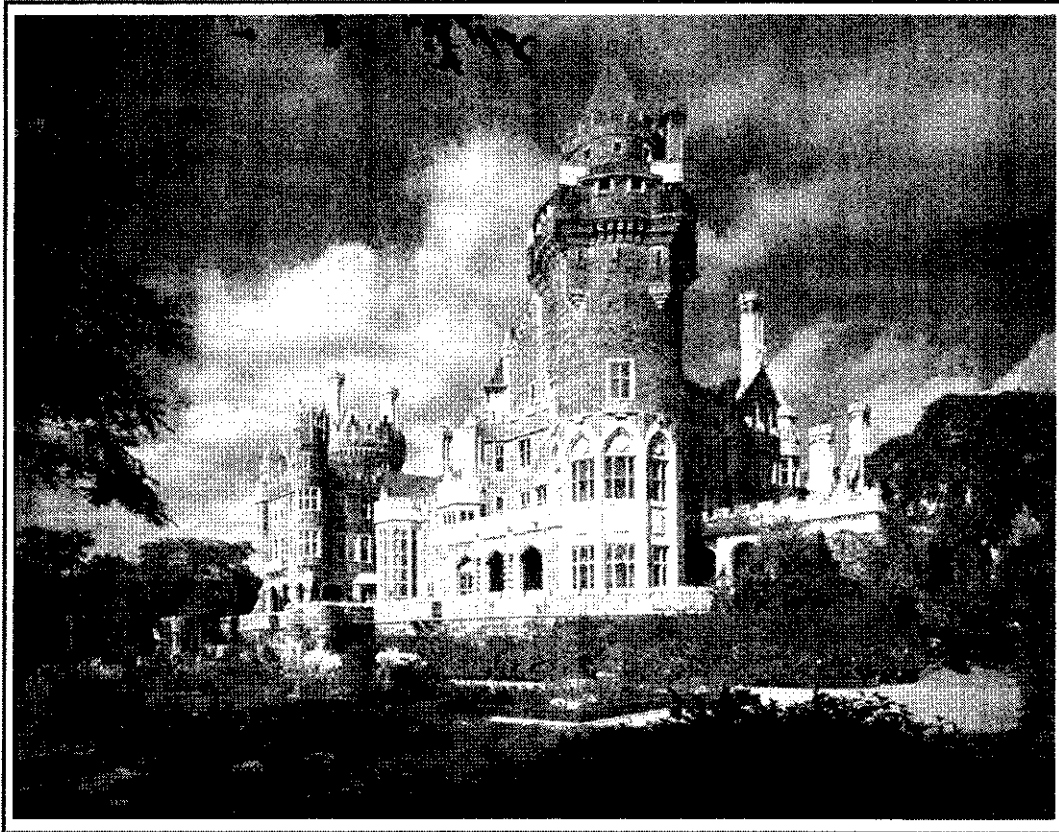


Casa Loma Strategic Plan

2009 - 2013



Kiwanis Club of Casa Loma

CASA LOMA STRATEGIC PLAN
2009-2013

I. Introduction

II. Renewed Vision:

- Enhanced heritage development and programming
- Improved visitor amenities
- Interior improvements
- New governance model

III. New Mission Statement

IV. Strategic Plan Assumptions

- Planning assumptions
- Financial assumptions
 - operating
 - capital

V. Development Phases and Estimated Costs

VI. Sources of Development Funds

VII. The Next Five Years (2014-2018)

CASA LOMA STRATEGIC PLAN

2009-2013

I. Introduction

Casa Loma, the City's grandest mansion, opened its doors to the public for the first time in July 1937. Restored and refurbished by the Kiwanis Club of West Toronto as it was then known, the property was leased from the city to be run as a tourist attraction with net proceeds used for the Kiwanis' community projects.

Seventy years later Casa Loma has evolved into a city icon – a major heritage attraction and hospitality venue for Torontonians and visitors alike. In recent years it has also played an important role in Toronto's film industry, frequently chosen as a location for film and television productions.

Hosting 350,000 guests in total annually from around the world and close to home, this profitable heritage site pays over \$1,000,000 in license fees and property taxes each year to the city while generating \$21,000,000 in additional tourist spending in the community. Net proceeds from Casa Loma has contributed over \$ 2.8 million for charitable projects within our city over the last decade alone.

In the late 1990's, the City recognized its obligations by embarking on a major restoration of the estate buildings' exterior structures (roofs, walls, foundations), which had suffered the deteriorating effects of age and pollution. Twenty million dollars was committed by the City to this phased restoration project.

On the basis of this extensive capital commitment on the part of the City, a renewed interest by City staff and Council was shown in this major public asset. In 2004, Culture Division struck a review committee to assess Casa Loma's present and future role within the cultural fabric of the creative city strategy and a report was tabled in the spring of 2006.

The Kiwanis Club engaged in a parallel but independent internal review process throughout this same period assisted in part by the globally renowned cultural planning firm of Lord Cultural Resources. During the summer of 2007, City staff and the Kiwanis reached a general consensus on the direction to be taken in moving forward and Council instructed staff to enter into negotiations with Kiwanis for a long term agreement based on the agreed vision for Casa Loma's future.

II. Renewed Vision

In July of 2007, City Council adopted a vision for Casa Loma to ensure that:

- a. Casa Loma's programming, curatorial focus and interpretation fully reflect its Edwardian heritage, tell the story of Toronto in that era, and reflect the imagination, energy and innovation present in Toronto in the early 20th century;
- b. complementary programming, heritage walks, signage and marketing create a heritage precinct that links the Casa Loma estate to Spadina Museum and the City Archives, two important City assets in the neighbourhood; and
- c. a refreshed visitor experience and stimulating heritage tours attract a greater number of Torontonians to the Casa Loma estate.

City staff and Kiwanis were asked to negotiate a long term extension to the City/Kiwanis agreement for the operation of Casa Loma that would implement this vision through a number of specific initiatives including but not limited to:

- enhanced heritage programming
- new visitor amenities
- an exciting imaginative restoration plan, and
- expanded governance for the Board of Trustees to ensure balanced representation of community and City interest

During negotiations, Kiwanis was requested to table a five year Strategic Plan addressing how the Council's vision would be achieved through the implementation of the Lord Report recommendations and other planned initiatives. The plan would also demonstrate the Kiwanis' financial capability for executing the vision based on a set of agreed-upon assumptions.

Accordingly, the new vision for Casa Loma is centered around the following four basic components.

1. Enhanced Heritage Development and Programming

The Lord Report addressed the day visitor experience at Casa Loma and was based on a thorough assessment of Casa Loma's strengths and weaknesses. The proposed vision based on this assessment had three main goals:

- 1) Place the site and story into a broad and coherent Interpretive Framework
- 2) Expand Casa Loma's brand and icon status by expanding on the broader social meanings of Sir Henry Pellatt's life and story and embracing the "Creative City" strategy
- 3) Brand and locate Casa Loma as a district - specifically the Casa Loma Estate District - a strong anchor for the heritage precinct which would include Spadina Museum and the City Archives.

The renewed visitor experience for Casa Loma is defined as a **Living Heritage Estate dedicated to the Exploration and Celebration of the History of Toronto's Imagination**. Living estates allow for the integration of historical elements (architecture, gardens, period rooms and collections) with live performance spaces, multimedia and audio tours. Appropriate sub-themes to aid in the interpretation of period rooms, exhibits and programming may include Romanticism, Victorianism, King and Country, Service and Sacrifice, Culture and Comfort. The total experience will be synergistic, creating a total resource that is greater than the sum of its component parts. This approach will be particularly suited to the fulfilment of the Estate District concept.

This upgraded visitor experience phased over a ten-year period will include:

- A visitor centre and destination show.
- Leading edge interpretive media such as ghost viewers, podcasts and cellular downloads for audio and visual enhancements of the various display rooms.
- A series of upgraded social history galleries on the third floor of the castle on the theme of Service and Sacrifice as well as the creation of temporary exhibition space to tell appropriate stories such as Henry Pellatt's involvement with the introduction of electricity to the City.
- Exploiting city views from Casa Loma's two towers to create displays describing the growth of Toronto and its diverse neighbourhoods over the decades.
- Creating a Time Tunnel marking significant events in Toronto's history in the tunnel connecting the main building to Casa Loma's outbuildings.
- Refurbishing (including HVAC services) the stables complex to provide for year-round use as exhibit and programming venues. The complex would include the Carriage Room, Stables, Garage, Potting Shed and a rebuilt Conservatory. The Carriage Room also has potential for theatrical productions and the Stables Courtyard could be opened as a public space.
- The Hunting Lodge, Sir Henry's original estate home, will be refurbished and used for community and special events, rentals or perhaps a restaurant.

Outdoor interpretive signage creating a sense of arrival, temporary performance pavilions and seasonal activities such as farmers markets and craft shows will add to the festive aura.

An expanded menu of public programming will be developed under the theme of imagination and creativity and delivered through partnerships or sponsorships to keep costs low and enhance profitability where possible.

Turn of the century/Edwardian content will be emphasized.

Collaborative programming and marketing activities will be undertaken to launch the Estate District as well.

2. Improved Visitor Amenities

Food and beverage and retail services provide a very important component of the overall visitor experience, as well as a significant source of revenue for the venue. Kiwanis intends to undertake improvements in these critical areas for the benefit of the day time visitor, as well as Casa Loma's evening function clientele.

- Kiwanis has issued a Request for Proposal to upgrade and enhance food service, catering and special event capabilities at Casa Loma. It is expected that the outcomes will result in improved casual dining facilities for daytime visitors, enhancements to back of house and function spaces for evening clientele and the possible introduction of a new restaurant facility on site. Selection of the successful proponent awaits the appointment of the new Board for Casa Loma.
- Relocation of the Gift Shop from the basement level to the main floor to improve visibility and access for the visitor.
- Air cooling system on main floor will be introduced.
- Accessibility improvements (including second elevator) will be undertaken.

3. Phased Series of Interior Improvements

Over the next five years, in addition to routine maintenance and upkeep of the building interiors, fixtures and equipment, Kiwanis will undertake three major improvement projects:

- woodwork restoration throughout main building
- completion of floor refurbishment throughout main building
- enhancement of security systems

4. New Governance Model

- Elaborated on more fully in the Agreement, the Board of Trustees for Casa Loma will be expanded to include 14 people – 7 appointed by the Kiwanis and 7 appointed by the City to reflect the new partnership going forward.

III. New Mission Statement for Casa Loma

To operate a financially self-sufficient heritage attraction and hospitality venue that tells the story of early 20th century Toronto to city residents and visitors alike in a leading edge, educational and entertaining fashion.

IV. Strategic Plan Assumptions

Caution to Reader: Dollar figures contained in this plan are based on preliminary capital estimates, attendance growth stemming from phased implementation of the Lord report and operating projections based on the assumptions below and historical experience.

1. Planning Assumptions

- 20 year City-Kiwanis agreement
- New governance and board structure implemented
- New Board will be given the autonomy to operate Casa Loma based on a proven business model
- Lord Report will be implemented in the phasing recommended in their Attendance Projections report generating day-time attendance increases of 7.8% in Phase 1, and 10.3% in Phase 2
- Casa Loma to remain self-sustaining and at minimum break even on an annual basis
- Interior maintenance matters identified in the Building Condition Audit will be the City's responsibility
- New programs (as opposed to exhibits) expected to break even (through government grants and/or sponsorships if necessary) or make a profit
- Hunting Lodge will be absorbed into the agreement on the same basis as the rest of the castle operations
- City will assist in resolving rezoning and pedestrian safety issues to enable full utilization of the Hunting Lodge and Stables complex
- City restoration project will impair catering operations (and hence revenue) in 2009/2010 and will also have some impact on the full use of the stables and courtyard until possibly 2017
- There will be a timely and successful outcome to the RFP process for food and beverage/catering services
- The Gift Shop will be relocated to the Main Floor
- The City will assist in the implementation of The Estate District concept

2. Financial Assumptions

- City to receive \$800,000 annually from operations
- Kiwanis to receive \$250,000 management fee annually from operations for 20 year period and \$50,000 annually plus interest to transfer existing assets to the City
- Above figures will be indexed by CPI and payments will be made on a quarterly basis

(a) Operating assumptions:

- Admission prices will increase by 6% every 3 years
- All expenses will increase by 2% each year (CPI)

- Salary and wages include performance bonuses for all staff
- Financial results in food services and catering resulting from the RFP process will, at minimum, equal past financial results in these areas
- New vision, exhibits and programs will require new staff (Program Planner, Development Officer, Additional Curator, Communications Generalist) and an increase in marketing expenses
- Film Revenue will be reduced
- Two new accounts introduced—one for a formal Volunteer/Docent program, and one for operating expenses associated with the Estate District Concept
- Consulting and Professional Fees will return to normal averages
- Property tax equivalent to be deducted from operations annually and transferred to Casa Loma Improvement Fund (CLIF) for development purposes (indexed by CPI)

(b) Capital assumptions:

- Revenue for development projects, interior improvements and new amenities to be provided through:
 - CLIF surcharge on day-time admissions
 - Annual property-tax equivalent
 - Retained earnings from operations
 - Possible government grants
 - Possible donations/endowments
 - Possible sponsorships
- Normal capital expenses for items such as computers, software, cash registers, office equipment and furniture etc. will continue on a yearly basis and be paid for from the CLIF fund.

V. Development Phases – Years 1- 5

* Phase One (Years 1& 2)

A.- Culture/Heritage Improvements

Estimated Costs

- | | |
|---|------------------|
| • Hunting Lodge renovations completed | \$357,500 |
| • Services introduced into the stables complex permitting year round use for programming, exhibits and other uses(sewer/water, boiler, heating units, electrical upgrades, public washroom) | \$190,200 |
| • In partnership with the Queen's Own Rifles, Girl Guides and the Kiwanis Club, refresh and consolidate exhibits on third floor under service and sacrifice theme | \$100,000 |
| • Introduce Visitor Centre | \$250,000 |
| • New audio guide technology and program introduced | \$100,000 |
| • First major temporary exhibit mounted somewhere on site | \$225,000 |
| • New approach and exterior signage enhancements | <u>\$ 10,000</u> |

Total - \$1,232,700

B.- Amenities

Estimated Costs

- | | |
|---|------------------|
| • New casual dining facility(s) | RFP proponent |
| • Improved back of house facilities for catered events | RFP proponent |
| • Possible new permanent or seasonal restaurant facility | RFP proponent |
| • Relocation of Gift Shop to main floor (Billiard Room) and creation of new exterior exit by shop | <u>\$300,000</u> |

Total \$300,000

C.- Interior Improvements

- | | |
|-------------------------------------|-----------------|
| • Next Phase of Floor Refurbishment | \$75,000 |
| • Woodwork improvements | <u>\$30,000</u> |

Total \$105,000

Grand Total = \$1,637,700

*** Note: Phases correspond to Lord Report – Day Visitor Attendance Projections - with relevant capital projects in each phase necessary to achieve attendance increases.**

Phase Two (Years 3-5)

A.- Culture/Heritage Improvements

- Potting Shed Conservatory Rebuild \$309,200
- Permanent Greenhouses \$100,000
- Time Tunnel Exhibit opened \$200,000
- Toronto Views Exhibit opened at entrance to Towers \$300,000
- New interactive audio/visual technology introduced to major historic rooms (e.g. ghost viewers, light/sound sensors, video terminals) \$500,000
- Third floor exhibits upgraded \$200,000
- Estate District signage installed (In partnership with the City) \$100,000

Total \$1,529,200

B.- Amenities

- Air Conditioning on Main Floor \$600,000
- Disability Access Improvements (Including possible second elevator) \$500,000

Total \$1,100,000

C.- Interior Improvements

- Final phase of floor improvements \$100,000
- Security systems enhancements \$50,000

Total \$150,000

Grand Total \$2,779,200

VI. Sources of Development Funds (CLIF)

Scenario 1 - Property Tax Equivalent in CLIF

	<u>Year</u>	<u>Surcharge Revenue (before GST)</u>	<u>Retained Earnings</u>	<u>Property Taxes (Equivalent)</u>	<u>Total</u>	<u>Phases</u>
Phase 1	1	\$271,021	\$181,385	\$180,000	\$632,406	\$1,569,829
	2	\$281,428	\$472,395	\$183,600	\$937,423	
	3	\$290,769	\$700,271	\$187,272	\$1,178,312	
Phase 2	4	\$300,418	\$712,091	\$191,017	\$1,203,526	
	5	\$310,389	\$745,551	\$194,838	\$1,250,778	
		<u>\$1,454,025</u>	<u>\$2,811,693</u>	<u>\$936,727</u>	<u>\$5,202,445</u>	

Scenario 2 - Property Tax Remains as an Operating Expense

	<u>Year</u>	<u>Surcharge Revenue (before GST)</u>	<u>Retained Earnings</u>	<u>Total</u>	<u>Phases</u>
Phase 1	1	\$271,021	\$1,385	\$272,406	\$2,486,362
	2	\$281,428	\$288,795	\$570,223	
	3	\$290,769	\$512,999	\$803,768	
Phase 2	4	\$300,418	\$521,074	\$821,492	
	5	\$310,389	\$550,713	\$861,102	
		<u>\$1,454,025</u>	<u>\$1,874,966</u>	<u>\$3,328,991</u>	

Note:

The availability of sufficient funds to accomplish the development objectives totalling \$1,637,700 in Phase 1 and \$2,779,200 in Phase 2 is dependent upon the total exemption from property taxes.

VII. The Next Five Years (2014-2018)

The Lord Report recommendations were phased over 10 years although most of the capital, program and exhibit development was suggested for the first five years to generate the requisite attendance and revenue increases upfront. Remaining elements of the Lord plan, generating a further 1.3% in attendance, include the creation of a new temporary exhibit space for rotating exhibits, the intensification of outdoor exhibits and events in the castle and stables courtyards, and the enhancement of interpretive signage, events and amenities related to the Estate District.

Potential amenities and interior improvements in this phase may include renovation of the public restrooms, the introduction of air conditioning to the Carriage Room in the Stables, and a redecorating upgrade of period display rooms (drapery, bedding, upholstery etc.).

Financial projections for this period indicate there will be ample funds to undertake these and other initiatives.

May 13, 2008