

FEASIBILITY STUDY
FOR THE
WRIGHT FAMILY
ARTS & ENTERTAINMENT
CENTRE



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Management and Planning Consultants

In conjunction with

MALHOTRA AND NICHOLSON ARCHITECTS

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1.0 INTRODUCTION

Interest in the development of a Cultural Centre, developed around a Performing Arts Theatre, has been discussed for a number of years by Strathroy and area cultural groups and residents. The idea has been identified as an important part of developing a range of leisure services within the community via the Cultural Master Plan. Such a Centre would provide opportunities to further develop resident interest in a range of arts and cultural activities, and support economic development within the community.

In the late 1990's and early 2000's, efforts were made by community representatives to give consideration to a theatre being part of the new Strathroy Secondary School's Multi-Use Project, which involved the building of the new Strathroy and District Collegiate Institute and Holy Cross Catholic Secondary School. A number of meetings and presentations were held at that time, however, the community groups were not in a position to develop the concept and to raise the funds necessary within the timelines for development of the school facilities. At that time, the school's conceptual design created the possibility of a theatre/cultural centre being added at some future date.

The Strathroy District Arts Council was formed in 2000 initially to continue to actively pursue a Cultural Centre and has expanded its role as a co-ordinating group for arts and cultural initiatives in Strathroy-Caradoc. Networks have developed with the business community through the Chamber of Commerce, the Township of Strathroy-Caradoc, and the Business Improvement Area; the hosting of cultural development workshops; and other initiatives. Also, efforts were made to identify potential donors and other resources that would facilitate the planning processes and development steps necessary to achieve a Cultural Centre for Strathroy and area. As well, the Strathroy District Arts Council continued to work on various models of facility design, program considerations that would facilitate operating financial feasibility and to examine different strategies in going forward with this initiative.

In the spring of 2005, the Arts Council was successful in securing a \$1 million gift from Mr. Donald J. A. Wright. He is a member of a long-time Strathroy family and grew up in the community. He is well known for his philanthropic support to universities, music conservatories and community initiatives. His gift was designed to be the lead donation that would create a strong foundation for the development of a Cultural Centre. It was also a naming gift for the proposed Wright Family Centre.

As part of the cultural facility development process, the Strathroy District Arts Council required the preparation of a Feasibility Study to assess and develop the following considerations in going forward:

- What programs and service providers would be interested in being part of a multi-use cultural facility in Strathroy? This information was needed to determine the mix of programs and services, to determine the size and special features the facility would require and the capital and operating funds that the groups would have available to support Centre construction and operations;
- To establish the square footage, special features and related physical plant considerations as a basis to determine site requirements, and to project capital and operating costs;
- To identify potential sites and proposed building footprints in concept form only;
- To develop a capital financing program, including fundraising requirements, as well as an operating pro forma to determine the ongoing feasibility of operating the Centre;
- To develop a management plan for the effective governance and operation of the Centre.

In the summer of 2005, F.J. Galloway Associates Inc., of London Ontario, in conjunction with Malhotra Nicholson Architects of London Ontario, were retained by the Project Steering Committee of the Strathroy District Arts Council to complete the Feasibility Study. The work completed in support of the Feasibility Study has involved the following:

- Interviews with over nineteen people who were representatives of various arts and community services groups; municipal officials; potential funders; and others, to determine specific space requirements; the viability of their participation in the project; resources they could provide the project, both in terms of capital and operating; mixed use versus designated space potentials; timing requirements; etc;
- Several discussions with two representatives of the movie industry that might have an interest to participate in the use of / support the facility as a movie theatre;
- An investigation of sixteen possible venues across Strathroy;
- Development of capital cost alternatives based on facility size and user mix, and operating pro forma;

- Discussions with the property manager at the Secondary School Complex on amphitheatre and school community usage for cultural activities;
- A review of the Wolfe Hall facility at the London Public Library to assess alternative designs and utilization;
- Other tasks to support the development of the Feasibility Study.

This document represents the second draft of the Feasibility Study, focusing on the partnership development, facility requirements and site/venue analysis components. It also provides initial capital cost forecasts and operating proformas based on the two strategies that are evolving.

This draft material and alternatives will be reviewed by the Board of the Strathroy District Arts Council, the Wright Family, and others prior to the completion of final draft report.

2.0 MARKET AND SERVICES ASSESSMENTS

2.1 Introduction

A series of tasks have been completed to assess cultural service alternatives and key market considerations related to population, the competitive environment, etc. The following sections detail the related information derived from statistical data and various reports completed over the last number of years.

2.2 Market Setting

The Township of Strathroy-Caradoc represents the amalgamation of the former Town of Strathroy and the Township of Caradoc, which includes the village of Mount Brydges, etc. The Township is one of the members of the County of Middlesex, which is home to approximately 70,000 residents. The County of Middlesex essentially surrounds the City of London on three sides. Thames Centre is on the eastern side of London; Middlesex Centre, Lucan-Biddulph and North Middlesex are to the north and west of London; and Adelaide-Metcalf, Strathroy-Caradoc, Southwest Middlesex and Newbury are to the west and south. The total market area has a population of approximately 410,000 individuals, with 330,000 individuals living in the City of London, and 80,000 in Middlesex County.

Strathroy-Caradoc is approximately a twenty-five to thirty minute drive from London on two major arterial routes. The first is County Road 14 that connects London and Mount Brydges, as well as with Highways 39 and 402 to Strathroy. The other route is via Highway 22. Based on the traffic study and the results of the Needs Assessment Community Survey, as well as observation and input from the Arts Council, there is significant traffic flow between London and Strathroy-Caradoc, with many residents in Strathroy-Caradoc working and/or seeking educational, commercial and professional services in London, with some Londoners working in the various employment enterprises in Strathroy.

To the west of Strathroy-Caradoc lies the County of Lambton. The Township of Warwick lies within a thirty-minute drive of Strathroy and has a population of approximately 5,000 residents. The Municipality of Lambton Shores lies to the north and the Township of Brooke-Alvinston to the south. The travel time to these areas, in terms of their urban nodes, is generally thirty minutes.

Strathroy exists within three market zones where it could be the possible centre-point:

- Adelaide-Metcalf and Caradoc-Strathroy as a primary market;
- The western portions of Middlesex Centre, the southern portion of North Middlesex and some areas of Southwest Middlesex as a secondary market;
- A tertiary market related to the eastern portions of the County of Lambton, the residual areas of Middlesex Centre and North Middlesex and potentially some parts of London depending on specific situations.

2.3 Population Profile

.1 Market Populations

Table 2-1 provides data with respect to market populations. For the primary market area, the projected population for 2006 is 23,529 residents, growing to 24,556 residents in 2011. After 2011, a marginal decline in population is identified for both components of the primary market. Therefore, the primary market population is going to hold at approximately 24,000 residents.

**Table 2-1
Market Population**

Municipality	2006	2011	2016	2021
I Primary Market Area				
Adelaide Metcalfe	3,249	3,324	3,236	3,197
Strathroy-Caradoc	20,280	21,232	21,089	21,040
Total Primary Market Population	23,529	24,556	24,325	24,237
II Secondary Market Area				
50% Middlesex Centre	7,641	8,006	8,154	8,256
50% North Middlesex	3,500	3,502	3,340	3,192
Southwest Middlesex	6,135	6,094	5,679	5,375
Total Secondary Market Area	17,276	17,602	17,173	16,823

Source: 2003 County of Middlesex Population Projection 2001-2026 Reference Scenario

The secondary market represents 17,276 residents in 2006, growing to 17,602 residents in 2011. Again, declines are identified in the post-2011 era, resulting in a secondary market population of approximately 17,500 individuals.

From a gross population basis, the core audiences for attendance to movies, theatre productions, special events, rentals, etc., will likely come from a population of about 25,500 on a primary basis and 17,500 on a secondary basis. In addition, some other opportunities to attract audience members, participants and rentals could accrue on a broader market basis, however the competitive context becomes increasingly intense as one moves beyond the secondary market.

.2 Population Age Profile

Table 2-2 examines the age profile comparison for Strathroy-Caradoc for 1991 to 2001. As a surrogate reference point, the 2021 County of Middlesex projected age profile is utilized to examine the future context. The data was sourced from the 2003 County of Middlesex Population Projections, 2001 to 2026 using the reference scenario which was one of three scenarios presented. Since the data did not breakout individual municipalities within the County of Middlesex, and since Strathroy-Caradoc constitutes one third of the County population, there would be some co-relationship to utilize countywide data for this assessment.

**Table 2-2
Age Profile Comparison**

	2021 County of Middlesex		2001 Strathroy-Caradoc		1991 Strathroy-Caradoc	
	#	%	#	%	#	%
0-4	2,771	4.0	1,205	6.3	1,440	8.3
5-9	2,724	3.9	1,530	8.0	1,366	7.8
10-14	4,730	6.7	1,510	7.9	1,267	7.3
15-19	5,191	7.4	1,395	7.3	1,204	6.9
20-24	3,688	5.3	1,035	5.4	1,111	6.4
25-29	3,803	5.4	1,066	5.6	1,454	8.3
30-34	4,482	6.4	1,280	6.7	1,533	8.8
35-39	4,719	6.7	1,575	8.2	1,340	7.7
40-44	4,357	6.2	1,590	8.3	1,199	6.9
45-49	4,099	5.8	1,375	7.2	1,002	5.7
50-54	4,445	6.3	1,205	6.3	855	4.9
55-59	5,422	7.7	955	5.0	735	4.2
60-64	5,472	7.8	820	4.3	715	4.1
65-69	4,438	6.3	730	3.8	678	3.9
70-74	3,767	5.4	690	3.6	609	3.5
75-79	2,445	3.5	540	2.8	459	2.6
80-84	1,522	2.2	365	1.9	277	1.6
85+	2,014	2.9	240	1.3	198	1.1
Total	70,089	100.0	19,106	100.0	17,442	100.0

Source: 2003 County of Middlesex Population Projection, 2001-2006, Reference Scenario

The following key trends are identifiable within the population age mix:

- Potentially substantial declines in the proportionality representation of the zero to four and five to nine age cohorts, declining from 8.2% to 6.3% in ten years for Strathroy-Caradoc, and potentially falling below 4.0% of the population by 2021;
- Relative stability between 1991 and 2001 for the five to nine and ten to fourteen age cohorts on a proportional basis for Strathroy-Caradoc;
- The fifteen to nineteen age group population has shown some stability;
- The 20 to 24 age group is showing significant decline proportionately, reflecting their out migration to secure post-secondary education and/or employment. A similar perspective is offered for the 25 to 29, and 30 to 34 age groups;
- For the adult age categories, ages 35 to 49, for Strathroy-Caradoc, there is an increase reflecting the impact of the “baby boom” for the ten year period. Similarly for the 1991 to 2001 period, there is proportional growth for the 50 to 64 age groups. These numbers increase substantially for the 2021 County age statistics, reflecting the “baby boom” impact which will occur around 2016 relative to them being over the age of sixty;
- All the age categories above sixty-five years have shown stability or growth between 1991 to 2001 for Strathroy-Caradoc, and significant growth is projected for the 2021 period for the County of Middlesex, again reflecting the impact of the “baby boom”.

The age profile for Strathroy-Caradoc is tracking broader trends. These trends reflect an aging population, whereby the “baby boom”, which is currently approximately 43/44 to 58/59 years of age, and which constitutes approximately 30% of the population. This aging profile is of interest as there has been some tendency for individuals, as they become older, to take an increasing interest in artisanship activities, culture, theatre, bird watching, heritage, genealogy and related leisure and personal interests.

.3 Summary

The population assessment identifies a primary market of approximately 24,500 individuals and a secondary market of 17,500 individuals of which 30% will be of the baby boom generation. This number

will remain relatively stable for ten years, and then will show some marginal declines. From an age perspective, the population of Strathroy-Caradoc and the County will follow key provincial and national trends related to an aging profile and decreased proportionately for the under twenty years of age population across the age spectrum.

2.4 Cultural and Market Related Documents

A series of documents have been developed over the last number of years with respect to cultural services within Strathroy-Caradoc. The following material provides some highlights from these materials.

.1 Survey of the General Public in Strathroy-Caradoc Regarding Arts, Culture and Heritage (Needs Assessment)

This survey was undertaken in April 2004 by Insights Inc., of London, Ontario as part of the needs assessment input to the development of a Cultural Master Plan for the community.

The following points represent some the key findings:

- Residents are quite active in attending arts, culture and heritage events and attractions, with the majority of their spending occurring outside the Township. Some 85% of entertainment spending occurred outside the community;
- Within the community, a strong perceivable need to learn more about what is happening locally in response to arts and culture, and a willingness to attend local events;
- Increased awareness was linked to increased participation for the events now occurring in Strathroy-Caradoc, particularly for activities with a more broad-based appeal. Communications was identified as a vital strategy;
- Strong identification that respondents felt that increased arts and cultural opportunities would enhance tourism and would benefit the economy of the community.
- 80% of respondents indicated that events are important to the community, despite being in close proximity to London;
- 74% of households have spend money on arts and cultural participation and entertainment, only 43% of households have spent money on participation in sports;

- 45% of respondents had attended a concert in the last year; 41% a professional theatres and 20% an amateur theatre event; 28% attended a museum or heritage site; 21% an art gallery or art event. Overall, 68% of respondents had attended, in the last year, one of the core arts and cultural activities;
- 89% of arts and cultural activity occurred outside of Strathroy-Caradoc, ranging from a high 94% for professional theatre to a low of 66% for art gallery / art event. Some 36% of this type of activity occurred in Strathroy and 9% in Caradoc;
- Some awareness levels were relatively high, with 85% being aware of the Strathroy Museum; 52% the Gallery at the Strathroy Library; 50% for the Strathroy Community Players; and 38% of the Strathroy District Arts Council;
- 75% of respondents identified that their attendance at a arts or cultural activity was inhibited because they did not hear of what was going on; 75% indicated there wasn't much going on, while 69% agreed that better quality entertainment was available elsewhere;
- Respondents were asked their interest in attending various arts and cultural activities in Strathroy with the following results: 76% indicated a concert; 71% professional theatre; 62% amateur theatre; 50% a museum; and 42% for an art gallery or art event;
- 58% of respondents were in favour of the concept of a multi-use cultural centre, with 33% being neutral and 9% against;
- Some 51% of respondents were in favour of a monetary contribution by the Township towards a centre, with 31% neutral and 18% against;
- In terms of activity / event preferences, the following response levels were achieved:
 - Movie theatre, 68%;
 - Multi purpose area, 55%;
 - Performance hall, 40%;
 - Museum location, 39%;
 - Space for Chamber of Commerce, 21%.

The market survey research indicated several key outcomes:

- High awareness levels of what exists, but a sense that not much is occurring;
- 85% of the entertainment dollars spent leave the community;
- Significant interest in arts, cultural, heritage and special event activities;
- A strong interest by over two thirds of the respondents, for a movie theatre and by over one half for a multi-purpose arts and cultural area.

The data would indicate that if a multi-use facility could bring together a number of key arts and cultural activities, it could develop important utilization profiles related to a movie theatre, multi-purpose arts and cultural areas, a performance hall, etc. Such a strategy would both capture some of the dollars leaving the community for entertainment and potentially generate new dollars due to access and convenience. This outcome is identifiable due to the significant outpouring of entertainment activities to other urban centres, principally London, and the high interest level expressed by survey respondents who would not be going to London at all or less frequently than if some of these art and cultural activities were available directly in Strathroy.

.2 Strathroy – Caradoc Cultural Master Plan

In 2004, the Strathroy District Arts Council prepared a Cultural Master Plan. In the Major Findings section of the Plan, the key outcomes of the survey are articulated. However, a number of other key considerations were also put forward:

- The social benefits of arts, culture and heritage services are evolving based on a growing body of research that demonstrates the unique power of arts, culture and heritage that supports community building and economic development. The key benefits are:
 - Residents have the opportunity to express themselves in a creative manner;
 - Gives definition and substance to the various dimensions of the community and its culture;
 - Marks significant people, places or events;

- Inspires, entertains, educates and even promotes audiences;
- Reaches out to people across cultures, races and ages.
- In regards to benefits for youth-based arts, culture and heritage, it can:
 - Develop and create innovative thinking ability;
 - Assist in organizing and expressing emotion;
 - Explore and develop values and morality;
 - Better understand cultural identity and differences;
 - Increase motivation, positively impacting academic success;
 - Generate a greater sense of trust and acceptance of others;
 - Improve reading achievement, math skills and language skills;
 - Improve learning perception, awareness, concentration and problem-solving.
- In terms of community benefits, the following were identified:
 - Significant positive economic impacts;
 - Increased public trust;
 - A more intelligent community;
 - Civic pride.

The report goes on to articulate quality of life, engine for economic development and our legacy and gift as three other strategic themes. All these dimensions provide further significance in regards to the value of arts and culture within a community.

Based on the research and assessments, the following seven objectives for the Cultural Master Plan were identified:

- Identify the strategic roles the municipality can play in the development of a vital arts and cultural community;
- Create new employment and business opportunities;
- Assist with the growth and evolution of the Strathroy District Arts Council as the local leader of the arts and cultural community, in conjunction with the Township of Strathroy-Caradoc and their heritage operations;
- Create long-term growth in established arts and culture programs through increased attendance;
- Create new arts and culture opportunities for youth and other identifiable groups;
- Improve the flow of communications within the arts and culture sector of the community;
- Explore possibilities for community festival (s), involving partners from the various sectors of the community as a primary attraction for tourists.

One of the key strategies identified within the Cultural Master Plan for Strathroy-Caradoc was the possibility of a multi-use cultural facility being developed as a centre for the arts within the community. This was based on the needs identification within the market survey for a movie theatre, multi-purpose areas, performance hall and a museum location. The multi-use concept was particularly supported by the residents, 62% in favour in Strathroy and 50% in Caradoc; as well as amongst younger respondents, 71% of those 19 to 34 years of age were in favour, compared to 50% to 60% in all other age groups; as well as amongst those who had shown support for enhanced cultural activities within the community.

The benefits of a multi-use concept were identified as follows:

- Cost savings relative to both capital and operating expenses due to better economies of scale;
- Increased economic activity related to restaurants, sale of gas, retail shopping, etc;
- Developing new life for underutilized spaces within the community;
- Better total time utilization of space;
- Support for downtown revitalization.

The Cultural Master Plan identified a wide array of initiatives to further enhance, develop new and to broaden the overall base of arts and cultural opportunities, leadership and resourcing within the community. The notion of partnership was significantly identified, as well as mobilizing the interests of community members and developing sustainable arts and culture capacities and resources.

.3 Strathroy – Caradoc Multi-Use Cultural Centre – Planning Workshop, February 1st, 2005

The Strathroy District Arts Council, BIA, MADY Development Corporation and the Township of Strathroy-Caradoc, facilitated the undertaking of a planning session that involved a wide array of community members and representatives. The key points of discussion were:

- Type of cultural centre preferred;
- Possible community benefits;
- Who might be involved;
- Challenges;
- Next steps.

The benefits that were identified by the forum participants were as follows:

- To improve and expand opportunities for arts and cultural programming and events;
- To strengthen local arts and cultural organizations;
- To contribute to the community's economy by supporting and developing local business and attracting visitors;
- To contribute to the development of the downtown area.

The general perspective was that an arts and culture centre would have both community artistic and cultural and economic development benefits. These range from enhancing the community's identity and image, to enriching tourism development opportunities, to retaining residents and businesses within the community. Also, expanding the supply of arts and culture programs, enriching the quality of life and developing greater cooperation through partnerships amongst arts and culture groups, were also identified as key benefits.

The most preferred spaces for a multi-use cultural centre were identified as:

- Key program and activity areas;
- Customer and user amenities;
- Facility support and administrative areas.

The facility components and their priorities were identified as follows:

- Dedicated studio space;
- Gallery space;
- Banquet hall;
- Dance studio;
- Library;
- Theatre/performance space;
- Movie theatre;
- Museum;
- Multi-purpose program space;
- Community office space;
- Tourism Information

The key principles guiding the development for such a centre were cited as follows:

- Multi-use;
- Financial sustainability;
- Community capital support;
- Private sector participation;
- Inclusiveness;
- Downtown location.
- Maximum use;
- Innovative;
- Unique;
- Accountability;
- Compatibility;

Potential partners in the project were identified as the Arts Council, the BIA, the Chamber of Commerce, the municipality, senior levels of government and various private interests. It was identified that the Arts Council should take the project lead.

From this session, the need for a Feasibility Study was identified based on the principles and facility components/perspectives that have been developed by the forum participants.

.4 Strathroy- Retail Market Study prepared for 362216 Ontario Corporation, July 2004.

This study was prepared by a consulting firm for a specific retail development within the community. Some of the relevant perspectives from a market context are identified as follows:

- The primary market area involved portions of the Township of Warwick, the Township of Brooke-Alvinston and the Township of Southwest Middlesex. The Township of Strathroy – Caradoc and the Township of Adelaide-Metcalf. This represented 51.4% of the total trade area population;
- The secondary trade area involved the Municipality of Lambton Shore and parts of the Townships of Warwick, Brooke-Alvinston, Dawn-Euphemia, North Middlesex, Southwest Middlesex and Adelaide-Metcalf, as well as portions of the Municipality of Chatham-Kent;
- The primary area trade population in 2001 covered 29,000 individuals, growing to 32,000 by 2016. For the secondary trade area, the population was 56,500 residents in 2001, growing to 60,000 residents in 2016;
- The household income level for the primary market area was \$20,000 per year, compared to \$20,400 in the secondary zone and \$24,800 for Ontario.

Though this document was used as a research basis for a department store and other commercial enterprises, it does indicate a consistent primary market area, but a very broad secondary market area. The secondary market area is much further afield than associated with a cultural centre in Strathroy-Caradoc.

2.5 Competitive Market Profile

The Market Survey for the Cultural Master Plan indicated that 85% of the entertainment dollars spent by Strathroy-Caradoc residents left the community. This results from two considerations:

- The lack of local opportunities;
- Enhanced and destination-based opportunities in large urban centres, principally London.

One of the key considerations for a multi-use cultural centre is the movie theatre dimension. Currently, residents travel to several major complexes in London that all offer first run movies; Silver City at Masonville Mall and Famous Players at Westmount Mall are in closest proximity to Strathroy-Caradoc. Other movie theatres, on a regional basis, exist in Sarnia, Chatham and St. Thomas.

The Kineto Community Movie Theatre in Forest is operated by the Kiwanis Club on a single screen basis. A movie theatre was identified as a possible opportunity for a multi-use cultural centre in Strathroy-Caradoc and is one of the possible operations that could generate a positive net cash flow that would support Centre operations.

A movie theatre has operated recently in Strathroy, but was closed. The general assessment in talking with various individuals was that this could have been more the result of facility maintenance and operations than market demand.

In discussions with representative of the movie industry, both believed that opportunities exist in a population of 20,000 plus individuals for a movie theatre that would have first and second run movies, art films and special presentations. The individuals had uniquely different opinions as to scale, investment level and whether such a facility needs to occur in a dedicated space, or could be conjointly operated with a performance theatre. One individual cited examples in Forest, Napanee, Timmins and other communities where joint use facilities have operated. The other party indicated a need for a dedicated facility with three screens and a minimum investment requirement of \$1.5 million. The first party also indicated that a joint use facility, similar to the smaller community ones cited, could be developed utilizing used equipment for less than \$200,000 if developed inside a performing arts theatre.

The evidence of similar joint use facilities exists in other communities, some operated by the municipality or local service clubs, indicates the possibility of such a resource being applicable to Strathroy-Caradoc. It is further supported by the market survey, which indicates the significance of the outflow of entertainment dollars. The convenience of access to local movie showings could form two different market segments, one for first run movies and one for second run showings. The first run market would likely have some challenges in competing with London venues, where people go based on a destination that also has shopping and other considerations. The second run market likely has a more unique

opportunity in that the film itself has a more significant attraction on a stand alone basis. However, second run movies compete with DVD releases. The movie business is and will be impacted by other key trends. One could be the aging population with more retirees. Will they attend more movies? They may have more time and inclination to attend, with opportunities for price incentives to induce day time or early evening play times.

A second trend is technology. The growth in in-home media centres and internet access to movies and pay per view movies will impact the market, focusing on the home. Additionally, technology enhancements in movie and sound quality and other features would create a need to invest in periodic venue improvements to remain competitive.

The movie theatre market is changing and any venture into this sector needs to indicate the trends, risks and requirements to remain viable.

In regards to a performing arts theatre, significant provincially designated theatres exist in Petrolia, Grand Bend, Blythe and London. In London, multiple theatre venues exist across tier one and tier two levels. The Grand Theatre is clearly a large scale facility. The London Community Players operate a large venue on an amateur performance basis on Dundas St. East. The Wolfe Theatre at the Central Branch of the London Public Library in downtown London provides another 278 seat facility. Theatres also exist at the University of Western Ontario.

The Strathroy District Collegiate Institute and Holy Cross Catholic Secondary School also have an amphitheatre arrangement with two sided stage facilities in Strathroy. However, access to this facility is very limited for community use and has diminished in recent years due to school use priorities.

On a regional basis, efforts are being undertaken to rejuvenate and reopen the Capitol Theatre as a performance centre in Chatham. Also, a renewed Capitol Theatre has been operating in Sarnia for over two years.

The theatre/performance hall need has been identified as important and a key component of developing arts and culture capacities and skills in the community, as well as providing enhanced cultural entertainment for the local population by the Arts Council and the Cultural Master Plan. The key considerations for such a theatre will be to ensure that it responds to local market and population needs. It is unlikely that it can be put into a competitive position with the larger regional and provincially oriented theatre venues. Also relevant, is that within an hour of Strathroy, is Stratford with its three

national/international scaled facilities which dominate the cultural market in terms of tourism audiences across southwestern Ontario and the Greater Toronto Area.

The positioning of a performance hall/theatre in Strathroy is a key strategy. It needs to focus extensively on local amateur community groups, with opportunities for some touring groups that operate at the market scale being considered.

In terms of specialized arts and culture spaces, these can occur in various settings, from community centres, to churches, to school facilities, etc. However, arts groups that require specialized facilities, such as pottery, weaving, etc., do not have specific spaces in the immediate area, other than the space currently being used at the Township offices. There are spaces available for a broad array of such activities at the West Middlesex Community Centre; a number of churches, such as St. Andrews Presbyterian, East Christian Reformed, Mount Brydges Christian Reformed, St. John the Evangelist; and numerous other settings. Cultural groups would gain synergy and a greater sense of ownership and focus if they became part of a larger cultural spaces initiative.

In terms of banquets and meeting room opportunities as potential rental strategies to generate income, there are considerable opportunities available. These include the Gemini Sportsplex, Bear Creek Golf and Country Club, the Strathroy Legion, the Caradoc Community Centre, the Tri-Township Arena, facilities at the two secondary schools, church facilities, etc. There are likely over twenty venues within the immediate area that have opportunities to support banquets, meetings, etc. To be effective in this market, a cultural centre would need to have a particular niche and could experience some price sensitivity. It also could impact other non-profit organizations that are generating revenues from this type of activity. There is no evidence that this particular market is under serviced. However, a multi-use cultural centre could, on a multi-use basis without necessarily moving into specialized facilities, provide unique theatre settings for conferences and special meetings and presentations, community meeting rooms, etc.

Interest has been expressed in attracting an investor to Strathroy related to the development of conference / accommodation venues. This resource is seen as an important economic development asset for the municipality and represents a future quality venue for this type of service.

In summary, on a competitive market perspective, the essential space considerations will be associated with the movie and theatre dimensions. Opportunities do exist within the market for both these perspectives based on the research.

The key challenge for a multi-use cultural centre in Strathroy is to identify its markets and develop facilities to the scale that effectively respond to those opportunities.

2.6 Trends

The following trends are influencing the delivery of leisure and cultural services in local communities. Some of these trends are well known and have fairly predictable impacts, while others are more emergent and will need to be tracked with care on a continuing basis.

.1 Aging Population

One of the most profound and known trends is the fact that Canada is experiencing the “baby boom” phenomena, and has an aging population. The population data for Strathroy-Caradoc clearly indicates a significant decline proportionality of the youth age groups and substantial growth in the number of people that will be over the age of fifty over the next ten to fifteen years.

This does not mean that there will be no children. However, there will be fewer children and older citizens looking for different types of leisure activities. Older individuals are often more focused on culture, walking, bird watching, social activities, etc. However, we have also seen increasing numbers of mature adults and seniors who are interested in fitness and specialized athletic programs.

.2 Farm Consolidation

The size of farms in Ontario is growing significantly. Recent focus groups with farmers in Middlesex, Lambton and Huron Counties, indicated that over the next five to ten years, the average farm size will move from 400 acres to 800 acres. Simple math indicates that this could reduce the number of farm households by 50%.

Farm consolidation is likely to impact the larger primary and secondary market area for a cultural centre in Strathroy-Caradoc, as the population forecast data indicated a declining population after 2016.

.3 Cultural Face of Canada

Canada currently takes in 220,000 immigrants a year in order to sustain the population as the birth rate has declined significantly below the replacement level. In September, 2005, the Federal Government announced that it is raising its annual immigration target from 220,000 to 340,000 individuals. A subsequent release indicated consideration of 500,000 net new immigrants per year. The vast majority of new immigrants over the last ten years have come from non-traditional sources of Asia, the Middle East,

Africa and South America. Many of these immigrants have had no exposure with traditional Canadian recreational activities, particularly winter sports.

In-bound migration to rural areas has not been substantial. It is anticipated that this could grow over the next ten to fifteen years. There is also considerable discussion about creating incentives for immigrants to move into smaller communities and rural areas, as Vancouver, Montreal and Toronto cannot sustain the levels of immigration that is occurring within these communities. Toronto already has 51% of its population not born in Canada, while Waterloo Region has 26% of its population not being born in Canada.

The impact of the changing cultural face of Canada is not immediately determinable on Strathroy-Caradoc. However, one can assume that as jobs open up through industrial expansion, there could be some increasing numbers of immigrant families who will come to the community and may or may not be in a position to participate in traditional activities. The community has had significant experience with similar ethno cultural changes with the settlement of many Dutch and Portuguese families in the area.

.4 Facility Development

Two key trends are emerging for facilities. First is the quality and amenities associated with leisure facilities. The second is the move towards multi-use centres. In regards to the first trend, the quality expectations for leisure facilities have increased substantively over the last ten to twenty years.

In regards to the multi-use perspective, this is increasingly becoming the key development strategy for most municipalities. One of the drivers for this model, is the increased user value in only having to park once and a family can participate in two, three or four different activities. Second, is economics. As one example, it is 25% cheaper to build and 25% to 30% cheaper to operate a twin pad arena than two stand alone arenas. This comes about due to the need for only one ice resurfacer, crew, etc., along with the need to operate one canteen that can generate more business per hour of operation. These savings can be escalated when introducing a community centre, branch library, cultural venues, etc.

.5 Festivals and Events

One of the most dramatic trends in leisure services has been the movement towards festivals and events in communities, small and large, across Canada, particularly in Ontario. Some of these are ethno-cultural based, such as Oktoberfest in Kitchener; some are based on unique geography, such as the Freedom Festival that connects Detroit and Windsor; others are focused on artistic and cultural events, such as Jazz

Festivals in Woodstock and Burlington; and many other considerations. Festivals and events have become important to communities and municipalities for a number of reasons:

- Identify and build a sense of citizenship amongst residents;
- Have potential for significant economic impact benefits;
- Often used as fundraisers by the host organizers;
- Intensify the use of existing infrastructure, such as parks, community centres, art and culture venues, etc.;
- Develop strong volunteer capacities and camaraderie;
- Potentially create, if they become large, strong branding and marketing / exposure opportunities for the local community which is important in building tourism and other economic impacts.

Arts and cultural considerations are an important part of festivals and events. A cultural centre could be an important venue in incubating and developing arts festivals, musical events, etc., that begin to build audience capacity and interests. A centre also could be part of larger events bringing in specialized arts and culture activities that augment current or new festivals or events that have a broader community focus and orientation.

.6 Artisan Activity

There has been a significant rise in artisan activity, such as weaving, pottery, fine art, woodworking and other interests. This stems from concerns that some people have that many of these skills are being lost, as well as the fact that as more and more people are retiring they are looking for opportunities to express their skills, interests, hobbies, etc. Also, artisan guilds / groups often attract participants on a leisure interest basis that then spawns deeper educational, skilled development and cultural interests that often can create the next generation of artists.

A cultural centre provides an excellent venue for artisan activity to be initiated and to grow.

.7 Interests in Arts and Culture

Interest in arts and culture continues to grow in Canada. This has been influenced by a number of factors:

- An aging population which tends to capture broader artistic, cultural and heritage interests;
- The levels of immigration into the country, previously often coming from European countries, where arts and culture is a deeply rooted value and resource;
- A maturing of the Canadian society that tends to be embracing arts and cultural activities;
- Increasing number of arts and cultural community leaders who are prepared to organize and

establish Arts Councils, cultural centres, events, etc.;

- Potentially more sponsors who are prepared to support arts and cultural activities.

The fact that a Cultural Master Plan has been developed in Strathroy-Caradoc indicates the level of interest in arts and cultural activity in the community. The data from this planning initiative suggests a wide-base of interest which is reflective of some of the key trends that are evolving in this area. The Township has also increased its interest in this sector actively participating in cultural services planning and development, as well as identifying an annual budget line to support related investment needs.

3.0 FEASIBILITY ASSESSMENT

3.1 Alternatives

Two alternatives appear to be emerging from all the research and the data to this point. These are:

- A 14,000 square foot Cultural Centre to be located on either the Front Street or Frank Street venues;
- A Community Multi-Use Centre that could be located on Caradoc Street at the current Bethel Baptist Church.

These are uniquely different concepts. The Cultural Centre would be focused on cultural activities only, with limited room for expansion or growth. The Multi-Use Centre, is large, has a higher capital cost but has significant flexibility to bring other groups into the mix.

.1 Assessment

The following pros and cons are identified for a Cultural Centre strategy.

Pros

- A focused and an evident use for the venue
- Limited property management responsibilities for the building
- Smaller building package to manage and to take care of.
- Potential growth in movie theatre and facility rental income over time

Cons

- No / limited potential for facility and possibly programmatic growth
- Only additional income streams are to increase performing theatre rentals and / or movie theatre attendance and fees

The following pros and cons are associated with the assessment of a multi-use centre.

Pros

- Can attract a larger user base
- A more evident and attended/used site within the community
- Has potential for facility and income growth
- Significant flexibility as to space utilization

Cons

- A more intensive property management function and risk of lessees coming and going
- Larger building to manage and maintain
- Higher initial capital cost
- Annual deficit forecasted
- Dependent on a serious second partner, e.g.: the Legion

.2 Summary

In the end, if a second major partner is not available, that is, a partner that can bring some capital funds and stable, significant space utilization, then the community multi-use concept facility is likely higher risk in terms of both initial start-up and ongoing property management considerations. The space utilization identified by the various groups would not use up the 37,000 square feet available. However, from a longer term perspective, having such space could create opportunities for other service providing organizations that may wish to be located in the community and want to be part of a multi-use centre. The multi-use centre, as conceived, is generally viewed as more customer / user friendly, as people can park once and utilize or participate in various services and programs.

3.2 Project Development

.1 Project Development Preference

The analysis within this Report, indicated there were two general strategies for the Strathroy District Art Council in pursuing the development of the Wright Family Centre. One involved the development of a community / multi-use facility incorporated at the site of the Bethel Baptist Church. The second was the

development of a cultural centre, with the preferred site being the vacant properties on Front Street or the development of a cultural precinct beside the Library on Frank Street.

Based on discussions with the Strathroy Legion, it is now apparent they are not interested in pursuing a joint initiative. The previous analysis indicated a strategy preference would be for the Strathroy District Art Council to have a second major on-site partner who was linked permanently to the community. This form of relationship does not now exist, though there appears to be significant interest remaining from the Early Years Centre and from Craigwood Youth Services. However, both of these organizations are highly dependent on government funds, have time-based funding from the funder and don't provide the necessary longer term security for a facility of a size that is well beyond the needs of the Art Council's core user groups.

As a result, the strategy preference moves to consideration of the Front Street properties based on the previous assessment that, though parking will be a challenge, afforded the following benefits:

- A strong streetscape presence;
- Is directly in the downtown area;
- The land costs are lower as the properties are vacant;
- Would only require the development of one façade.

In further discussions with the Township, there does not appear to be any immediate space requirements for other community or Township services or other major space users identified that would further support a multi-use facility. Key risks in moving towards a multi-use facility at Bethel Baptist Church would be the fact that approximately 15,000 to 17,000 sq. ft. would need to be supported operationally in terms of heat, purchase price, etc., but would not be generating revenue within a business model. This outcome has the potential to incur an annual operating deficit of approximately \$50,000.

.2 Front Street Development Initiative

With Front Street being given preference for various reasons, two models have been discussed with the Arts Council:

- The current four vacant properties;
- Potentially six properties.

The vacant site footprint would be large enough for the core needs of the Arts Council and its cultural partners. The site would not be able to support commercial frontage or other types of uses due to its small footprint.

The second model would involve the purchase of up to two additional properties adjacent to the four properties. This could be the two properties to the west or one property at each end. All these properties currently have buildings with commercial activities, as well as some residential rentals at the back and / or above the store fronts. The advantages of the second model are:

- Opportunity to integrate commercial frontage that could generate revenue;
- Potentially provides for a non-cultural user, such as Craigwood Youth Services;
- Provides opportunities for future expansion;
- Provides more breathing room and a stronger streetscape investment.

The disadvantages of this model are:

- Would likely add over \$500,000 to the project to purchase the properties and to create vacant land;
- There are extensive leases within these properties, which may need to be dealt with;
- A more intensive property management function would evolve, particularly related to any commercial leases that might be incorporated;
- Potential loss of property tax income to the municipality.

Based on the assessment, a larger footprint would be desirable but has significant costs associated with it, both for the development of the facility and potentially in property tax revenue losses to the municipality. From a Strathroy District Arts Council perspective, they would be supportive to such an initiative, but would need an investment partner, such as the municipality, to facilitate the acquisition of a larger footprint in the heart of Strathroy.

Based on this particular Feasibility Study, and the core needs of the cultural uses, the focus would be on the current vacant land footprint, with possible discussions with the municipality as to the benefits and perspective involved in the Municipality expanding the footprint, which is likely beyond the scope of the Art Council's financial resources.

.3 The Wright Family Centre Recommendations

Based on the overall analysis, and from purely utilization and facility development strategy perspectives, it is recommended that the Strathroy District Art Council pursue the development of the Wright Family Culture Centre on the vacant properties on Front Street within the context of a 14,000 sq. ft. to 15,000 sq. ft. facility.

4.0 PROJECT ASSESSMENT

4.1 Project Overview

Based on the project research, inputs and assessments completed to date, the concept of a cultural centre in the Central Business District of Strathroy is the most feasible strategy in light of the project goals. The strategy associated with a multi-use centre at Bethel Baptist Church has inherent appeal and cost economies/efficiencies. However, it is not apparent at this time that there is a second capital partner that is available to spread the risk, absorb a key amount of the space available and to bring overall project stability and viability to the strategy. Therefore, the Wright Family Centre, as a stand-alone cultural centre, preferably on the Front Street properties, represents the most feasible strategy in response to delivering a cultural venue and centre-point to the Strathroy-Caradoc community consistent with the concepts and principles of the Cultural Master Plan.

The data analysis also indicates that a cultural centre by itself, that is without a significant revenue stream in the form of a movie house, is probably not feasible in light of the significant annual deficits that would be experienced. Therefore, a facility that provides excellent cultural opportunities in terms of the identified user groups and the performing arts, in combination with a movie theatre, represents the best and most practical approach. Even within this framework, the need for a partnership with the municipality and annualized fundraising exists on a long-term basis.

A user-group based partnership arrangement is potentially available, involving the Strathroy Dance Club, Strathroy Arts Group, and the Strathroy and District Arts Council, along with other potential users. The project's needs assessment indicated a facility of approximately 14,000 to 15,000 square feet, which can be achieved on the Front Street properties within a two-storey framework and a capital budget that reflects the Wright family gift, significant municipal participation, along with a substantial community fundraising initiative. A facility of greater size, would need to achieve another major capital funding source and a community capital campaign that may be beyond the scale and capacity of the community, both in terms of the dollar value for such a campaign and the other capital campaigns that will be ongoing within the community.

A strategic partnership arrangement between the municipality and the Strathroy and District Arts Council is a fundamental relationship needed in order to both create the facility resource opportunity and to ensure its ongoing operating viability.

4.2 Benefits and Challenges

.1 Benefits

The following benefits outline the outcomes that a broad-based community investment in a culture centre could deliver to the Strathroy-Caradoc community.

Community and Economic Benefits

- Provide a meaningful investment in the renewal and success of the Central Business Area by:
 - absorbing a site that is currently undeveloped, has no buildings and is an evident gap on the streetscape; and
 - providing an exciting destination in the downtown area that would attract both residents and non-residents who would undertake purchases and other activities in the area, thus strengthening the Central Business District's economic foundation.
- Potentially attract visitors and non-residents into the community, which would represent new expenditure opportunities;
- Retain within the community, an important portion of the 85% of residents' entertainment dollars that are exported from Strathroy-Caradoc annually;
- Contribute to the overall economic development of the community by diversifying the range of leisure services that are available, the attractivity of the community to new businesses and residents and enhance the quality of life available to residents directly where they live;
- Develop a scale of facility and a market positioning that best responds to the interests of the community and its financial and economic capacities;
- Will contribute significantly to Strathroy-Caradoc investing in a Creative Communities perspective, which has become one of the key pillars in developing healthy and successful communities. The Creative Communities initiative is becoming a priority of many municipalities of all sizes across North America.

- Will provide a more balanced approach to the delivery of leisure services, providing comparable quality opportunities for arts and culture as exist for sports, community programming and related services.

Arts and Culture Benefits

- Will create a focal point for arts and cultural development, activities and experiences in the community, broadening the visibility, impact, participation and benefits of this sector for community residents;
- Provide enhanced arts and cultural facilities that will allow participants to raise the level of their experiences, skills development and activities; attract new participants; and allow for broader community engagement;
- Has the potential to inspire new arts and culture activity initiatives;
- Build on the traditions of the community's cultural heritage, involving Albert Hall, the King Theatre and the Lyceum Theatre in creating a special place in Strathroy-Caradoc;
- Supports the goals and ongoing implementation of the community's Cultural Master Plan and directly connects to the needs assessment that is the basis of the Plan.

.2 Key Challenges

The following key challenges are identifiable:

- Developing and successfully implementing a capital campaign of the necessary scale across the community;
- Developing a partnership framework and agreement that will establish the necessary foundation / framework for the Wright Family Centre to be feasible and successful on a long term basis;
- Ensuring the annualized revenue flows necessary from both programs and services and annualized fundraising to limit deficits and to build long-term capital reserves;
- Ensuring that opportunities for a broad base of community engagement are reasonably achieved within the limitations of the facility's capacities and scale;

- Developing on an ongoing basis a flexible, inviting, ever-changing and broad base of activities and events at the centre that will continually inspire, touch, encourage and grow community acceptance, engagement and participation.