		
<b>Food Service and Event Space</b>			950	
coffee bar / café	0	250		
multi-purpose event space	0	500		
catering kitchen / servery	0	200		
<b>EXHIBITION</b>				
<b>Gallery Space</b>				
exhibition gallery 1	2,300	2,300	4,000	4,400
exhibition gallery 2	540	550		
exhibition gallery 3	0	1,150		
<b>EDUCATION / PROGRAMS</b>				
<b>Theatre</b>			450	1,100
multipurpose room / classroom & storage	0	450		
<b>Studio Facilities</b>			550	
studio / workshop & storage	510	550		
<b>COLLECTION &amp; CURATORIAL</b>				
<b>Collection Storage</b>			1,500	4,000
paintings vault storage	745	1,200		
temporary holding vault	0	300		
<b>Workshops</b>			2,100	
curators office	0	150		
workshops (clean and dirty)	0	350		
collection work room	460	300		
photographic studio	0	200		
crate / fixture storage & transition space	1,000	600		
art shipping / receiving (art)	0	500		
<b>ADMINISTRATION</b>				
<b>Offices &amp; Meeting Rooms</b>			850	2,000
director	200	200		
education officer	0	100		
promotions, outreach, graphics & admin	230	250		
conference room	0	300		
<b>Office Support, Storage &amp; Staff Areas</b>			850	
reception & waiting area	0	150		
files, storage, copy, fax & supplies	0	350		
staff lunch room & washroom	0	350		
<b>Building Operations</b>			200	
shipping / receiving (non-art)	0	100		
janitor & maintenance areas	50	100		
<b>CIRCULATION &amp; STRUCTURE</b>				
<b>20% Allowance</b>	890		2,900	2,900
<b>TOTAL GROSS AREA (sf)</b>	<b>7,770</b>		<b>17,400</b>	
<b>TOTAL GROSS AREA (sq. m.)</b>	<b>722</b>		<b>1,616</b>	

\* Note that all area major space totals include a 10% contingency.

## **4.0 Site Assessment**

### **4.1 Sites Considered**

A number of sites from across the County were examined – some 18 in total. This analysis identified sites in both the public and private domains. (Note that any sites that are not in the ‘public domain’ will not be identified in this Report in order to prevent undue speculation and resulting potential increases in price.) The sites were identified through discussion with the Steering Committee representatives, the consultants’ own review of the County, and suggestions from the public meeting(s) and interviews.

The sites identified were:

- Sarnia waterfront location: 3 sites were identified, including:
  - MacLean Centre
  - Rainbow Park
  - One private sector location
- Sarnia downtown: 5 sites were identified including:
  - Library Addition
  - Veterans’ Memorial Park
  - Three private sector locations
- Adjacent to Lambton Mall
- Lambton College
- Dow Research Park
- Community Health Services Centre [Point Edward]
- Wyoming, adjacent to the County offices
- Lambton Heritage Museum, just south of Grand Bend
- Lambton Oil Heritage District [generic location, no specific site identified]
- Downtown Petrolia [generic location, no specific site identified]
- Expansion at the Gallery’s existing location at Bayside Centre
- Relocation to another location in Bayside Centre

### **4.2 Site Selection Criteria and Rationale**

After extensive discussion with the Steering Committee on the project a detailed site assessment methodology was developed. This was based upon a set of 14 criteria, each assigned a different number of points adding up to a total of 100 (so that it was very evident and transparent as to how important the various criteria were relative to one another). The table on the following pages shows the criteria, the various factors that would be considered when evaluating any given site on that criterion, and the maximum score or weight assigned to that criterion.

<b>Criterion</b>	<b>Considerations</b>	<b>Maximum Points</b>
<b>Artistic Vision:</b> Extent to which site facilitates or enables artistic and programming vision of Gallery to be achieved	<ul style="list-style-type: none"> <li>- proximity to community of artists</li> <li>- proximity of Gallery to associated / related cultural activities</li> <li>- quality of space (permanent display space as well as smaller-scale flexible space to accommodate a variety of activities)</li> <li>- obvious demonstration of all three above = highest rating</li> <li>- none of the above = lowest rating</li> </ul>	12
<b>Community Value:</b> Extent to which site / building evokes historical / cultural associations with the community	<ul style="list-style-type: none"> <li>- re-use of building that has had previous association with the community (either historical significance or previous cultural use), and/or</li> <li>- site has similar historical or cultural associations</li> <li>- strong historical and cultural associations = highest rating</li> <li>- low or no associations = lowest rating</li> </ul>	10
<b>Site Visibility:</b> High profile location and is easily identified	<ul style="list-style-type: none"> <li>- site and building can be viewed easily, is easily identified, and is on a high-traffic route [thus highly visible to the community overall] (highest rating)</li> <li>- Gallery can be easily viewed but is in low-traffic area (medium rating)</li> <li>- Gallery is in location with other facilities but is easily found (medium rating)</li> <li>- Gallery is not easily visible, hard to find (low or no rating)</li> </ul>	10
<b>Site Availability:</b> Ease with which site may be acquired for this type of public sector use	<ul style="list-style-type: none"> <li>- site and building (if applicable) owned by County (highest rating)</li> <li>- site and building (if applicable) owned by other public sector agency (who may be sympathetic to the Gallery's aims) (medium rating)</li> <li>- site and/or building owned by private sector interests sympathetic to Gallery's objectives (medium rating)</li> <li>- site and/or building owned by private sector interests not known to be sympathetic to Gallery's objectives (lowest rating)</li> </ul>	10
<b>Catalytic Potential - Economic Development:</b> Extent to which development will act as an economic catalyst for the surrounding area	<ul style="list-style-type: none"> <li>- location and program anticipated to act in a major way as a catalyst for related and ancillary economic development in the vicinity – either new construction or by improving commercial and residential vacancy rates in the area (highest rating)</li> <li>- location unlikely to have significant economic development catalytic effect (lower rating)</li> </ul>	10
<b>Catalytic Potential - Cultural Development:</b> Extent to which this site lends itself to be a catalyst for the creative community, and will enhance a creative image	<ul style="list-style-type: none"> <li>- location and program anticipated to act in a major way as a catalyst to the arts and culture community, and contribute to the image of a healthy and creative community (highest rating)</li> <li>- location is sub-optimal from perspective of convenience of linking to and involving the arts and cultural community (medium rating)</li> <li>- location too remote from main cultural community to have significant catalytic effect (lowest rating)</li> </ul>	8
<b>Parking:</b> Convenience and accessibility of parking	<ul style="list-style-type: none"> <li>- dedicated or adjacent parking easily available (highest rating)</li> <li>- underground parking is available (also highest rating)</li> <li>- cost of parking (free has highest rating)</li> <li>- parking is within line-of-sight of entrance (medium rating)</li> </ul>	8
<b>Proximity to Amenities:</b> proximity of site to complementary and support services	<ul style="list-style-type: none"> <li>- nearby (walking distance) restaurants, specialty shops, commercial galleries, etc. (highest rating)</li> <li>- complementary facilities within short driving distance (5 minutes) (medium rating)</li> <li>- complementary facilities some distance away (lowest rating)</li> </ul>	8

**Site Selection Criteria, *continued***

<b>Criterion</b>	<b>Considerations</b>	<b>Maximum Points</b>
<b>Site Size and Flexibility:</b> Ease with current and future development can take place on site	<ul style="list-style-type: none"> <li>- site large enough to accommodate present development and potential future expansion (highest rating)</li> <li>- site configuration presents some constraints to development (lower ratings)</li> </ul>	8
<b>Pedestrian / Bike Access:</b> Ease of access of the site by pedestrians or cyclists	<ul style="list-style-type: none"> <li>- location on bike paths or well-recognized pedestrian routes (including downtown) (highest rating)</li> <li>- location distant from pedestrian or bike routes (medium rating)</li> <li>- location only practically accessible by car (lowest rating)</li> </ul>	6
<b>Loading Access:</b> Ability of building or site to accommodate service and delivery functions, and vehicles	<ul style="list-style-type: none"> <li>- convenient and useable loading dock area is either present in building or can be easily constructed in new space (highest rating)</li> <li>- loading dock area will be difficult to incorporate into facility (lowest rating)</li> </ul>	5
<b>Public Transit Access:</b> Extent to which site is easily reached by public transit	<ul style="list-style-type: none"> <li>- site is on public transit network, with access point (e.g. bus stop) at site (highest rating)</li> <li>- site is on public transit network, with access point within easy walking distance (medium)rating)</li> <li>- site not on public transit network, with access point (lowest rating)</li> </ul>	5
<b>TOTAL POTENTIAL POINTS FOR ANY GIVEN SITE</b>		<b>100</b>

**4.3 Site Selection Process**

The process of evaluating each of the sites against each criterion was a two-fold process. First, the consultants went through an independent evaluation, assigning a score to each of the sites. Next, this was presented to and discussed with the Steering Committee. As a result, some of the scores were revised slightly to reflect the more refined community understanding of the situation.

**4.4 Conclusions from Site Assessment**

The chart on the following page shows the results of the site assessment procedure (note that sites in private sector ownership have not been specifically identified, although the Steering Committee does have that information).

Results of Site Selection Process

Criterion	Maximum Points	(A) Site A	(B) MacLean Centre	(C) Rainbow Park	AVERAGE WATERFRONT	(D) City Library Addition	(E) Veteran's Park	(F) Site F	(G) Site G	(H) Site H	AVERAGE DOWNTOWN	(I) Lambton Mall	(J) Lambton College	(K) Dow Research Park	(L) Community Health Services Centre - Point Edward	(M) Wyoming County Offices	(N) Lambton Heritage Museum	(O) Lambton Oil Heritage District	(P) Downtown Petrolia	(Q) Bayside Centre - existing location	(R) Bayside Centre - elsewhere
Artistic Vision	12	10	8	4	7.3	8	8	12	12	12	10.8	4	6	2	2	2	4	5	6	6	6
Community Value	10	6	5	4	5.0	8	5	10	8	8	7.8	2	5	2	2	4	5	8	7	2	2
Site Visibility	10	8	9	6	7.7	8	7	10	10	8	8.6	5	3	2	8	6	5	5	7	7	4
Site Availability	10	10	10	10	10.0	10	10	4	3	4	6.2	4	8	10	10	8	8	5	5	10	4
Catalytic Potential: Economic Development	10	8	6	6	6.7	6	6	8	5	8	6.6	5	2	1	4	2	3	5	7	5	5
Catalytic Potential: Creative Community	8	8	5	4	5.7	7	6	8	8	8	7.4	3	4	1	2	2	2	6	6	5	5
Parking	8	6	6	8	6.7	6	6	5	4	5	5.2	8	8	8	6	8	8	8	6	8	8
Proximity to Services and Amenities	8	8	6	4	6.0	6	4	8	8	8	6.8	4	2	1	4	4	2	4	5	8	8
Site Size and Flexibility	8	4	8	8	6.7	5	5	4	3	2	3.8	2	4	4	4	8	8	8	6	3	4
Pedestrian / Bike Access	6	6	6	6	6.0	6	6	6	6	6	6.0	2	4	2	4	2	6	6	6	5	5
Public Transit Access	5	5	4	3	4.0	5	5	5	5	5	5.0	3	3	2	0	0	0	0	0	5	5
Loading Access	5	5	5	5	5.0	5	5	3	3	2	3.6	5	5	5	3	5	5	3	4	2	3
<b>TOTAL POINTS</b>	<b>100</b>	<b>84</b>	<b>78</b>	<b>68</b>	<b>76.7</b>	<b>80</b>	<b>73</b>	<b>83</b>	<b>75</b>	<b>76</b>	<b>77.8</b>	<b>47</b>	<b>54</b>	<b>40</b>	<b>49</b>	<b>51</b>	<b>56</b>	<b>63</b>	<b>65</b>	<b>66</b>	<b>59</b>

As the chart shows, the highest-ranking sites as a group were those in the 'downtown Sarnia' cluster. Some waterfront sites as well received quite high scores in the assessment process. As the matrix shows, sites removed from the downtown Sarnia area did not score as highly on the overall process, primarily because they did not meet the 'artistic vision' and 'catalytic potential' dimensions (both economic development and creative community).

Note that the last two sites considered in the process were both variants on the option of staying in the Bayside Centre (one being to expand the existing location and the other being to relocate somewhere else in the mall). These were not included in the 'Sarnia downtown' group of options as they were felt to be too similar to the status quo, and would distort the overall averages.

Based upon the site assessment analysis and further discussions with the Steering Committee it was decided to examine three options for the relocation and expansion of Gallery Lambton. These were:

- 1) **Option A - Adaptive Reuse in a Downtown Location:** This option considers putting the new Gallery into an existing space downtown, converting an existing historically significant structure to meet the needs of the Gallery. This would be an opportunity to rescue a piece of social and architectural history in the County.
- 2) **Option B - New Iconic Construction at a Waterfront Location:** This option combines a waterfront location option (each of which scored relatively well on the assessment analysis) with a new iconic structure, very visibly on the waterfront. This would be an opportunity to build a new building specifically tailored to the needs of the Gallery.
- 3) **Option C - Expansion at Bayside Centre:** The third option considered was the highest-scoring of the 'other' options; that is to expand the Gallery in its existing location in Bayside Centre. Here is assumed that through substantial renovation of the space, and expansion, the Gallery would be able to achieve a more prominent and visible position on the street, be more accessible, etc.<sup>2</sup>

These then are the major options that were carried forward in the subsequent development of scenarios that are discussed in the next section. In a sense, they cover the range of possibilities from a higher cost, stand-alone iconic facility on the waterfront to a more cost-effective reconfiguration of (and addition to) the existing space.

One note of explanation is necessary regarding the option of expanding adjacent to the Library, which as the assessment matrix shows, received a relatively high score. This is a very 'top of mind' option as well in the mind of the public as the Gallery used to be associated with the Library prior to its move to the Bayside Centre. While this in theory represents a possible option, it was not seen to be the most desirable for a number of reasons, including:

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<sup>2</sup> It should be noted that the details of this option have not been discussed in any detail with the Centre's ownership and that the costing assumptions have been made by the consultants based on known lease costs.

- The Library location is seen to be too far from the downtown base of support activities and events to enable the Vision as articulated above and for the concept of 'cultural tourism clustering' to be fully realized;
- The opportunity to present a new Gallery to the public as an exciting new initiative would be lost to some extent by the appearance of the Gallery 'returning to' the Library location; and,
- The crossover and natural synergies between the types of events and exhibitions held at the Gallery and the audience that this would attract, and traditional library patrons, is not particularly strong.

Accordingly, the option of expansion adjacent to the Library was not considered further in this assessment. However, this does not necessarily imply that expansion next to the Library would **not** work at all – just that it was not one of the three options entertained in the course of this assessment.

The next section of this Report presents the design configurations and parameters associated with each of these three design options.

## **5.0 Planning Considerations**

### **5.1 Space Requirements and Rationale**

Through the needs assessment process it was determined that the gallery needed to expand from its constricting 7,770 sf rental space to a larger more flexible 17,400sf facility.

Initially a 20,000sf gallery was proposed but through a process of analysis and reflection the more modest 17,400sf program was agreed upon with the Steering Committee.

#### **Visitor Services**

- To truly fulfill the vision of the Gallery more and improved visitor services are required.
- The entrance lobby and reception space must be open and welcoming
- Retail and Café spaces allow for potential additional revenue sources and give people a reason to linger longer
- Catering Kitchen can be used to stock food for a small café but can also act as a staging areas for caterers should any of the galleries spaces be rented for special events.
- Having a dedicated Volunteer Office / Work Room will allow for more community involvement and initiatives that can be of great benefit to any gallery.
- A number of the areas located in the “Visitor Services” division are intended to be designed as flexible and multi-purpose so that they can also be used to expand the Gallery’s potential Exhibition space during special events. These areas include the large Public Foyer (+/-1,000sf) and the Multi-Purpose Event Space (500sf).

#### **Exhibition Space:**

- Currently the Gallery only has one large Exhibition Space of 2,300sf and one smaller Exhibition Space of 540sf. (Existing Total 2,840sf)
- It is felt that the addition of one additional mid sized gallery would allow for a broader display of work and give the gallery the flexibility of having both a gallery that is dedicated to the research and exhibition of work from the permanent collection (to meet the needs noted during interviews, at public focus groups & the expectations of a Status A gallery) while still being able to maintain a vibrant rotating exhibition program as required by the gallery mandate and artistic vision. (New Total 4,000sf)
- The new gallery spaces are also intended to be designed so that they are more flexibly laid out than the existing spaces which are currently located in a very awkwardly shaped space.
- Other Visitor Service spaces like the Lobby, Multi-Purpose Room and Theatre are also intended to be designed to be flexible, multi-use and be able to show work. This increases potential exhibition space by an additional 1,500sf for larger events and shows.

#### **Education / Programs Areas:**

- Currently the Art Gallery has one 510sf Classroom area where student groups visiting the gallery can gather.
- Having a variety of spaces such as a Studio / Workshop as well as a Multi-Purpose / Theatre Classroom will allow the gallery to run art classes, present visiting lecturers and

rent out space for special events and be flexible to accommodate more or larger school groups.

- Education and Program spaces are essential to help the Gallery to achieve better visibility and to integrate itself more fully into the community.

#### **Collection Storage & Curatorial Spaces:**

- Currently the Gallery only has one Collection Storage Room and one Work Area.
- To meet modern Gallery standards the new facility needs to have a greater variety of conditioned storage spaces and a variety of clean and dirty work areas.
- Transitions spaces and crate storage areas are also needed.

#### **Building Operations:**

- Large facilities need a number of support spaces to operate efficiently.
- Loading, Shipping/Receiving, Security, Janitorial and General Storage are all requirements that should be allowed for in a new larger facility

#### **Administration:**

- With an expanded Gallery the administration requirements will increase as will the size of work areas that they require.
- Currently the staff working in very cramped quarters and do not have any support spaces like copy areas, lunch room or meeting areas that would make the working environment more effective thereby enabling employees to have better job satisfaction and work more efficiently.

## **5.2 Space Configurations, Adjacencies and Design Considerations**

- The entrance Lobby should be the spine where all other areas are visible and accessible
- Coat storage and Washrooms need to be centrally located
- Classroom, Work shops and Event spaces must be located directly off of the Public lobby so other areas may remain secured and separated during special events.
- Galleries need to be open and flexible. Some height variation may add some interest and allow for different types of art to be displayed.
- Curatorial Spaces must be secured, properly conditioned and have access to loading areas and directly onto Exhibition spaces.
- The administration areas should have some connections to the Lobby, Galleries and Curatorial spaces so that staff can better interact with the public.
- Full barrier free access throughout
- Sustainable Design Integration

## **6.0 Physical Options**

(Note that the potential space configuration diagrams for each of the site options discussed here have been provided to the Steering Committee under separate cover.)

### **6.1 Three Options**

#### **1) Option A - Adaptive Reuse, Downtown Location**

- Adaptive re-use down-town location would warrant a 'cultural tourism cluster'.
- Redevelopment of an existing building within Sarnia's downtown core
- Building layout needs to be 2 storeys with basement to fit into the street fabric of the downtown core
- Selection of a highly visible corner site would be beneficial to public awareness of gallery location
- No additional parking requirements if project is in the downtown core

#### **2) Option B – Iconic New Construction, Waterfront Location**

- Waterfront location would warrant a destination type attraction.
- Building could be laid out on one level, which improves accessibility, and will minimize required circulation space.
- Parking requirement at a Waterfront location would be 1 space for every 50sm of "Net Building Area". Assuming the net space for the new project is 16,000sf / 1,486sm our project would require 30 spaces. This total may be negotiable with the city so that only using "regularly occupied space" is considered in the calculations.
- Could have unforeseen environmental & cost complications related to waterfront location.

#### **3) Bayside Centre Expansion Option**

- Create a larger facility at the existing mall location by expanding the existing ground floor space out to the street frontage and by adding on a second floor.
- Increased street frontage will improve the locations visibility within the community
- Move entrance from off the Bayside Centre food court to Christina Street frontage where more people will want to access it
- Adding the second floor will make the building fit better into the street fabric of the downtown core

## 6.2 Capital Cost Estimation and Comparison of the Three Options

Development of pricing was a multi-staged process. We discussed current museum project costs with Pendlebury cost consultants and had subsequent discussions with Alan Avis a regional architect with a practice in Southern Ontario who is a specialist in heritage restoration and adaptive reuse of heritage buildings.

### 1) Option A - Adaptive Reuse, Downtown Location

- Costs are based on current budgets and pricing from Goderich Town Hall and Woodstock Art through discussions with Alan Avis. Square footage costs for these projects ranges between \$200-250/sf. Because of the higher level of mechanical/electrical requirements for a gallery space the base building cost estimate used is \$250/sf
- No additional parking needs to be provided if located in immediate downtown core.

	<b>Cost / sf</b>
Base Building	\$250.00
FF+E, Landscape and Site Services	\$25.00
Design Contingency (10%)	\$28.00
Soft costs – fees permits, legals, survey, soils, etc. (20%)	\$61.00
<b>Total Capital Cost / sf</b>	<b>\$364.00</b>

- \$364/sf x 17,400sf = **\$6.4 Million** estimated capital cost
- Cost excludes: land costs, demolition, LEED rated building

### 2) Option B – Iconic New Construction, Waterfront Location

- Costs are based on budget numbers from recent R+P projects including: Grimsby Art Gallery and the Art Gallery of Windsor as well as a number of iconic Gallery / Museum projects that were shared by Pendlebury Cost Consultants.
- Upcharge for Iconic building as well as additional landscaping and site costs
- Need to provide parking if not located in immediate downtown core.

	<b>Cost / sf</b>
Base Building	\$395.00
FF+E, Landscape and Site Services	\$40.00
Design Contingency (10%)	\$45.00
Soft costs – fees permits, legals, survey, soils, etc. (20%)	\$95.00
<b>Total Capital Cost / sf</b>	<b>\$575.00</b>

- \$575/sf x 17,400sf = **\$10 Million** estimated capital cost
- Cost excludes: land costs, LEED rated building

### **3) Bayside Centre Expansion Option**

- Assumption that renovation costs would be borne by Bayside Centre
- Limited capital costs but increased rental costs

## **7.0 Business Plan for New Facility**

### **7.1 General Assumptions Relating to Operations**

Each of the three options outlined in the previous sections will entail a significant change to the operations and financial situation of Gallery Lambton. In this section we outline the major assumptions underlying these changes. These are summarized in the table and the text provides further clarification of the rationale.

**Gallery Lambton Financial Analysis - Assumptions**

Category	2007 Actual (Base Budget)	Assumptions Regarding Changes with the Various Scenarios
<b>Revenues</b>		
County levy	\$446,460	- will increase to cover operating needs
Provincial Grant	\$14,000	- in 2009, will be \$30,000 – assumed to be the level for future planning
Painting sales - rental	\$2,115	
Painting sales - exhibitions	\$2,711	- will not be offered in future as it is contrary to the basic function of a public art gallery.
Sales (largely books)	\$7,213	- will increase from current levels of just under \$1 per visitor to target of \$3 per visitor
Art Classes	\$8,230	- revenues will increase by same % as attendance
Bus Trips	\$13,760	- revenues will increase by same % as attendance
Workshops - shows	\$2,938	- revenues will increase by same % as attendance
Workshops - programs	\$2,976	- revenues will increase by same % as attendance
Lectures	\$6,157	- revenues will increase by same % as attendance
Other Revenues (F&S)	\$5,044	- revenues will increase by same % as attendance
Donations	\$8,453	- will be replaced by a more aggressive donations policy that generates an average of \$4 per visitor (which would be expected to be the same result as if an admission fees were in place)
Transfer from Reserves	\$200	- will be \$0
<b>Total Revenues</b>	<b>\$520,257</b>	
<b>Expenditures</b>		
Staffing (FT, PT & benefits)	\$302,407	- will increase by 3.0 FTE (full-time equivalent) positions
Office (eqt, computers)	\$6,974	- will increase by number of staff
Lease	\$47,439	- will not be an expenditure for Scenarios A and B; will be increased by \$2 per SF over next three years and increased space requirements Scenario C
Maintenance, Security Supplies	\$9,329	- will increase on a pro rata basis over present situation, depending upon space
Utilities	\$16,588	- will increase on a pro rata basis over present situation, depending upon space - per sf amount will be 25% higher than at present, reflecting rising energy costs
Collections-related costs	\$13,919	- will increase commensurate with increase in amount of exhibitions space (say 50%)
Other building-related operating costs	\$14,113	- will increase commensurate with increase in amount of total space
Building insurance	\$0	- will be \$0.08 per \$100 of construction value for Scenarios A and B
Services	\$135	- will increase commensurate with increase in amount of total space
Paint sales - rental	\$3,769	
Paint sales - exhibitions	\$0	- will not be offered in future as it is contrary to the basic function of a public art gallery.
Gift Shop	\$2,460	- costs of goods sold will continue at 50% of revenues
Art Classes	\$8,336	- costs will be held to 80% of revenues (currently program operates at a loss)
Bus Trips	\$12,980	- costs will be held to 80% of revenues (currently program costs are 95% of revenues)
Workshops - shows	\$375	- costs will be held to 80% of revenues
Workshops - programs	\$2,016	- costs will be held to 80% of revenues
Lectures	\$9,837	- costs will be held to 80% of revenues (currently program operates at a loss)
Other Program Delivery (not included above)	\$65,531	- program delivery costs will increase by same % as attendance
Transfers to Reserves	\$21,797	- will be \$0
<b>Total Expenditures</b>	<b>\$538,005</b>	
<b>Excess of Expense over Revenue</b>	<b>\$ 17,748</b>	

## 7.2 Attendance Implications

Attendance to Gallery Lambton at present is approximately 20,000 (2008 figure). This is comprised of approximately 80% adult visitors (approximately 16,000) and the remainder students and schoolchildren. It is not known specifically what proportion of these might represent visitors to the County (i.e. non-residents of Lambton), but this is thought not to be a very high percentage (possibly up to 10%).

The overall impact of a new and expanded Gallery upon attendance will likely be relatively modest. Experience has shown how, after an initial surge in the first couple of years (reflecting a novelty or curiosity effect, and the buzz and excitement that has built up around a new attraction in its early years), attendance will settle back down into a new level, often not hugely greater than before the initial development. For this reason, the financial analysis presented here is undertaken according to an assumed 'typical year of operation' rather than in the first year of the new facility.

What may account for a greater proportion of attendance on a sustained basis would be from tourist visitors, more of who would come for a visit (presumably) if the Gallery were more visible and accessible and part of an economic plan to build and promote a 'cultural tourism cluster'. We have assumed that at present there may be 10% of overall attendance that is from tourists, whereas with the new Gallery operation (which in any of the scenarios will be in a more visible and accessible situation) possibly 25% of the additional visitors will represent tourists (reflecting the Vision earlier articulated, and the marketing of this to the community, the core audience will remain local and regional).

	A. Adaptive Reuse	B. New Development	C. Bayside Centre Expansion
Base level of attendance	20,000		
Incremental attendance anticipated in typical year of operation	130%	150%	110%
Target level of attendance	26,000	30,000	22,000
<i>Tourist Visitors (typical year):</i>			
<i>current tourists</i>	2,000	2,000	2,000
<i>tourism component of new attendance</i>	1,500	2,500	500
<i>total tourists in typical year</i>	3,500	4,500	2,500

These are relatively conservative and attainable projections for a City the size of Sarnia (City population 71,000; County population: 128,000). Comparison with other community art galleries in other comparable jurisdictions suggest that this is very much within the range:

- Thames Art Gallery (Chatham) 15,000 (population 108,000)
- Thunder Bay Art Gallery 28,000 (population 109,000)
- Glenhyrst Art Gallery, Brant County, 20,000 (population 125,000)
- Art Gallery of Sudbury 13,000 (population 158,000)

## 7.3 Detailed Revenue Assumptions

**County levy:** The levy from the County of Lambton makes up the difference between the costs of Gallery operation and the revenues earned and received from other sources. In

FY '07 the County levy was nearly \$450,000. The assumption relating to future scenarios is that the County levy will continue to cover any shortfall between overall costs and revenues.

**Provincial grant:** In 2009, the provincial grant will be \$30,000, and we assume that this level will remain constant over the forecast period.

**Painting sales (rental and shows):** Gross revenues generated from the rental and sale of paintings in FY '07 were approximately \$4,800. As more traffic will be generated into the Gallery from the expansions and relocation scenarios, more will be exposed to rental and purchase opportunities. Accordingly, these sales will increase proportionately with additional attendance.

**Gift shop:** In FY '07 gross revenues (largely from the sales of books) were approximately \$7,200. This works out to gross sales of 89 cents per visitor, which is on the very low end of what should be achievable. With a larger, better-stocked, better-displayed, properly managed and staffed gift shop facility, the overall net revenues should be able to be increased significantly. We have assumed that a gross revenue target of \$3 per visitor should be achievable.

**Art Classes:** In FY '07 gross revenues generated from this activity are just over \$8,000, or approximately \$1 per visitor on average. Again, with increased visitor traffic, interest and awareness should increase; the specific assumption is that these sales will increase proportionately with additional attendance.

**Bus Trips:** The purpose of bus trips is not primarily to generate revenue, but to widen the range of experiences for members and community residents. In FY '07 bus trips generated nearly \$14,000 in gross revenue. It is assumed that these gross revenues will increase proportionately with increases in attendance.

**Workshops, Programs and Shows:** This too represents additional services provided to the community. In FY '07 they generated gross revenues of nearly \$6,000; we assume that these revenues will increase proportionately with increases in attendance.

**Lectures:** In FY '07 lectures (which includes outreach activities such as Dinner & a Movie) generated just over \$6,000 in gross revenues. We assume that these gross revenues will increase proportionately with increases in attendance.

**Donations / Admissions:** At the present time the Gallery has no admission charge. We assume that, as the scenarios contemplated will provide the visitor with an expanded viewing experience, it will be appropriate to either charge an admission fee outright, or ask for a donation equal to what the admission otherwise would have been. (This is probably a more likely route, in order not to jeopardize the Gallery's existing positioning as being freely available and accessible to the community.) Experience in other jurisdictions has shown that if there is a 'defined ask' – in other words if the existence of a donations box is pointed out to the visitor with a reasonable amount to donate suggested – most will actually donate the suggested amount **or more**. We assume that, with the longer visitor experience that a new Gallery is likely provide (1-2 hours) a \$2-\$5 per visitor (on average) admission fee or donation is reasonable and should not deter attendance. (Specifically we

have assumed \$4 for the Adaptive Reuse scenario, \$5 for the New Waterfront location scenario, and \$2 for the Expansion in Bayside Centre scenario.)

**Other revenues:** In FY '07, just over \$5,000 in 'other revenues' comes to the Gallery (from various miscellaneous sources). We assume that these net revenues will increase proportionately with increases in attendance.

**Facility rentals:** At present, the Gallery does not rent its space to the community for events and activities. With new premises, however, there will be an increased interest in, and potential to, rent the facilities for a variety of events. We have assumed a revenue target of \$10,000 for each of the scenarios envisaging a new facility as a revenue target, and one of \$5,000 for the 'Expansion in Bayside Centre' scenario.

#### 7.4 Detailed Cost Assumptions

**Staffing:** The current wages, salaries and benefits cost for Gallery Lambton is just over \$300,000 for 6 staff positions (4 full-time and 2 part-time). These positions are:

Full-time:

- *Curator*
- *Gallery Assistant - Educational Services*
- *Gallery Assistant - Community Relations*
- *Gallery Assistant - Graphic Artist*

Part-time:

- *Administrative Assistant*
- *Gallery Clerk*

The assumption is that an additional 5.0 positions, representing 3 FTEs, will be necessary to manage the enhanced Gallery operation under the expanded Gallery scenario. We do not necessarily assume that all of these staff positions will be all in place at the outset; rather, the Gallery should 'ramp up' to this staffing complement over time. These new positions would be devoted to the following functions:

Full-time:

- *Collections and Exhibit Coordinator (essentially a registrar and logistical coordinator of all exhibitions and installations)*

Part-time:

- *Gallery Clerk (to assist in coverage of the front desk during peak times – at present, this is handled by other Gallery staff)*
- *Curatorial Assistant (this would be an extension of the current duties of the part-time Administrative Assistant into a full time position, responsible for contractual relations with artists, instructors, grants administration, copyright administration, etc.) – ideally, this position would also oversee the gift shop, facility rental, café, etc.*

- *Marketing and Volunteer Coordinator (this part-time position would work with the Curator and Gallery Assistant - Community Relations in various marketing and promotion initiatives)*
- *Janitorial / Maintenance*

This enhanced staffing plan will bring the staffing complement up to 8.0 full-time equivalents (FTEs) from the current 5.0 FTEs. Assuming an average wage, salary and benefits package of \$60,000 per FTE (which is approximately what it is at present), this implies that additional salary costs under the expansion options will be on the order of \$180,000.

A reasonable critical path to ramp up the required staffing complement would be as follows:

Year 1: add Collections and Exhibit Coordinator and Curatorial Assistant positions  
*(1.5 FTEs in addition to present complement)*

Year 2-3: Bring on the Marketing & Volunteer Coordinator and the Gallery Clerk position  
*(an additional 1.0 FTE bringing the total additional to 2.5 FTEs over the current complement)*

Year 3-5: Janitorial/Maintenance *(an additional 0.5 FTE, bringing the total additional to 3.0 FTEs over the current complement)*

(In the subsequent financial analysis for a 'typical year of operation' we have assumed that all these additional positions are in place for that typical year.)

**Lease:** In the '07 fiscal year, the lease payment made by the Gallery to Bayside Centre was about \$47,500. This amount will be increased by \$2 psf over the next three years. For the 'Expansion in Bayside Centre' scenario, it assumed that a higher unit lease rate (increase of 50%) will be applied to the larger amount of space occupied. The annual cost of the lease will therefore be on the order of \$183,000.

**Janitorial maintenance, Security, Supplies:** At present the Gallery expenditures in this category are approximately \$9,300. The expectation is that costs will rise on a pro rata basis commensurate with the anticipated increase in space.

**Utilities:** Two basic factors will affect utility costs: 1) an anticipated increase in base energy costs, and 2) the increased size of the facility. Our assumptions in this regard are first, that energy costs will rise in real terms to be 25% higher than in the last year; 2) that costs will increase on a pro rata basis with the increased size of the facility; and 3) that Scenario B ('New Development') will have utility costs that are 20% less than either of the other scenarios (because of the greater efficiencies that are possible with a new facility).

**Collections-related costs:** Collections-related costs (primarily relating to insurance) were approximately \$14,000 in FY '07. It is assumed that costs will increase roughly commensurately with the increase in the amount of exhibition space (which is actually 41%, but 50% is used as a reasonable rounded-up estimate).

**Building Insurance:** Building insurance is calculated at \$0.08 per \$100 of construction value which is an industry norm. This would apply to Scenarios A and B only.

**Building maintenance / reserve fund:** Like a condominium operation a certain amount should be put away each year for extraordinary operating costs items that will not occur annually, but rather periodically. A reserve of just over \$1.50 per sf has been set aside for this purpose for the 'New Development' scenario, and half again this amount for the 'Adaptive Reuse' option, which will cost somewhat more in this regard, being an older and adapted structure. No reserve is necessary for the 'lease option' (Scenario C).

**Operating Expenditures:** In FY '07 the Gallery expenditures in this category are approximately \$14,100. These are expected to increase at a rate commensurate with the increase in total space (i.e. 167%).

**Painting sales (rental and shows):** In FY'07 the costs of offering the art rental service exceed the revenues derived. Art sales do generate a net profit. Together, we suggest a cost target so that costs do not exceed 80% of revenue.

**Gift shop:** In FY'07 gift shop costs are approximately \$2,460 (i.e. the cost of goods sold). This works out to a cost of goods sold of approximately 34% of revenues (which is somewhat low for the costs of goods for a retail operation in a museum or art gallery operation). It is assumed that this cost of goods ratio will be 50% for the various scenarios examined here.

**Art Classes:** In FY 07, art classes incurred a very small loss – essentially they were a break event for the Gallery. In future, we suggest a cost target so that costs do not exceed 80% of revenue.

**Bus Trips:** As mentioned earlier, bus trips generate nearly \$14,000 in revenue. Costs consume most of this, so that this activity is only a marginal contributor to the bottom line. (And, of course, it must be borne in mind that the purpose of bus trips is not to generate revenue, but rather to expose members and participants to relevant artistic and cultural activities elsewhere.) Nevertheless, we feel that it is appropriate to apply the same kind of cost-containment logic to this activity, and suggest a cost target so that costs do not exceed 80% of revenue.

**Workshops, Programs and Shows:** presenting FY '07, the costs of providing workshops, programs and shows was approximately \$2,400 (as against gross revenues of \$6,000). This implies a cost ratio of about 40%, which we assume will continue.

**Lectures:** Lectures too were a loss leader, costing just under \$10,000 in FY 07 compared to revenues generated of \$6,000. In future, we suggest a cost target so that costs do not exceed 80% of revenue.

**Program Expenditures:** As of FY '07 Gallery expenditures in this category are in the order of \$65,500. As these are related to the nature and type of utilization of programs, costs in this category are expected to increase at a rate commensurate with the increase in attendance.

**Transfers to Reserves:** In fiscal year '07, the Gallery's transfers to reserves were just under \$22,000. It has been assumed that transfers to reserves in future will be \$0.

## 7.5 Net Impact in a Typical Year of Operation

The summary effect of the operation of these assumptions is shown in the table below. These can be interpreted as the anticipated revenues and costs of an expanded Gallery in a typical year of operation (measured in terms of \$2008). The detailed financial analysis for each of the scenarios is contained within Appendix D.

Anticipated costs and revenues in a typical year of operation for each of the three options, is as follows:

	<b>A. Adaptive Reuse (\$000)</b>	<b>B. New Development (\$000)</b>	<b>C. Mall Expansion (\$000)</b>
<b>REVENUES</b>			
County Levy	\$446	\$446	\$446
Provincial Grants	\$30	\$30	\$30
Self-generated revenues	\$134	\$154	\$110
<b>TOTAL REVENUE</b>	<b>\$611</b>	<b>\$630</b>	<b>\$587</b>
<b>COSTS</b>			
Staffing	\$484	\$484	\$484
Building-Related Costs	\$196	\$184	\$331
Program Delivery Costs	\$133	\$154	\$110
<b>TOTAL COSTS (gross)</b>	<b>\$813</b>	<b>\$821</b>	<b>\$925</b>
<b>TOTAL ADDITIONAL COSTS (net of revenues)</b>	<b>\$202</b>	<b>\$191</b>	<b>\$339</b>

The additional net cost required in a typical year of operation between Scenario A (Adaptive Reuse) and Scenario B (New Development) is on the order of \$11,000. The difference between these two is essentially negligible (and, as pointed out earlier, Scenario A is likely to be more reflective of the ultimate Vision for the Gallery). Both Scenarios A and B appear to be preferable, at least on an operating costs basis, to Scenario C, whose large additional operating costs result essentially from the additional annual lease payment.

The implications in terms of the additional annual investment required to operate the expanded Gallery as a break-even operation is shown in the table below. As indicated, the current County levy is just under \$450,000. The additional amount required under each scenario is shown as 'Additional Investment Required', and the total of the two shown as the 'Total Investment Required'. This ranges from approximately \$638,000 for Scenario B ('New Development') to just over \$785,000 for the 'Bayside Centre Expansion Scenario'.

	<b>A. Adaptive Reuse</b>	<b>B. New Development</b>	<b>C. Bayside Centre Expansion</b>
Current Investment Provided (through County Levy)	\$446,460	\$446,460	\$446,460
Additional Investment Required	\$202,125	\$191,336	\$338,627
Total Investment Required	\$648,585	\$637,796	\$785,087
% increase in investment required	45.3%	42.9%	75.8%

Note that the additional investment required need not necessarily be simply an extension or expansion of the County levy. An annual donations campaign subscribed to by both private and corporate citizens could provide a significant proportion of the additional funds required. Alternatively (or additionally) an endowment raised at the time of the capital campaign could generate an income stream that would help offset the additional funds required.

The summary financial analysis above is based upon detailed assumptions relating to the markets, revenues and costs for each option. The fundamental conclusion is that while the internal assumptions relating to costs and revenues may differ slightly for each of Option A and B, they are at the end of the day essentially equivalent on a net cost basis. (They are within about 5% of each other, which is approximately the error of the estimate in this case.) Accordingly, the decision as to whether one or the other is to be preferred should be made on the basis of adherence to the Vision (as previously discussed) as well as the overall capital cost.

## 7.6 Selection of Preferred Scenario

The foregoing assessment has shown that each of the three options identified provides a *possible* scenario for an expanded and relocated Gallery Lambton. However, given the analysis and assessment on the three options identified, the preferred scenario is A) the Adaptive Reuse option. The table below provides some of the rationale underlying this selection.

	<b>Option A. Adaptive Reuse (Downtown)</b>	<b>Option B. New Development (Waterfront)</b>	<b>Option C. Bayside Centre Expansion</b>
Adherence to Vision	X		(X)
Lowest capital cost			X
Good visibility	X	X	X
Proximity to complementary services	X		X
Potential to attract fundraising	X	X	
Potential to re-use significant buildings in community	X		
Lowest operating cost	(X)	X	
Lower operating investments required	(X)	X	

It is important to note there are several reasons to consider each of the adaptive reuse and new development options as they present advantages over the mall expansion option. However, on the very

important 'adherence to the Vision' dimension it is thought that the iconic waterfront option would be too far removed from the base of downtown cultural activity, and too much of an overt tourist attraction, to adequately enable that Vision to be achieved. (And while the current Bayside Centre location has proven to be one where the Vision can be achieved to some extent – witness the recent increases in attendance – it is felt that it has reached its capacity in this regard – hence the parentheses). On balance, assuming an appropriate site is available, the adaptive reuse building is favoured because of its downtown location and the ability to be part of a 'cultural tourism cluster', its ability to stimulate and revitalize the surrounding business area, its potential to save and re-use a historically and socially significant building, its lower capital cost relative to the new development which is appropriate given the current economic climate.

Accordingly, the remainder of the analysis presented here is predicated upon scenario A proceeding.

## **7.7 Economic Impact of Preferred Scenario**

### **7.7.1 Methodology Used**

The economic impact model used in this assessment was specifically created by the Ontario Ministry of Tourism for use in modeling the benefits associated with tourism developments in the province. Known as the Tourism Regional Economic Impact Model (TREIM), it enables the assessment of the economic impacts of a given development at the level of the province overall, or at a regional level (in this case, of course, the County of Lambton).

Economic impact analysis essentially examines the positive effects created in an area as a result of an injection of new expenditure. New expenditure in an economy – provincially or regionally – is in turn spent on goods and services within the jurisdiction under consideration, and several rounds of expenditure take place before the effect dissipates. (This dissipation takes place eventually as inevitably some goods and services are purchased from outside the area under consideration, and the purchasing power 'leaks away' elsewhere.) Economic impact analysis is a methodology of tracking and measuring these successive rounds of expenditure in order to determine the total value of the economic benefit that a new tourism development creates in an area.

TRIEM considers three types of new expenditure in an economy. These are:

- 1) the **construction** of a new facility, which tends to be a one-time injection of investment into a region, over a defined period of time (which may be more than one year);
- 2) the **operations of the new venture**, in terms of its purchase of employment, goods and services in the jurisdiction under consideration – the economic impacts of these operations of the business tend to occur year after year, and are thus typically measured on an annual basis; and
- 3) the **expenditures of visitors** who are either drawn into the area where they otherwise would not have visited (so-called 'destination visitors') or those who are already in the area but who extend their stay (and resulting expenditure) for some period of time as a result of the new attraction or development.

**Importance of incrementality** – Properly undertaken, economic impact analysis is very scrupulous about measuring only new (incremental) expenditure taking place in the region under consideration as a result of a new tourism attraction, in order to ensure that only economic activity that can be said to be **directly caused** by the new development is considered. Otherwise, economic activity that would take place in any

event (i.e. regardless of whether or not the new attraction is built) would be attributed to that project, thus giving an inflated estimate of the benefits accruing to the area as a result of the development. Accordingly in this assessment we have been very careful to estimate only the **new** or **incremental** injections of expenditure created by the new Gallery.

**Benefits measured** – There are several measures of economic benefit calculated by TRIEM; the ones of greatest focus in this assessment are:

- **Gross Domestic Product (GDP):** a measure of the total value of all goods and services that are produced within the jurisdiction under consideration, measured at current market prices, that is associated with the initial injection of expenditure - a common way of understanding GDP is the total amount of ‘wealth’ that is produced in an economy, so in economic impact analysis this is the total amount of wealth created in the area as a result of the injection of expenditure
- **Employment:** the total number of jobs, measured in full-time job equivalents (FTJEs), associated with the total GDP created – this accounts for full and part-time work, seasonal employment, and self-employed
- **Labour income:** the total amount of income associated with the aforementioned employment
- **Taxes:** associated with all rounds of expenditure, estimated at the federal, provincial and municipal levels

**Geographical areas of interest** – TRIEM allows two levels of analysis to be calculated: one at the provincial level (i.e. Ontario) and the other at a regional level (in this case, Lambton County). The following analysis examines impacts at both levels.

### 7.7.2 Construction Impact

As earlier outlined (Section 6.2), the total value of the construction project is anticipated to be on the order of \$6.4 million. TRIEM estimates the economic impact of a construction project of this order of magnitude as follows:

	Impact In Lambton County	Impact in the Rest of Ontario	Total Ontario Impact
GDP (\$ millions)	\$2.630	\$0.676	\$3.306
Employment (jobs – FTJE)	30	7	37
Labour Income (\$ millions)	\$1.797	\$0.433	\$2.230
Federal Taxes (\$ millions)	\$0.665	\$0.139	\$0.804
Provincial Taxes (\$ millions)	\$0.599	\$0.105	\$0.704
Municipal Taxes (\$ millions)	\$0.142	\$0.030	\$0.172
<i>All Taxes (\$ millions)</i>	<i>\$1.406</i>	<i>\$0.274</i>	<i>\$1.680</i>

It may seem counter-intuitive that the economic impact (in terms of GDP) is less than the original expenditure that generated it (which was on the order of \$6.4 million). This situation arises because part of the initial expenditure is immediately excluded from the economic impact analysis because it includes the cost of goods sold. In an economy like Canada’s, which is so tightly enmeshed with that of the US (and globally as well), there is a relatively high degree of leakage outside the country. Thus a high proportion of

any expenditure is in effect 'discounted' to take this leakage into account (and this effect is built into the TREIM model through the input-output tables upon which it is based).

As a simple example, imagine a Canadian retailer who has imported an item costing him \$40. He re-sells that item to a tourist for \$100. However, all of the \$100 does not enter into the economic impact model, because \$40 that the retailer spent acquiring the item has got to be subtracted. So, despite the tourist expenditure of \$100, only \$60 actually enters into the economy to be re-circulated and eventually accounted for in total economic impact. Thus there is no inherent reason to assume that the final estimates of impact will be larger than the original expenditure estimates.

### 7.7.3 Operations Impact

As discussed above, operating impacts come from two sources: 1) the operations of the Gallery itself, and 2) the expenditures of tourist visitors to the Gallery in the area. Our assumptions relating to expenditure in each category are as follows:

**A) Regarding Gallery Expenditures:** The previous analysis (section 7.5) has shown that expenditures of the expanded Gallery Lambton in a typical year of operation for the Adaptive Reuse scenario are expected to be \$813,004. Assuming that 75% of this is spent in the County (we assume that all employees will live in the County, and presumably some sort of local purchase policy would be in place for the remainder of expenditures) the economic impact of Gallery expenditures is estimated by TREIM as follows:

	Impact in Lambton County	Impact in the Rest of Ontario	Total Ontario Impact
GDP (\$)	\$495,600	\$29,431	\$525,031
Employment (jobs – FTJE)	11	0	11
Labour Income (\$)	\$354,325	\$20,001	\$374,326
Federal Taxes (\$)	\$131,845	\$6,517	\$138,362
Provincial Taxes (\$)	\$90,078	\$4,746	\$94,824
Municipal Taxes (\$)	\$1,871	\$525	\$2,396
<i>All Taxes (\$)</i>	<i>\$223,794</i>	<i>\$11,788</i>	<i>\$235,582</i>

**B) Regarding Tourist Expenditures:** The second area where the operations of the Gallery will have an economic impact on the community will be in tourist expenditures that might not otherwise have occurred in the County. Here we can make some simplifying assumptions as follows:

- The foregoing analysis (Section 7.2) has shown that there may be 3,500 tourists to the area who visit the Gallery
- Assume that each tourist spends \$50 more in the community as a result of the visit to Gallery Lambton (some will not spend any additional money that they otherwise would have, but some will buy an additional meal, some will spend an additional night, etc.) – an average additional expenditure of \$50 per tourist is a reasonable figure

- This implies an additional \$175,000 being spent in the area

When this is run through the TREIM model, the impacts are found to be:

	Impact In Lambton County	Impact in the Rest of Ontario	Total Ontario Impact
GDP (\$)	\$116,270	\$21,192	\$137,462
Employment (jobs – FTJE)	2	0	2
Labour Income (\$)	\$73,410	\$13,880	\$87,290
Federal Taxes (\$)	\$33,923	\$4,599	\$38,522
Provincial Taxes (\$)	\$26,948	\$3,430	\$30,378
Municipal Taxes (\$)	\$388	\$817	\$1,205
<i>All Taxes (\$)</i>	<i>\$61,260</i>	<i>\$8,846</i>	<i>\$70,106</i>

**C) Total Operating Impact:** When the operating impacts resulting from the operating expenditure of the Gallery and the expenditure of tourists are combined, the total impacts are as shown in the table below:

	Impact In Lambton County	Impact in the Rest of Ontario	Total Ontario Impact
GDP (\$)	<b>\$611,870</b>	\$50,623	\$662,493
Employment (jobs – FTJE)	\$13	\$0	\$13
Labour Income (\$)	\$427,735	\$33,881	\$461,616
Federal Taxes (\$)	\$165,768	\$11,116	\$176,884
Provincial Taxes (\$)	\$117,026	\$8,176	\$125,202
Municipal Taxes (\$)	\$2,259	\$1,342	\$3,601
<i>All Taxes (\$)</i>	<i>\$285,054</i>	<i>\$20,634</i>	<i>\$305,688</i>

#### 7.7.4 Return on Investment

The new Gallery operation represents a positive return-on-investment for the community. The analysis above shows that if the City and community invest \$648,585 [i.e. the existing \$446,460 annual operating subsidy plus the additional \$202,125 required for the new Gallery operation, as discussed in Section 7.5], then the additional economic benefit generated in the community is **\$611,870** (highlighted in the table above). In other words, every \$1 of investment contribution to the operation of the Gallery creates \$0.94 of **additional benefit** to the community in terms of additional Gross Domestic Product in the County (that is, the total value of additional goods and services purchased in the County<sup>3</sup>). In a sense, the investment of the community in supporting the Gallery is ‘paid back’ in the form of almost an equivalent amount of economic benefit (in the form of GDP) generated in the region.

<sup>3</sup> Calculated as \$611,970 divided by \$648,585 [= \$0.94]. In other words every dollar of municipal and community subsidy generates an additional 94 cents of GDP in the Region.

Another point must be made, through, relating to return on investment to the community. Investment in cultural infrastructure, such as Gallery Lambton, is an economic development strategy quite apart from the 'GDP payback' to the community as outlined above. While the primary reason to invest in cultural infrastructure is to provide cultural and social opportunities to residents of the County (which of course helps create a healthy and balanced community) there is a secondary economic benefit that must be recognized. This is that cultural infrastructure contributes to the level and type of quality of life in the community that in turn attracts the kind of creative people who invest in and start businesses, and thus generate jobs. (The geographer and economist Richard Florida call these individuals the 'creative class'<sup>4</sup>). This is another important way in which the economic return on investment in cultural infrastructure to the community can be conceptualized, although it is obviously not amenable to the kind of quantitative analysis as can be undertaken in assessing the economic impact of construction or expenditures.

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<sup>4</sup> See, for example, Richard Florida, *The Rise of the Creative Class*, Basic Books, 2002.

## 8.0 Implementation Plan for New Facility

### 8.1 Recommendations: Next Steps

There are a number of key next steps that need to be undertaken. The balance of 2009 would be undertaken by the following activities:

- l) Endorsement (or formal reception) of this plan by the Gallery's Advisory Committee and by the County Community Service Department
- m) Endorsement of this plan by County Council; resolution to proceed with further planning for a new Gallery
- n) Formation of a fundraising & marketing team; commissioning of a fundraising study
- o) Issuing of an RFP to identify potential site opportunities, evaluate these, and select a preferred site
- p) Site acquisition (if not already done)
- q) Preliminary concept design work

In 2010 the following would be undertaken:

- r) Fundraising (including with government)
- s) Detailed design work

Additional key tasks undertaken in the latter part of 2010 and beyond include:

- t) Construction (commencing in the latter part of 2010 and taking approximately 12 to 18 months to complete)
- u) Hiring additional staff (late 2011)
- v) Gallery opening (early 2012)

The Gantt chart below gives a visual representation of these activities by quarter.

Key Activity by Quarter	2009				2010				2011				2012
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
a) Acceptance of plan by Adv. Cte. and Community Service Dept.	■												
b) Acceptance of plan by County Council	■												
c) Formation of fundraising team		■											
d) Issue RFP to assess sites and designs		■											
e) Site acquisition			■										
f) Preliminary concept design work			■	■									
g) Fundraising					■	■	■	■	■	■	■	■	■
h) Detailed design work					■	■	■	■	■	■	■	■	■
i) Construction							■	■	■	■	■	■	■
j) Hiring additional staff:													■
k) Gallery opening													■

## 8.2 Basics of the Fundraising Strategy

A fundraising plan to raise the amounts required to develop the new Gallery (\$6.4 million as previously outlined) is a logical next step for the Gallery. Here there are a number of matters to be considered. The present study is not the place to develop this fundraising plan in detail (that is of course one of the key next steps) but we do here present some guidance as to the ways and means through which such a plan could be developed.

**Target Amounts:** A common formula for cultural capital projects is one-third from the federal government, one third from the province and one-third from the community. Often the understanding is that the one-third that is the community contribution might be evenly split between the municipality and the community. Further, the community contribution itself might be evenly split between the corporate sector and local foundations, and the general resident community. Accordingly, reasonable targets for the fundraising might be as follows (the amounts are slightly rounded for simplicity:

<i>Federal Contribution</i>					\$2.13 million	\$6.4 million
<i>Provincial contribution</i>					\$2.13 million	
<i>Local Contribution</i>	<i>From municipality</i>			1.07 million	\$2.13 million	
	<i>From community</i>	<i>From corporate sector</i>	\$530,000	1.06 million		
		<i>From residents</i>	\$530,000			

**Fundraising Team:** A fundraising team should be assembled, chaired by a dynamic and influential individual with extensive connections in the community and beyond, who is passionate about the opportunity of creating the new Gallery. This individual needs to have the credibility and authority to talk to her or his peers, and not be shy about asking for a major donation. This individual will have a reputation for philanthropy and giving back to the community, and often will personally or corporately be responsible for the lead gift. Other members of the fundraising team also should be well connected and prepared to work – it is not an honorary position, but rather one where participants are expected to give money, influence or time.

**Target Givers:** The fundraising plan will need to determine who the logical targets for a fundraising campaign will be and what the 'pitch' will be. Examples could include:

<b>Target Giver</b>	<b>Why They Might be Interested</b>	<b>The Pitch to Make</b>
- petrochemical companies; other large manufacturers	- creates a positive and different association in the mind of the public - very high profile initiative; lots of visibility - positive employee benefits (e.g. part of the deal could be that every employee gets a free 1-year membership)	- positive association with the Gallery - positive community relations
- companies that involve design and creative work (e.g. engineering firms, advertising firms, etc.)	- they will be very visibly associated with creativity and the arts in the public mind	- this is a way they show the public that they are concerned with and involved in creativity and quality
- large national retail and service companies (banks, big box retailers, etc.)	- this is a way to demonstrate that they are involved with the local community and concerned about its welfare	- positive association with the Gallery - positive community relations
- art collectors	- they love art and want to be involved	- opportunity to expose a wider public to the joys of art that they themselves have experienced
- general public	- they think the Gallery is a valuable public service and personally enjoy going	- there are a variety of ways to become involved - from buying a brick or get your name on a plaque, to more recognizable forms or recognition (e.g. sponsor a wall) - satisfaction of doing good for present and future generations

There are other possibilities as well. The fundraising team and their consultant (assuming one is hired to develop a fundraising plan) should consider these and others, using the underlying logic of this approach.

**Government:** As previously mentioned in many respects with the new Federal budget of January 2009, the timing is right for cultural infrastructure projects. Early on, the County should commit to a specific amount, contingent upon funding being raised from other levels of government and the community (as described) above. Federal and provincial members of parliament should be cultivated so that they are in the loop and can exert influence where appropriate. Staff of the Gallery, working with the fundraising team, will need to go through the various application procedures for funding for the government portion of the project (e.g. Infrastructure, Cultural Spaces, etc.)

**Lead Gift:** The lead gift is the largest single contribution from the community, often a significant percentage of the overall cost. If the lead gift can be secured early in the campaign it will act as a significant catalyst in stimulating additional contributions as well. The lead gift may be in return for naming rights; one of the decisions the Gallery will need to make early on is whether or not the naming rights will be for sale.

**Fundraising & Marketing Consultant and Strategy:** A fundraising & marketing consultant should be hired to create a fundraising and marketing plan, based upon the fundamental logic outlined here, that can guide the fundraising team and Gallery staff in on-going fundraising efforts. This fundraising firm may or may not get involved in actual fundraising efforts themselves, depending upon the level of comfort and ability on the part of staff to get involved implementing the directives contained within the plan.

## **Appendix A – Interviews**

Lisa Daniels, Gallery Lambton, Curator

Kristi Sills, Administrative Assistant

Walter Petryschuk, GLAC

Terry McCallum, Director, Community Services City of Sarnia,

David Korff, Chairman, Visual & Performing Arts Department, St. Clair County Community College

Jane Hunter, Artist

Jim Elliott, Dean, School of Business and Sports Administration, Lambton College

Ron Van Horne, CAO, Lambton County

Jennifer Fitzpatrick, Pendlebury Cost Consultants

Estimation Department, Priestly Demolition

Peter Spoelstra, CB Richard Ellis

Rose Branton, CIBC Branch Manager, Sarnia

John Gilvesy, Developer

Ken Poore, Developer

Robert Tremain, Lambton Heritage Museum

Mike Schnare, Director of Planning, City of Sarnia

Mike Ireland, Senior Economic Development Consultant, Sarnia Lambton Economic Partnership

Doug Bain, Royal LePage, Sarnia

Kevin Bruce, Property Manager, Bayside Centre

Mike Southin, Gentech Insurance, Toronto

Alan Avis, Heritage Architect

**Members Focus Group**

Lois Gomes

Joan Carver

Dorothy Plumley

Wendy Washington

Jillian Holmes

Veronica Luyt

Neville Clarke

Carol Stirling

**Cultural Administrators, Community Artists, Educators Focus Group**

Dagmar Vrkljan, Sarnia Artists Workshop

Lorna Schmidt, Sarnia Artists Workshop

Jim Richards, Stones and Bones

Sheila Brown

Jim Elliott, Lambton College

Leonard Segall, Sarnia Photographic Club

Ann Stirling, Executive Director, Lawrence House Centre for the Arts

Rich Poore, Manager, Imperial Theatre

Steve Chitovas, Owner, Grace Brothers Antiques and Gallery

Mary Abma, Artist

Thomas Ackermann, Artist

Jane Austin, Artist and teacher

Norm Barney, Artist

Skot MacDougall Artist

## **Appendix B – Background Material Reviewed**

Gallery Lambton Strategic Plan

Cultural programming grant application

Sarnia / Lambton Community Profiles

Municipal Cultural Strategies Initiatives Report (website)

Advisory Committee Retreat

Tillman / Ruth Report – '93 Planning Library / Gallery

Waterfront Master Plan

Citizen's Report – Downtown – Tourism Destination

SKEP Strategic Plan

Existing Facility Drawings

C. Di Cocco – survey / study

County's Strategic Plan

Bayside Centre and County of Lambton Lease Agreement for Gallery Lambton

## Appendix D – Detailed Financial Analysis

	A. Adaptive Reuse	B. New Development	C. Bayside Centre Expansion
<b>REVENUES</b>			
County Levy	\$446,460	\$446,460	\$446,460
Provincial Grants	\$30,000	\$30,000	\$30,000
Paint sales - rentals (net)	\$0	\$0	\$0
Paint sales - shows (net)	\$0	\$0	\$0
Gift shop (net)	\$31,535	\$36,387	\$26,684
Art classes (net)	\$10,699	\$12,345	\$9,053
Bus trips (net)	\$17,888	\$20,640	\$15,136
Workshops - shows (net)	\$3,819	\$4,407	\$3,232
Workshops - programs (net)	\$3,869	\$4,464	\$3,274
Lectures (net)	\$8,004	\$9,236	\$6,773
Other F&S charges	\$6,557	\$7,566	\$5,548
Donations / admission fee	\$42,047	\$48,516	\$35,578
Transfer from reserves	\$0	\$0	\$0
Admissions revenue	\$0	\$0	\$0
Facility rental (events)	\$10,000	\$10,000	\$5,000
<b>TOTAL REVENUE</b>	<b>\$610,879</b>	<b>\$630,021</b>	<b>\$586,738</b>
<b>COSTS</b>			
Staffing	\$483,851	\$483,851	\$483,851
Office	\$11,158	\$11,158	\$11,158
Building - lease	\$0	\$0	\$182,952
Janitorial maintenance, security, supplies	\$23,985	\$23,985	\$23,985
Building - utilities	\$53,311	\$53,311	\$53,311
Operating - collections, liability insurance	\$20,879	\$20,879	\$20,879
Building maintenance / reserve fund	\$45,000	\$30,000	\$0
Building insurance	\$5,120	\$8,000	\$0
Operating - other	\$36,285	\$36,285	\$36,285
Services	\$347	\$347	\$347
Painting sales - rentals	\$0	\$0	\$0
Painting sales - shows	\$0	\$0	\$0
Gift shop	\$15,768	\$18,194	\$13,342
Art classes	\$14,310	\$16,512	\$12,109
Bus trips	\$3,056	\$3,526	\$2,585
Workshops - shows	\$3,095	\$3,571	\$2,619
Workshops - programs	\$6,403	\$7,388	\$5,418
Lectures	\$5,246	\$6,053	\$4,439
Other Program Delivery	\$85,190	\$98,297	\$72,084
Transfer to Reserves	\$0	\$0	\$0
<b>TOTAL COSTS (gross)</b>	<b>\$813,004</b>	<b>\$821,356</b>	<b>\$925,364</b>
<b>TOTAL ADDITIONAL COSTS (net of revenues)</b>	<b>\$202,125</b>	<b>\$191,336</b>	<b>\$338,627</b>