



Sustainability 3.0

Maritime Discovery Centre of the Thousand Islands

**Report of the Sustainability Task Force
September 1, 2010**

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The development of a maritime discovery centre is a unique opportunity for Brockville, one that, in addition to its valuable role as an experiential learning centre, can also potentially provide a significant tourism attraction for Brockville and make a real contribution to the city's efforts to strengthen its role as a tourism destination.

- Economic Planning Group of Canada Final Report Summary

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1.0 Executive Summary

The operation of a Maritime Discovery Centre in Brockville provides the region with an Anchor Tourism attraction generating enormous economic development and educational spin-offs. The initial expert consultant's study concluded: ***"This is a good project. There is real stakeholder support for it. It deserves a concerted effort to make it happen, and happen in the best way it can. It will be worth the effort."*** The work of the Sustainability Task Force is the Steering Committee's response to this challenge to ***"make it happen, and happen in the best way it can"***.

Demonstrable financial sustainability is accepted as a non-negotiable requirement for the MDC project to proceed. Sustainability was defined by the Steering Committee at its meeting of May 14th, 2009 as:

"the ability for the operation annually to generate sufficient revenues to cover its operating costs"

In the opinion of the Steering Committee covering the cost of depreciation, is a goal, but not a necessity. The initial capital cost of the MDC and all its contents is being funded from a variety of sources – none of them operational surpluses. It is therefore in the committee's view, not unreasonable to expect the future replacement of the MDC and its contents to be funded similarly, through infrastructure programs and local capital campaigns and so on, and not exclusively through operational surpluses. What is thought to be more important though is the need to establish from the outset, a reserve fund which can handle any short term temporary deficits – and this plan provides \$700k as a starting point for that fund.

Since the project was first conceived, on-going efforts have been made to develop a sustainability plan, and this version is the latest in a continuum of planning. It reflects the best opinions of the authors with the information available to them at the time of writing. There will be more updates as the project proceeds. This plan charts the progress from the early estimates of up to \$600k in annual deficits after depreciation, to its current pre-depreciation surplus.

History tells us that attendance in the early years of operation will likely be much higher than in a "mature" year, so all numbers presented here are intended to represent Year 5 (a mature year) of operation, and are expressed in 2010 dollars.

In the opinion of the authors, the Maritime Discovery Centre will have annual revenues which will exceed annual operating expenditures, thereby contributing to the cost of depreciation and demonstrating sustainability.

This document sets out the various operating arms of the Centre and shows the contribution each makes to the administrative overhead of the Centre. It also shows the individual gross revenues and expenditures for the many facets of the business.

Respectfully submitted,

Tony Barnes, Bob Burchett

2.0 Revenue Streams

20 separate revenue streams have been identified and are detailed in this section, together with the direct costs that can be attributed to that revenue stream. Section 3.0 details the general administrative and operating expenses that are not allocated to specific revenue streams.

2.1.1 Regular Admission Revenues (\$385,000)

EPG estimated the annual visitation in this category (in its September 2008 update) to be 38,589.

Assumed client mix: 30% Adult (@ \$12.75 plus tax), 35% Children (@ \$10.25 plus tax), 10% Students, 10% Seniors, 15% Travel Trade (with promotional, shoulder and other special discounted rates). This translates overall to a \$52 entry fee for a family of 4. Assumed blended rate is \$9.97.

Assumed building “loading” is 16 weeks (May through Sept) at 7 days/week operation (10am to 5pm), 36 weeks operating 10am to 4pm (Tuesday/Thursday) and 10am-5pm Saturday/Sunday, closed Mondays.

Assumed “dwell time” is 120 minutes.

Total admission revenue calculation is therefore $\$9.97 \times 38,589 = \mathbf{\$385,000}$

2.1.2 Direct Associated Costs (\$68,000)

To receive and welcome all guests, a front desk operation will be required. The cost of this activity is estimated at \$14/hour, plus 15% benefits, for 8 hours per day, for 330 days per year. In addition a second person at the same rate is factored into the cost for the 50 busiest days of the year. This results in a front desk staff cost of **\$49,000**

In addition to the staff costs, admissions will generate their own consumable (mostly ticket) costs calculated at \$0.25 per entry, or **\$10,000** per year.

Finally there will be a direct admission cost associated with credit card processing for the majority of the entry fees, assumed to be 3% of about 80% of the revenue, or **\$9,000**

2.2.1 School Group Revenues (\$34,000)

Based on an assumed regional catchment of 180,000 students (G1-G12), the centre could host annually (by year 5):

2 schools, each bringing an average of 2 classes (44 students per school), on three days every week, for 8 months of the year (32 weeks), between the hours of 10am and 2pm, each student paying \$4 per visit. This translates to an annual total student visitation of 8408, or just less than 5% of the catchment.

The revenue calculation is therefore: $2 \times 44 \times 3 \times 32 \times \$4 = \mathbf{\$34,000}$

2.2.2 Direct Associated Costs (\$33,000)

A staff/class ratio of 1:1 is assumed at all times, so four classes per day requires 4 MDC staff, and each class is presumed to require 4 hours of staff time per visit. The hourly rate for these staff members is factored at \$14/hour plus 15% benefits.

The staff cost calculation is therefore: $4 \times 3 \times 32 \times 4 \times \$14 \times 1.15 = \mathbf{\$25,000}$

A consumable cost of \$1 per student is assumed, for an annual cost of **\$8,408**

2.3.1 Summer & Weekend Camps (\$66,000)

Three types of kids' camps are envisaged as operating out of the MDC:

- Summer camps – 5 days, 8 weeks, 30 kids/day, paying \$40/day (**\$48,000**)
- March Break camp – 5 days, 30 kids/day, \$40/day (**\$6,000**)
- Saturday Science camp - 40 camps/yr, 30 kids/camp, \$100/camp (**\$12,000**)

For comparison purposes the YMCA member/non-member daily rates for kids' camp in 2010 are \$28/\$33.

2.3.2 Direct Associated Costs (\$64,000)

A low camper to staff ratio will need to be maintained at all times, so 4 full time staff members (@\$14/hr + 15% benefits) are budgeted to cover the summer camps and March Break camps, a total of 45 days x 4 staff = 180 (9 hour) staff days. Additionally, each staff member will receive annually 5 days of training for a total of 200 (9 hour) staff days. ($200 \times 9 \times \$14 \times 1.15 = \mathbf{\$29,000}$)

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Similarly the Saturday Science Camp series will have a similar camper/staff ratio and therefore the direct staffing cost is 40 camps x 9hrs/camp x 4 staff x \$14 plus 15% = **\$23,000**.

Also included in the direct associated expense with this activity is 30 person days for a Camp Director role charged at \$16/hour plus 15%. (30 x 9 x \$16 x 1.15 = **\$5,000**)

Direct expenses associated with all these camp activities are budgeted at \$2/day per camper (45x30 + 40x30) = **\$5,000**, plus one x \$5 trip per week for the summer and March Break campers = \$5 x 9weeks x 30 campers = **\$1,350**

2.4.1 Merchandise Sales (\$124,000)

EPG has estimated the per capita spending on merchandise through the MDC gift shop as follows:

Gross anticipated merchandise sales per regular admission = \$3 x 38589 = \$115,767

Gross anticipated merchandise sales per school admission = \$1 x 8408 = \$8,408

2.4.2 Direct Associated Costs (\$95,000)

The primary assumption is that average gross margin on merchandise will be 50%, therefore cost of sales will be **\$62,000**

The direct gift shop staff costs are calculated at 8 hours per day for 200 days per year at \$14/hour plus 15% benefits: 8 x 200 x \$14 x 1.15 = **\$26,000**

The industry standard allowance for “shrinkage” is 3% of sales x \$124000 = **\$4,000**

The cost of processing credit card transactions is estimated at 3% of 80% of \$115,767 = **\$3,000**

2.5.1 Rental Income from Banquets (\$50,000)

The intent of this revenue stream is to encourage the hosting of events at the MDC for which attendees will, in addition to whatever the cost of the event itself is, pay a facility fee to the MDC of \$5/capita. The assumption is made that the centre will host an average of 200 person at 50 events per annum, thereby generating income for the MDC of \$5 x 200 x 50 = **\$50,000**. This report is presently silent on the model that will eventually be used to generate the Banquet income for the MDC – whether that is using MDC staff, or a third party or a combination of the two.

2.5.2 Direct Associated Costs (\$7,440)

An MDC staff person will be on duty for an 8 hour period covering the start, duration and clean-up of each event, being paid at the staff hourly rate of \$14 plus (15%) benefits. In addition to this, a provision of \$1000 per annum is prudent to cover replacement of tables and chairs.

The total of these costs is therefore: $8 \times 50 \times \$14 \times 1.15 + \$1000 = \mathbf{\$7,440}$

2.6.1 Revenues from Birthday Parties (\$24,000)

The hosting of birthday parties is a growing revenue area for facilities of this kind. The assumption is made that 4 parties can be hosted at the centre on each of 30 weeks per year, and that each party will be charged out at \$200, generating a gross revenue of: $\$200 \times 30 \times 4 = \mathbf{\$24,000}$

2.6.2 Direct Associated Expenses (\$8,430)

The staff time associated with each of the 120 birthday parties per year is estimated at 2.5 hours per party at the regular rate of \$14 plus (15%) benefits, plus a direct cost of \$3 per attendee (10 per party) to cover the variable costs of cake, drink, etc. The total direct expense is therefore estimated at: $(120 \times 2.5 \times \$14 \times 1.15) + (120 \times 10 \times \$3) = \mathbf{\$8,430}$

2.7.1 Revenues from Sleepovers (\$10,500)

Another popular and growing activity anticipated to be operating out of the MDC, mostly on weekends, is the 12 hour sleepover for groups of elementary school aged children, averaging 20 per group, each generating \$35 per sleepover, 15 times per annum. The Biodome charges \$37 for sleepovers, and Fort Henry \$38 – the Brockville Museum also hosts this activity from time to time at a \$20 price. For the MDC, this revenue stream therefore calculates to: $15 \times 20 \times \$35 = \mathbf{\$10,500}$

2.7.2 Direct Associated Expenses (\$3,198)

A staff member will be required for each sleepover at the regular centre rate, plus a “supplies” cost of \$1 per capita. The total expense of this activity is therefore estimated at $(\$14 \times 12 \times 15 \times 1.15) + (15 \times 20 \times \$1) = \mathbf{\$3,198}$

2.8.1 Theatre/Convention Rental Revenue (\$12,000)

Six times annually, we believe we should be able to attract an event that will take advantage of the communication technology built into the MDC’s theatre. For the use

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of that space and technology, we anticipate a rental charge of \$2,000 per occasion, or a total of **\$12,000** per annum.

2.8.2 Direct Associated Expenses (\$676)

Seven hours of support staff time is budgeted against each of the theatre rentals, bringing the direct staff to: $7 \times 6 \times \$14 \times 1.15 = \mathbf{\$676}$

2.9.1 Vending Machine Revenues (\$23,500)

The magic number we are using for estimating these revenues, is an average of \$0.50 per MDC entrant – 38,589 members of the public, plus 8,448 school students, for a total visitation of 47,000 @ \$0.50 = **\$23,500**

2.9.2 Direct Associated Expenses (\$11,750)

The industry standard return from vending machines is 50% of the gross, therefore the residual 50% is the direct associated expense.

2.10.1 Marketing Partnership Revenue (\$45,000)

There are three potential contribution streams identified in this category:

Firstly, it is intended that as the Anchor Attraction, the MDC website will be a prime traffic generator, therefore **the sale of banner advertising** on that site will be an attractive proposition for all sister attractions, and other tourism service providers.

Secondly, the potential revenue from a 3% DMF levied on all Brockville room nights is calculated by the Chamber of Commerce at 3% of 60,000 room nights per annum at an average rate of \$100/room = **\$180,000**. Though the mechanics of the new Regional DMF organization are not yet completely defined, it should be safe to assume that the Anchor Attraction in the region would be eligible to apply for a contribution to its marketing costs from such a fund.

Thirdly, the impact that the Anchor Attraction will have on traffic in and around the downtown area, will not go un-noticed, and we anticipate un-rewarded, by partners in the DBIA. The opportunities for joint marketing activity here will undoubtedly mitigate the impact of advertising budgets on all partners.

The total marketing costs of the MDC are estimated at \$110,000 including personnel costs. The MDC anticipates that at least \$45,000 of these expenses can be recovered through some combination of these three initiatives. These costs are itemized in the admin cost budget section of the report.

2.11.1 Support from Senior Levels of Government (\$75,000)

Various Federal and Provincial Ministry programs will be permanently targeted to allow us to provide them with services – currently on the “hit list” are known programs within:

- the Ministry of Research and Innovation
- Federal and Provincial ministries of the Environment,
- Department of Fisheries and Oceans, and
- Transport Canada

Every year these kinds of programs change, so it will be a key responsibility of one of the admin staff to stay apprised of these changes.

Programs of this nature typically reimburse agencies for costs incurred, so it is presumed in this budget that expenditures as yet, unidentified of \$40,000, will reduce the bottom line impact to a net \$35,000.

2.11.2 Direct Associated Expense (\$40,000)

See 2.11.1 above for explanation of this expense.

2.12.1 City of Brockville Contribution (\$210,000)

City Council has recognized the significant beneficial economic impact that this Anchor Attraction will bring to the tax payers of the municipality and indeed regionally. Accordingly Council has agreed to support the initiative with an annual operating cash grant to the Centre in the amount of **\$150,000**. The October 9, 2007 agreement between the City and the Developer attests to this contribution at article 8.

This level of cash support from the taxpayer has long been considered as the maximum level.

The same agreement recognizes the ability of the City of Brockville to provide a range of in-kind services to the MDC which will further mitigate the Centre’s operating costs. These contributions in-kind from the City of Brockville total an additional **\$60,000**

2.12.2 Direct Associated Expenses (\$60,000)

Examples of the kinds of services that might be provided by the City are:

- Telephone services
- HR services
- Insurance services
- IT services
- Audit services
- Water charges
- Sewer charges
- Property taxes

Sust 3.0 reiterates that principle that where the City can provide a service more cost effectively than the MDC could source elsewhere, then it should certainly take advantage of the Municipality's purchasing power, and recommends it be formally adopted as a policy.

2.13.1 Gross Incremental Parking Revenues (\$129,000)

Included in the original capital plan for the construction of the MDC was an investment of \$400,000 for the addition of parking spots to the City parking inventory. It was recognized that approximately 10,000 cars will visit the MDC annually and would be accustomed to paying more than the current \$2 parking charge that the City levies. The joint City/DBIA committee charged with administering the parking programs was confident that a way could be found to add at least an additional \$2 per vehicle to the MDC visitors, and channel that revenue to the Centre, for an anticipated revenue of **\$20,000**. Typically these spots would be those closest to the MDC entrance.

Sust 2.1 recognized the change in thinking around parking, and reflected the operation of a 55 spot parking garage. The \$20k incremental revenue reflected above is still anticipated, as was an additional gross annual revenue of **\$60,000** calculated by very conservatively assuming non MDC visitor revenues of \$3/day per spot (55 x 365 x \$3).

Sust 3.0 gives effect to the Jan 12, 2010 agreement in which the parking spots allocated for MDC operation were increased from 55 to 100, incrementing the gross annual revenue per the above calculation by (45 x 365 x \$3) = **\$49,000**

2.13.2 Direct Associated Expenses (\$50,000)

It is anticipated that the Residential Condominium Corporation or the City will in reality operate the entire multi-storey parking garage and on-ground parking and simply charge the equivalent of a management fee to the MDC to cover all the anticipated costs of operating and maintaining those spaces. That annual management fee is estimated to be \$500 per spot or (x 100) **\$50,000**.

2.14.1 Investment Income (\$35,000)

The “fiscal policy” reserve fund in the latest capital budget has been limited to \$700k – an assumption has been made that a net average annual return of 5% can be obtained from this fund. The intent of the fund is to perpetually support operations, such that annual operating surpluses will increment the fund, and annual operating deficits will deplete the fund. This fund is not intended to support capital purchases or replacements, unless it grows to levels in excess of what is needed to support operations.

2.15.1 Income from Traveling Exhibits (\$77,000)

The latest capital budget allocates \$1.147m to the creation of traveling exhibits. Some due diligence has been conducted with existing producers of such hardware, Science North and Ontario Science Centre. Their feedback is not conclusive as to the viability of this option. However an additional notion has been added to the list and is under investigation, that of investing this capital sum in the creation of mission related high quality video footage, which could in addition to being screened in our own theatre, also be licensed for use by others. This licensing activity could easily generate the 4% return on capital that the sustainability model is calling for. ($\$1.147\text{m} \times 4\% = \$77,000$)

2.15.2 Direct Associated Expenses (\$20,000)

Regardless of the form that the traveling exhibits take, there will be a distribution, storage and maintenance expense associated with these items – a provision of \$20,000 annually to cover this expense is believed to be prudent.

2.16.1 Revenues from the Friends Program (\$59,000)

Friends Programs prosper in the region and in this sector (the Boat Museum and the ECHO centre are examples). It is believed that this area has significant up-side potential as a revenue stream, for example a “captain’s table” club concept which marries the MDC with the hotel, restaurant and spa in Tall Ships Landing, could contribute to the MDC target annually of **\$50,000**.

In addition, the kid's camps are prime properties for annual sponsorship by local committed citizens – these would be the equivalent of 9 weekly camps per year, which could bear a benefactor's name for \$1000, delivering a revenue stream of **\$9,000**.

Sust 3.0 recommends that this concept and level of giving be carefully researched by those better qualified to comment than these authors.

2.17.1 Revenues from Save Ontario Shipwrecks, Diver Courses (\$25,000)

It is estimated that between 8000 and 10000 divers enter the St. Lawrence River each year from the Brockville shoreline. This is a major regional economic driver, whose significance can only be enhanced by a close and friendly relationship with the MDC. It is envisaged that a partnership with SOS will be the best liaison with the diving community. SOS in addition to their responsibility to deliver specific educational programming related to the existence and preservation of Ontario shipwrecks, are also charged with delivering the Nautical Archaeological certification program, a one day training program for which demand is high. It is anticipated that the MDC could easily become the home for this program. Additionally, the MDC can become the reception point for visiting divers, providing a one-stop window to all the services and information that such a visitor would need. This activity could be managed in partnership with the local SOS chapter. The only net revenue we envisage being generated by this program however is a rental income from the use of facilities when the NAS course is offered. As the relationship between the MDC and SOS matures, however, the potential exists for the provision of additional value added services to this large and growing body of tourists, as well as for collaborative development of educational exhibits within the MDC

The MDC is being constructed with a dive tank as part of its exhibit capital cost, which together with the classrooms already planned, would enable the Provincial Ministry of Culture, Research and Innovation to hold part of its diver certification programs at the MDC, generating a potential **annual gross revenue stream of \$25,000**. The dive tank portion of the programs would operate on Saturdays with the classroom segments being held on Sundays.

2.18.1 Revenue from Distance Education (\$12,000)

Capitalising on the technology built into the MDC theatre and the technology being more and more widely installed in schoolrooms across Canada, the MDC could provide up to 5 hours a week of distance education, 24 weeks a year, charging \$100 per hour to be shared by the recipient schools. The revenue stream from this activity is therefore estimated at $\$100 \times 5 \times 24 = \mathbf{\$12,000}$

2.19.1 Revenue from Sponsorship of Travelling Exhibits (\$0)

Sustainability 3.0 takes a well researched, but radically different view of the kinds of traveling exhibits that will work best in the space available to this activity within the MDC. Rather than the “blockbuster” type of exhibit, 3.0 anticipates renting annually 4 to 6 smaller traveling exhibits. The opportunity for corporate sponsorship of these much smaller exhibits is not expected to be great, and consequently no revenue is budgeted for this item.

2.19.2 Direct Associated Costs (\$51,000)

The smaller exhibits anticipated by this report, typically require about 2000 sq.ft each, have a rental fee of between \$5k and \$10k, would generate an additional shipping cost of between \$2k and \$5k, would require setup costs of \$500, insurance costs of \$300, would attract specialty marketing costs of \$2000 each, and therefore would in total cost an average of about $(\$8000 + \$2000 + \$500 + \$300 + \$2000 = \$12,800 \text{ each}) \times 4 =$ **\$51,000.**

2.20.1 Bytown Brigantine Collaboration (\$40,000)

The potential exists to utilize some of the off-season programming expertise of the BBI staff in return for senior MDC staff spending time promoting Bytown Brigantine programs. This has not yet been fully explored nor approved by the MDC Steering Committee so it is shown currently as both revenue and an expense, which cancel each other out.

2.20.2 Direct Associated Costs (\$40,000)

More work is required to identify the full business case potential of this activity, so for the purposes of Sust 3.0, revenues and costs are budgeted as offsetting. (See 2.20.1)

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3.0 Fixed Administrative and Operating Expenses

This section details all the centre's operating costs, not already considered above as direct program related costs.

3.1.1 Administrative Costs (\$582,925)

Permanent Staff (9.5)		\$ 499,125
Executive Director	\$ 105,000	
Program Manager1	\$ 45,000	
Program Manager2	\$ 45,000	
Finance Manager/Clerical Assistant FT/Gift Shop	\$ 50,000	
Finance Manager/Clerical Assistant PT	\$ -	
Volunteer Coordinator 0.5 FTE	\$ 20,000	
Fund development and marketing support1	\$ 47,500	
Fund development support2	\$ 20,000	
Aquarist1	\$ 60,000	
Aquarist2	\$ 20,000	
Benefit percentage additional to above = 21%	\$ 86,625	
Contracted Services		\$ 48,000
Veterinarian	\$ 5,000	
Maintenance/cleaning contractors	\$ 20,000	
Security Monitoring	\$ 3,000	
Exhibit/Maintenance	\$ 20,000	
Other Expenses		\$ 35,800
Travel/Mileage/Expenses	\$ 10,000	
Memberships/Conferences	\$ 2,000	
Miscellaneous	\$ 10,000	
Technology (not covered under in-kind)	\$ 5,000	
Photocopier (\$400/month)	\$ 4,800	
Employee/Volunteer Uniforms	\$ 2,000	
Insurance	\$ 2,000	
TOTAL ADMINISTRATIVE COSTS		\$582,925

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3.1.2 Marketing Expenses (\$60,000)

Includes all sub-contracted print, web and media costs.

3.1.3 Building Operation and Maintenance Costs (\$218,186)

Basic Hydro Cost of MDC alone	\$	32,377
Heating/Cooling of MDC alone	\$	24,000
Elevator Contract & License	\$	4,400
External Terrace Landscaping		0
Contribution to Shared Building Services:	\$	29,709
Exhibit Maintenance	\$	47,000
Aquaria Maintenance	\$	37,000
Building Repairs - General	\$	10,000
Condominium Capital Reserve Contribution	\$	34,000
Building Operation and Maintenance Expenses	\$	218,186

4.0 Summary of all Operating Revenues and Expenses

# REVENUE SOURCE	REVENUE \$000	DIRECT EXPENSES \$000	CONTRIBUTION \$000
1 Regular Admissions	385.0	68.0	317.0
2 School Groups	34.0	33.0	1.0
3 Summer and Weekend Camps	66.0	64.0	2.0
4 Merchandise Sales	124.0	95.0	29.0
5 Rental Income - Banquets	50.0	7.4	42.6
6 Birthday Parties	24.0	8.4	15.6
7 Sleepovers	10.5	3.2	7.3
8 Theatre/Convention Rentals	12.0	0.7	11.3
9 Vending Machines	23.5	11.8	11.7
10 Marketing Partner Revenues	45.0	0.0	45.0
11 Senior Government Support	75.0	40.0	35.0
12 City of Brockville Support	210.0	60.0	150.0
13 Parking Operations	129.0	50.0	79.0
14 Investment Income	35.0	0.0	35.0
15 Travelling Exhibits	77.0	20.0	57.0
16 Friends Program	59.0	0.0	59.0
17 Diver Courses	25.0	0.0	25.0
18 Distance Education	12.0	0.0	12.0
19 Temporary Exhibits	0.0	51.0	-51.0
20 Marine Training Activity	40.0	40.0	0.0
Total Revenue & Direct Expenses:	1,436.0	552.5	883.5
Administration		582.9	-582.9
Marketing		60.0	-60.0
Building Operation and Maintenance		218.2	-218.2
MDC RESULT BEFORE DEPRECIATION	1,436.0	1,413.6	22.4

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5.0 Capital Construction Costs for MDC and new Public Parking Downtown

MDC and New Public Parking Capital Construction Costs - \$000

#	MDC Cost Element	Total Costs	Ineligible for BCF	Eligible for BCF	COMMENTS
1	Land Cost	150	150	0	TSL
2	Project Fees 6% of \$7.4m	444		444	TSL
3	Flagpole	40		40	TSL
4	Kelpe	25		25	TSL
5	Flint Street Landscaping	75		75	TSL
6	Brownfield Costs (MDC Share)	253	118	135	\$118K Carrying Costs
7	Broad St. Circular Drive	350		350	City
8	Planning Fees	20		20	City
9	Preliminary Consulting Costs (EPG, BVO2, ED)	631	143	488	Total ED costs split between Consulting and Start-up
10	Start-up Costs (EPG report + ED)	500	209	291	
11	Shared Incoming Services	196		196	
12	Base Building Costs-General Shared Expenses	465	8	457	
13	FSI	1350	1350	0	27,000 sq ft @ \$50/sq ft
14	Base Building Costs-MDC Alone	4030		4030	
15	LEED compliance @ 8% x (14)	322		322	
16	Fit-up Consultants	370		370	
17	Fit-up Of MDC building	1683		1683	
18	LEED compliance @ 8% x (17)	135		135	
19	Fixed Exhibits	4687		4687	
20	Travelling Exhibits	1375		1375	Used to generate ongoing revenue
21	Fiscal Policy Reserve	700	700	0	Necessary for start-up & sustainability
22	Captain's Walk	500		500	
23	Bury Hydro Lines on Flint Street	144		144	Actual
24	Emergency Generator	50		50	
25	TOTAL OF MDC CAPITAL COSTS	18495	2678	15817	

#	New Public Parking	Total Costs	Ineligible for BCF	Eligible for BCF	COMMENTS
26	MDC purchase of 55 parking spots in TSL	1345		1345	49 indoor and 6 outside spots
27	City purchase of new public parking lot	500	500		Land acquisition
28	Cost to develop City 45 space parking lot	355		355	Development
29	TOTAL PUBLIC PARKING CAPITAL COSTS	2200	500	1700	

#	MDC Project and New Public Parking	Total Costs	Ineligible for BCF	Eligible for BCF	Total BCF Project Approval is \$17085k, therefore extra cost is:-
30	GRAND TOTAL CAPITAL COSTS	20695	3178	17517	\$17517k - \$17085k = \$432k

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6.0 Sources of Revenue for MDC Capital Construction & new Public Parking:

FUNDING SOURCES FOR MDC AND PUBLIC PARKING PROJECTS - \$000

MDC Project Construction		Total	Cash	In-Kind
1	City - MDC Capital Commitment	1500	1500	
2	City - Brownfield Forgiveness	253		253
3	City - Broad Street Circular Drive	350		350
4	City - Planning Fees	20		20
5	TSL - Cash Contribution	1080	1080	
6	TSL - Contribution of Project Management Fee (6%)	444		444
7	TSL - Land Contribution	150		150
8	TSL - FSI Contribution	1350		1350
9	TSL - Kelpe Contribution	25		25
10	TSL - Flagpole Contribution	40		40
11	TSL - Flint St. Landscaping Contribution	75		75
Initial Studies				
12	Min of Tourism/CDC Funding	25	25	
13	CDC Consultant Funding	38	38	
14	Pre-partnership Agreement Contribution (Metcalf)	40	40	
Private Fundraising Initiatives				
15	Naming Rights	600	600	
16	Local Fundraising	1935	1935	
17	SUB TOTAL MDC PROJECT FUNDING	7925	5218	2707
New Parking				
18	TSL Public Parking - Cash-in-lieu	310	310	
19	City - 100 New Public Parking Spaces Contribution	1070	1070	
20	SUB-TOTAL PARTNERSHIP & COMMUNITY	9305	6598	2707

Analysis of Contributions		Total	Cash	In-Kind
21	City	3193	2570	623
22	TSL	3474	1390	2084
23	Others	2638	2638	
24	SUB-TOTAL PARTNERSHIP & COMMUNITY	9305	6598	
25	FEDERAL CONTRIBUTION (MAX)	5695	5695	
26	PROVINCIAL CONTRIBUTION (MAX)	5695	5695	
27	TOTAL PROJECT FUNDING	20695	17988	2707

7.0 Statement of Operating Revenues and Expenditures

7.1 Operating Revenues:

#	REVENUE SOURCE	REVENUE \$000
1	Regular Admissions	385.0
2	School Groups	34.0
3	Summer and Weekend Camps	66.0
4	Merchandise Sales	124.0
5	Rental Income - Banquets	50.0
6	Birthday Parties	24.0
7	Sleepovers	10.5
8	Theatre/Convention Rentals	12.0
9	Vending Machines	23.5
10	Marketing Partner Revenues	45.0
11	Senior Government Support	75.0
12	City of Brockville Support	210.0
13	Parking Operations	129.0
14	Investment Income	35.0
15	Travelling Exhibits	77.0
16	Friends Program	59.0
17	Diver Courses	25.0
18	Distance Education	12.0
19	Temporary Exhibits	0.0
20	Marine Training Activity	40.0
	Total Revenue	1,436.0

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7.2 Operating Expenses:

		\$000	\$000
	TOTAL REVENUES (B/F)		1436.0
	EXPENSE ITEMS:		
1	Direct Program Costs		
	- Staff Costs	176.0	
	- Program consumables	376.5	552.5
2	Admin Costs		
	- Staff	499.1	
	- Contracted Services	48.0	
	- Miscellaneous Admin Exes	35.8	582.9
3	Marketing Costs		60.0
4	Building Operation & Maintenance		218.2
5	TOTAL OPERATING EXPENSES		1413.6
	ANNUAL OPERATING SURPLUS		22.4