

# Spruce Grove and District Agricultural Heritage Society Building Project Feasibility Study

Council Presentation  
September 27<sup>th</sup>, 2016



# Presentation Overview

1. Project Objectives & Process
2. Key Consultation & Research Findings
3. Facility Program
4. Financial Implications (capital and operating)
5. Suggested Next Steps

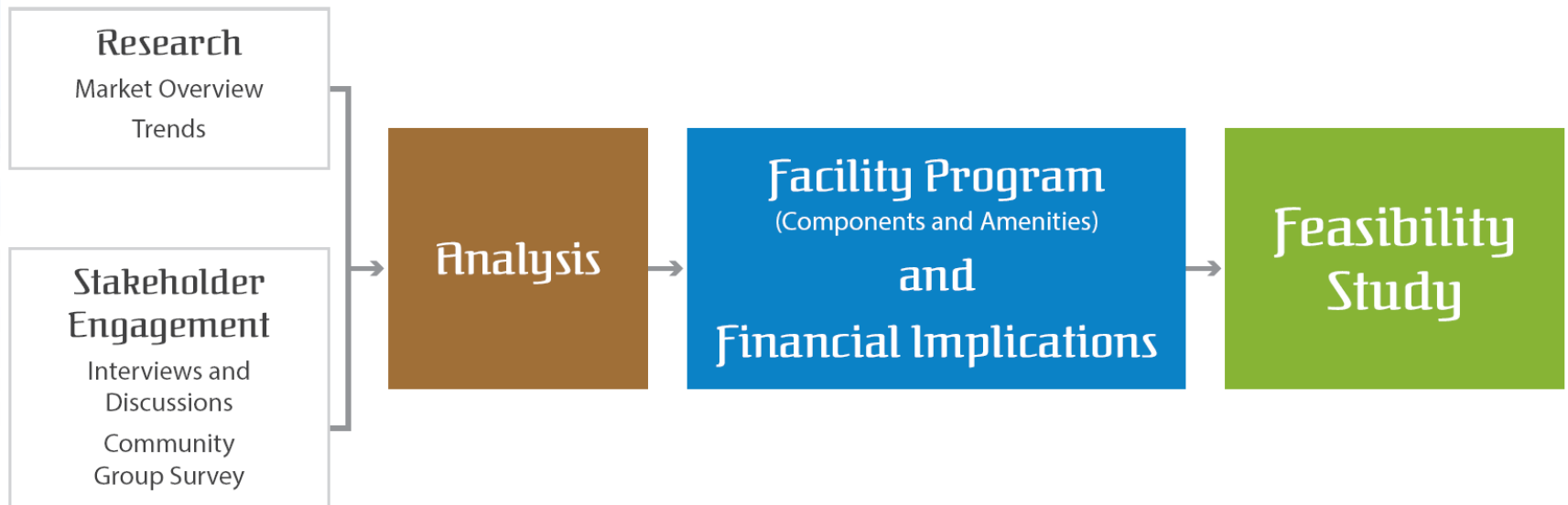


# Project Objectives

- Further assess the viability of the project.
- Identify components and amenities that could be part of a new facility.
- Clarify potential costs and financial requirements.
- Provide the Society with an information tool that can inform future decision making.



# Project Process



# Consultation

- 9 interview sessions (some with multiple participants).
- 4 groups provided feedback by completing a questionnaire.
- Participating organizations included: Pioneer Museum; Spruce Grove Chamber of Commerce; Allied Arts Council; Parkland Village Community Centre; Kinsmen Club; Spruce Grove Farmers Market; Millgrove School



# Consultation – Key Themes

- The Grain Elevator site is important to the community.
- Opportunities exist to expand the cultural capacity of the community.
- If the Society undertakes new development, facility needs to be of the right size and scale.



# Consultation – Key Themes

- The Grain Elevator site has accessibility challenges that need to be resolved.
- Active and ongoing programming of the facility and site will be crucial to operations of a new building.
- Strong appreciation exists for the Spruce Grove and District Agricultural Heritage Society.
- The organization needs to ensure capacity exists before moving forward with a new facility.



# Research – Key Findings

- Local and regional population is growing rapidly; especially among younger demographics.
- Variety of heritage interpretive and social gathering spaces in the region.
  - Market may be saturated with mid-sized facilities (~200 – 400 capacity).
  - Limited smaller spaces (<200 capacity) with suitable amenities.
- Broad range of farmers markets in the region.
  - Many serve local market while a handful appeal to regional residents.
  - Limited number of dedicated public market spaces.





# Research – Key Findings

Trends suggest that...

- The majority of cultural and heritage tourists make short but frequent trips.
- Service levels, comfort and social amenities, and quality of experience are important.
- Volunteerism is evolving.
- Multi-use facilities and spaces can maximize use of available resources and help increase sustainability.
- “Incubator” spaces are in-demand and can help foster start-up businesses and sectors.



# Facility Program

- Informed by the research, consultation and building committee.
- Overarching considerations:
  - Mandate of the Society
  - Flexibility of spaces (multi-use)
  - “Right sizing” the facility
  - Balance community benefit with revenue generation requirements



# Facility Program

Component/Amenity	Space Required	Benefits and Uses
Museum	3,000 ft <sup>2</sup>	Collection space for artifacts and displays.
Archives	1,500 ft <sup>2</sup>	Climate controlled space for archived artifacts.
Indoor Market/Multi-Use Space	3,000 ft <sup>2</sup>	Public market space for farmers market and other community uses (e.g. small trade shows, social functions, cultural programs).
Commercial Kitchen	1,500 ft <sup>2</sup>	To service events and functions.
Social Gathering/Multi-Use Space	3,000 ft <sup>2</sup> (~100 person capacity)	For small events, social functions, cultural programs, and community programming.
Adjoining Multi-Purpose Program Rooms (2)	1,600 ft <sup>2</sup> (~20 person capacity for each space)	Meeting and program space. To support other facility spaces or for dedicated use.
Storage Space	2,000 ft <sup>2</sup>	To support facility activities.
Office Administration Spaces	600 ft <sup>2</sup>	To support facility staff and operations.
Lobby and Entryway	2,300 ft <sup>2</sup>	To support pedestrian flow and program space.
Washrooms	2,000 ft <sup>2</sup>	To support facility capacity.
Exterior Patio	1,500 ft <sup>2</sup>	Adjacent outdoor space to accommodate expanded markets (summer) and social gatherings.
<b>Total Space</b>	<b>22,000 ft<sup>2</sup></b>	



# Capital Costs & Considerations

- \$5.275 M excluding fees and contingencies (estimated ~\$897,000)
- Combining the indoor market and social gathering spaces could result in a cost savings of ~\$1 M but may impact revenues.

*\*Estimates are +/- 20%*



# Preliminary Operational Cost Estimates

- Developed to show revenues and expenses that will be required to operate a positive position.
- Key assumptions / requirements:
  - No ongoing debt servicing
  - Ongoing lease arrangement for weekday use of the social gathering space (@ \$12.50/ft<sup>2</sup>)
  - Society will more actively generate revenues from programming (offered directly and/or through partnerships with other organizations)
  - The Society will actively participate in the rental market (e.g. weddings, social functions, program space, incubator)
  - Sponsorship revenues assumed to capital
  - Capital replacement allocations are not included (but will need to be addressed)



# Preliminary Operational Cost Estimates

## Key operating conclusions:

- It is reasonable that the facility could operate at slightly better than break even position.
- However, the Society will need to evolve and invest in adequate resources.
- Partnerships will be required.

	Year 1 (—)	Year 2 (15%)	Year 3 (10%)	Year 4 (8%)	Year 5 (5%)
Revenues	\$251,080	\$288,742	\$317,616	\$343,025	\$360,177
Expenses	\$237,400	\$273,010	\$300,311	\$324,336	\$340,553
Net	\$13,680	\$15,732	\$17,305	\$18,690	\$19,624



# Suggested Next Steps (for the Society)

- Further engage the City in discussions regarding:
  - Improving site access
  - Cultural Services Master Plan
  - Opportunities to align with other identified needs and potential projects
- Develop a sustainability plan (focus on volunteer recruitment and retention)
- Continue to engage with stakeholders



# Suggested Next Steps (for the Project)

- 1) Develop/finalize the capital cost funding model
- 2) Secure funding commitments from all necessary partners and stakeholders (including internal fundraising)
- 3) Determine construction/project delivery model
- 4) Construct the facility





# Thank You

## Questions?

