



Subject: Thorold Museum and Community Centre – Project Update

Report to: Thorold City Council

Recommendations

1. That the Thorold Museum Working Group's presentation of the Concept Plan for the Thorold Museum and Cultural Centre Project **BE RECEIVED**; and,
2. That Council **PROVIDE DIRECTION** regarding the preferred project scope and related budget; and,
3. That staff **BE DIRECTED** to prepare a report outlining funding options for the costs not covered by the Green and Inclusive Community Building Grant; and,
4. That Council appoint two (2) members of City Council to the Thorold Museum Board; and,
5. That the Mayor and City Clerk **BE AUTHORIZED** to execute the necessary agreements with the Government of Canada respecting the transfer of funds under the Green and Inclusive Community Building Grant.

Key Facts

- The City of Thorold has received a grant under the federal government's Green and Inclusive Community Building (GICB) Grant Program in the amount of 80% of the eligible project costs up to a maximum of \$6,272,000 to retrofit former Fire Station #1 at 16 Towpath Street in the downtown core.
- Council has engaged consulting services and established an ad hoc Working Group to develop the scope of the project and high-level operating model for the new facility.
- The Working Group has met three times and have completed the visioning exercise which will require approval of City Council to advance the project.
- Staff recommend that two (2) members of City Council be appointed to the Thorold Museum Board.

Budgetary Status

Interim funding in the amount of \$25,000 was added to the 2024 Capital Budget to cover the cost of the pre-design work. Staff are recommending that the City's share of the project costs be funded from internal financing. Assuming the City's share of the

project will be paid back at 4% interest over 25 years, the corresponding impact is estimated as follows:

<u>Project Alternative</u>	<u>Total Costs</u>	<u>City/Museum Share*</u>	<u>Servicing Costs (excl. Fundraising)</u>
Working Group Concept	\$11,991,950	\$5,719,950	~\$366,000/yr.
GICB Grant Approval	\$7,840,000	\$1,568,000	~\$100,000/yr.

* It should be noted that the Thorold Museum Group has committed to assisting the City in raising funds for this project through sponsorships and donations, which could potentially reduce the amount of debt to be serviced. Fundraising targets have yet to be determined.

Annual Operating expenses for this facility have yet to be determined but are expected to be significant. The business plan for this facility will be incorporated into the future Lease Agreement with The Thorold Museum.

Analysis

The Thorold Museum and Cultural Centre project evolved from the need to develop a strategy for adaptive reuse of the former Fire Station at 16 Towpath Street in Thorold's Downtown. At its February 8th, 2023 meeting, City Council directed staff to submit applications to the Government of Canada's Green and Inclusive Community Building Grant program (Retrofit Stream). Based on high-level estimates to retrofit the building at that time, preliminary costs were approximately \$5.5 million (see PWCS 07-2023). Based on the (80%-20%) funding criteria of the GICB program, it was proposed that the City of Thorold/Thorold Museum would be responsible for funding approximately \$1.1 million.

The retrofit program's funding criteria include specific requirements to reduce greenhouse gas emissions and energy consumption through environmental design. These requirements drove the cost estimate to \$7.840 million, which was included in the final grant application.

On March 19th, 2024, Council was informed that the project was successful in receiving an 80% grant up to a maximum of \$6.272 million. The formal announcement was made on April 26th, 2024. Based on the (80%-20%) funding criteria of the GICB program, the

City of Thorold/Thorold Museum would now be responsible for funding approximately \$1.568 million.

At its meeting on May 28th, 2024, on the recommendation of staff and the ad hoc Working Group, Council approved a plan to engage a consulting team to assist in completing a visioning exercise to determine how the building might be “purpose-built” to service the needs of the Thorold Museum *and* a Cultural Centre.

The scope of the project has expanded to create opportunities for the community to have greater access Thorold’s rich history and flexible user space that creates a venue for public displays, events and a range of amenities that will compliment the business community in the Downtown Core. The ad hoc Working group has met on three occasions to refine the architectural programming and pre-design. This work is completed, and the recommendations will be presented at the Council meeting.

The new design includes the addition of 3,199 sf on the ground floor and 3,534 sf on the second floor, bringing the total gross floor area of the new building to 14,470 sf (roughly double the current gross floor area).

Accordingly, the project cost has risen significantly to an estimated \$11.992 million. This will require the City of Thorold and Thorold Museum to raise approximately \$5.72 million to fund the project entirely. The project must be completed by March 31st, 2029, and will take approximately 18-20 months to construct.

Staff is seeking Council’s confirmation of the project scope and budget estimate before advancing a funding strategy (to be presented at a future meeting).

Additionally, the Thorold Museum Board of Management is looking to City Council to commit to the establishment of a public-facing and publicly-supported facility that showcases Thorold’s rich history. By appointing two members of City Council to the Thorold Museum Board of Management, decision-making and communication are more effective, transparent, and accountable.

Impact on the Environment, Climate Change

The Government of Canada funding criteria requires the project to achieve specific reductions in greenhouse gas emissions and energy consumption efficiencies to be eligible. The construction contract will include provisions for reusing and recycling suitable materials.

Alternatives Reviewed

Reduce the scope of the project to match the maximum budget of \$7.840 million initially approved in the GICB application.

- This will achieve the basic project eligibility under the funding criteria.
- Establish a reachable target for sponsorship, donations, and other funding sources.
- Will not meet the complete needs of the Museum concerning display and administration space.
- Will limit uses for Cultural Centre activities and events.

Relationship to Strategic Plan

The recommendation is consistent with Council's Strategic Plan:

Vibrant and Prosperous Community

- Livable Community
- Economic Prosperity
- Community Wellbeing

Service Delivery Excellence

- Human Resources
- Service Modernization
- Community Engagement

Sustainability

- Sustainable Infrastructure
- Financial Sustainability
- Environmental Sustainability

Other Pertinent Reports

- PWCS 07-2023
- PWCS 26-2024
- PWCS 59-2024

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This report was prepared in consultation with Maria Mauro, Director of Finance.

Appendices

None.