



# **One Roof Project Conceptual Plan and Preliminary Feasibility Analysis**

*Prepared by Toronto Artscape for: **Peterborough Arts Umbrella**  
January 2005*

# One Roof Conceptual Plan + Preliminary Feasibility Analysis

1. Executive Summary
2. The One Roof Project
3. Background
  - 3.1 Peterborough
  - 3.2 Peterborough Arts Umbrella
  - 3.3 The Mayor's Committee for One Roof
  - 3.4 Artscape
4. Community Visioning Process
  - 4.1 Space Needs Survey
  - 4.2 Vision Charette
5. Conceptual Model
  - 5.1 The One Roof Vision
  - 5.2 Tenant Uses + Mix
  - 5.3 Scale + Affordability + Sustainability
6. Business Case Analysis and Basic Operating Principles
  - 6.1 Capital Investments
  - 6.2 Capital Budgets
  - 6.3 Projected Annual Operating Costs
  - 6.4 Governance & Management
  - 6.5 Basic Tenant Eligibility Principles
    - 6.5.1 Determining Eligibility of Live/Work Tenants
  - 6.6 Tenant Advisory Committee
    - 6.6.1 Composition
    - 6.6.2 Mandate
7. Site & Building Characteristics
  - 7.1 One Building
  - 7.2 Mews/Yard/Infill
  - 7.3 Location
  - 7.4 Heritage Preservation
8. Public Benefits of the Project
9. Next Steps

10. Appendices
  - A. Mayor's Committee Terms of Reference and Composition
  - B. Space Needs Survey Form
  - C. Space Needs Response Analysis
  - D. Multi-Tenant Arts Facilities
  - E. Charette Questions and Attendance
  - F. Detailed Operating Budgets
  - G. Draft Canadian Artist Code
  - H. Schedule J, City of Peterborough

The One Roof Project was initiated to respond to the pressing need for affordable and secure space for the arts in Peterborough. With the help of a Steering Committee, Mayor Sylvia Sutherland's One Roof Committee, and a community-led visioning process, the project has been enhanced and re-framed as an opportunity to unlock the potential of creativity in Peterborough and serve as a major driver of downtown revitalization.

The City of Peterborough has a long and proud history of nurturing the arts, and artists. This legacy is evident in the range and number of artists and organizations as well as the robust level of creative energy and activity that exceeds levels found in other Canadian cities of similar sizes.

Peterborough therefore has a unique opportunity to take advantage of the richness of its creative assets by clustering them together in a multi-tenant centre serving a diverse and eclectic mix of tenants. This strategy has been successfully employed in large and small municipalities around the world and has been demonstrated to have strong community economic development impact.

This report proposes a conceptual model for the One Roof Project, provides preliminary operating and capital budgets and assumptions, and documents the process through which these elements have evolved. It demonstrates that Peterborough's community has the creative and financial capacity to sustain a multi-tenant arts centre provided that certain capital commitments can be secured. Finally, the report suggests options to consider for building and site selection and action steps required to make the vision come to life.

The conceptual framework and other recommendations in this report reflect a combination of the consensus of the communities dreams and aspirations and the consultant's practical experience in developing and managing similar projects. As a preliminary feasibility analysis, the report aims to provide a vision to guide future work and a framework for what is doable.

While knowledge and consensus are key in advancing the One Roof Project, making it happen will require tenacity and leadership. As the response to the recent flood has demonstrated, Peterborough has these ingredients in abundance.

## 2. THE ONE ROOF PROJECT

The One Roof Project is an idea and initiative of the Peterborough Arts Umbrella (PAU), a unique organization that boasts a mission “to promote, enhance, facilitate, serve, identify, provide for and celebrate local culture”. As an umbrella organization as well as a programmer, PAU recognizes the need to provide the cultural community with space to produce and create.

The One Roof Project grew out of this need for space as well as the understanding that partnerships and the sharing of resources would provide both affordability and economies of scale. The mission of One Roof is “to create a space where artists can live, work, exhibit, perform and conduct business”. One Roof intends to support the continued professional growth of artists and enhance the cultural and economic vitality of the surrounding community. This goal has been supported by local levels of government each time a cultural policy agenda is crafted for the Greater Peterborough Area.

“That a structure be established that creates a greater opportunity for artists, cultural and heritage organizations to network and co-operate”

*GPA 2020 A Vision for our Future 1997*

“a desire to see a Recreation Parks and Culture system that fully embraces the arts; better incorporates the city’s heritage; is diversified; is inclusive, accessible and affordable [and] is the catalyst for downtown revitalization; [and] is well co-ordinated and based on partnerships”

*A Strategy for Recreation, Parks and Culture Peterborough Area 2000-2010 Final Report December 2000*

“There will be much more support for the arts through encouragement of increased co-operation and collaboration, increased municipal staff support, promotion of a more vibrant downtown arts community and assistance with a new downtown arts centre.”

*Vision 2010 Action Plan 2001*

One Roof will enable artists, arts organizations and non-profits to increase their overall capacity through economies of scale, shared resources and security of tenure, and the communities of Peterborough will benefit.

### 3.1 Peterborough

Peterborough has a long and proud history of nurturing the arts and artists. The City has a growing population of knowledgeable and highly skilled workers in the information and technology fields (*GPA 2020 A Vision of Our Future*). There are educational institutions that provide world-class instruction in tech and tech research. A national survey ranking Canada's innovation leaders has named Trent University Research University of the Year for 2004, ranking Trent number one in comparison with other primarily undergraduate universities nationwide for the second consecutive year.

2.49% of the labour force of Peterborough work in culture related employment, which compares favourably to other urban centres such as Kingston 2.67%, Windsor 1.86%, London 2.98%, Sudbury 2.37%. (*Statistics Canada – catalogue No. 89-613-MIE, No.004, October 2004*)

Peterborough is home to more than 165 arts, culture and heritage organizations and businesses, and approximately 185 businesses with a stake in the arts and culture. There is a history of successful summer theatre activities throughout the greater area and an increasing number of people employed in this sector. (*GPA 2020 A Vision for Our Future*)



Photo: Ryan Kerr

City of Peterborough.

There is recognition that cultural industries can make an impact on the local economy. *A Strategy for Recreation, Parks & Culture Peterborough Area 2000-2010 Final Report*, expressed it clearly:

*"Peterborough's reputation as a hotbed for the creative arts continues to grow as more and more visual, performing and literary artists move to the area. In keeping with the aim of having more people, especially cultural workers live, work and play downtown, the City, downtown landlords, store-owners and tenants, and the arts community have acquired, preserved and adapted an historic building in the core area as a multi-purpose arts centre with rehearsal and performance space, galleried, studio space, artist residences, and a central box office."*

Cities must adapt and innovate in order to survive and compete, and Peterborough and One Roof are creating a synergy that will achieve that.

#### **3.2 Peterborough Arts Umbrella**

The Peterborough Arts Umbrella (PAU) was established to provide services and advocacy to the local arts community. It strives to promote, enhance, facilitate, service, provide for, and celebrate local culture. Given the membership of 72 organizations and 225 individuals, PAU hopes to become the primary cultural animator of the region. Partnerships are essential in order to implement PAU's programs, and the One Roof initiative is an example of its partnering commitment and capability.

The loss of PAU's space in January 2003, its relocation to temporary space and the subsequent flood in July 2004 has created intense pressure on the organizations' need for appropriate and permanent space. The circumstances also make this an ideal time to create and promote the parameters for a multi-tenant arts facility in Peterborough. The fact that PAU has continued to operate despite the catastrophic effects of the flooding speaks to the dedication of PAU and its leadership.

PAU has leased 4,500 square feet of space at 378 Aylmer Street and is renovating in order to occupy the space in February 2005. For the first time in several years there will be sufficient space for PAU to focus on providing service to the arts in Peterborough instead of searching for a permanent home. There will be three other tenants within the Aylmer space including Artspace, Arbor Theatre and Backlash Music Collective. A four-year lease has been signed (2 year commitment at \$3245/month plus tax and hydro, with options to renew in the third and fourth years). While the Aylmer space does respond to the immediate crisis of PAU, it does not solve the very real space challenges of the wider cultural community. Neither does it take advantage of the great opportunities presented by clustering.

The One Roof project will provide security of tenure for PAU as well as create a focal point for broader community activities. It has the potential to build the capacity of PAU and its programming as well as undertake an ambitious clustering strategy linked to downtown revitalization.

### **3.3 The One Roof Mayor's Committee**

The Mayor's Committee (see Appendix A) was established in the spring of 2004 to provide consultation, guidance and support to the project. At the request of PAU, Mayor Sylvia Sutherland agreed to invite a group of involved Peterborough citizens to sit on the committee. These citizens included representatives of: artists, arts organizations, real estate sales and development, law, arts administration, city cultural staff, and city planning staff, as well as the steering committee of One Roof.

The Mayor's Committee met three times between April and December 2004. An influential and experienced advisory committee for the One Roof project, the Mayor's Committee has been able to bring the support, knowledge and legitimacy of the wider community to the table. Aside from attending and contributing to meetings, this group participated in the survey and charette process, providing support, assistance and expertise. The Mayor's Committee is an important partner in the development of the One Roof Project. The energy, interest and involvement of this skilled group are further evidence of the need and support for this project in Peterborough. Their expertise will be helpful as the project evolves.

### **3.4 Artscape**

Artscape is a non-profit organization engaged in real estate and program development for the arts and creative sector. Hired by the Peterborough Arts Umbrella in 2004 through an Ontario Arts Council Compass Grant, Artscape was charged with the task of developing an operational model for the One Roof Project.

Artscape has specialized expertise in areas that include: property management, master planning, development of arts districts, creation and management of multi-tenant arts centres, engagement of stakeholders in creative cluster projects, and research on monitoring the impact of arts-driven revitalization projects. Artscape has been a driving force in a wide range of major revitalization projects including: Queen Street West (Toronto), Liberty Village (Toronto), The Distillery Historic District (Toronto), and Governors Island (New York).



## 4. COMMUNITY VISIONING PROCESS

The advantage of clarifying the vision of a project before purchasing a property or identifying a site is that it allows the project to be driven by that vision, as opposed to a particular building or site and its constraints. The One Roof Project started at this appropriate point, and Artscape was engaged to facilitate a community visioning process. The purpose of visioning sessions is not only to elicit new and interesting ideas and concepts for the initiative, but to help build community buy-in for the One Roof Project starting at its inception.



Photo: E. Vincent

*Snow Day – a dance performance  
by Kate Story & Ryan Kerr.*

The One Roof organizers have worked hard to involve potential partners, community stakeholders, businesses, organizations and associations in developing a vision. Using surveys and a vision charette, knowledge and numbers were gathered to demonstrate not only the need for space in Peterborough, but to also capture other people's hopes and dreams for One Roof.

The process started with a Space Needs Survey in August and September that was used to determine the need and demand for space. The information from the survey was used to frame issues and questions at the Vision Charette, which took place in October.

### 4.1 Space Needs Survey

A Space Needs Survey (see Appendix B) was developed by Artscape with input from the Mayor's Committee and PAU members. Distribution was through PAU's e-list, as well as through the e-lists of committee members. Hard copies of the survey were made available at the Peterborough Library as well as on centrally placed public notice boards in the downtown. It was targeted at:

- artists looking for affordable work space
- artists looking for affordable live/work space
- non-profit organizations looking for affordable administration/performance/exhibition space
- arts service organizations needing affordable administration space and
- designer/makers seeking affordable work or retail space.

**67% of artists surveyed required less than 500 sq. ft. for studio space**

There were 47 responses received, 73% from individual artists, 23% from organizations and 4% from institutions (see Appendix C). Some of the responses that are of note include:

### Size and affordability of workspace

- 67% of the individual artists required less than 500 square feet for studio space
- Not surprisingly, when allowed to choose levels of affordability, respondents preferred low monthly rents ranging from \$331/month - \$407/month

**77% of respondents thought there should be a live/work component to the project**

- 60% of organizations required up to 600 square feet, usually for office/administrative space; while 40% of organizations required between 1,000-3,000 square feet usually for performance or rehearsal space
- 45% of organizations expected to pay between \$1,000 and \$3000/month for space while 55% preferred to pay less than \$1,000/month for space

### Live/Work space

- Only 26% of respondents were interested in live/work space for themselves, but 77% of respondents thought there should be a live/work component to the project
- 29% of respondents had studio space at the time of the survey
- The majority, 20%, of responding artists were visual artists or painters, followed by theatre 17%, and musicians 14%



Photo: E. Vincent

*Cooked & Eaten Reading Series.*

### Services within the studio space

- The majority of respondents required sound attenuation in their studio space (63%) but not a window (48%)
- The majority of respondents required access to water (68%) but not necessarily en suite access (29%)
- 28% of respondents required mechanical ventilation in their workspace due to toxins used in their work
- 14% of respondents required upgraded electrical service due to their practice, usually kilns or mixing/lighting boards

### Services within the building

- 44% of artists felt parking was necessary, with requests for anywhere from 1 to 40 spaces
- 89% of respondents felt that gallery and exhibition space were important components to be included
- 84% felt that performance space was important
- 81% responded that rehearsal space was important
- 81% of respondents wanted to see shared service centre incorporated (an administrative area that could provide fax, internet, mail, photocopier)
- 81% also felt that community meeting space should be included
- 50% of the respondents were interested in seeing a garden included in the project while 32% were interested in seeing daycare on site
- A majority (64%) were interested in a café, while there was less support for a bar (23%) or restaurant (20%)
- Other suggestions for services to be included in the project were: media centre, woodworking shop, Laundromat, healing arts centre, recording studio, artist retirement units, artist residency program, industry friendly professionals such as lawyers and accountants

**81% felt that performance, rehearsal and shared service centre space was important**

### General

- 89% of the respondents indicated that it was important that One Roof be located in the downtown, or downtown core of Peterborough
- 66% indicated they were interested in leasing space and 86% of those were interested in securing space in 2005.

**89% indicated that One Roof be located in downtown Peterborough**

### 4.2 Vision Charette

A charette is a tool to help a community develop creative new ideas to bring life and purpose to a proposal or project. It is an intense, short-term experience that generates ideas and suggestions to solve issues or identify needs.



*Tashiro Kaplan Artists Lofts, Seattle.*

On October 27<sup>th</sup> 2004, fifty-six citizens attended a vision charette staged at Market Hall. Mayor Sylvia Sutherland began the session by expressing her personal support and commitment to the concept of One Roof. The Executive Director of Artscape, Tim Jones made a presentation about the components of creative places and the components that enable creativity in communities. He spoke of the three key factors that are important in determining the success of creative places:

**"Community Involvement = Support = Ownership."**

- Charette Participant

### 1. The Psychological Environment

- a collective will to buck conformity
- the welcoming of artists
- celebration of freedom and diversity
- encouragement of mavericks
- the ability to imagine a different future

### 2. The Creative Capacity

- a critical mass of artists, designers, researchers and others who make their living demonstrating creativity
- multiple non-profit and for-profit organizations that employ creative people and showcase art and creativity
- availability of arts education at all levels
- access to capital and space to carry out creative enterprise
- affordability of space to carry out creative enterprise
- support for networks that represent and advocate the interests of creative fields

### 3. The Development Environment

- zoning
- access to capital
- interest rates
- real estate market conditions
- development tools and incentives, density bonusing
- building and fire codes
- measures to protect heritage
- market regulation i.e. rent control

Also presented were several examples of successful multi-tenant centres (see Appendix D).

For four hours, people responded to questions about their vision of the One Roof Project and about what they dreamed of in a local multi-tenant arts facility. In facilitated groups of 7-12 people, they responded to

**"I liked the fact that such a diverse group was in attendance."**

- Charette Participant

## 4. COMMUNITY VISIONING PROCESS

specific questions (see Appendix E) about the project, the concept, and the expectations of One Roof. Below is a synopsis.

### ***What's your vision?***

Responses to this question revealed several common themes identified by participants. Most groups see One Roof as a meeting place, an epicentre, an easy-to-find place that bridges gaps and provides connections. Ethnic and disciplinary diversity are identified as key factors for success. All groups envision both live/work and work space in the project as well as common use of large equipment and services, ranging from recording studio, to rehearsal space to arts friendly professionals. There is an identified need to include youth programs in One Roof, either through directed programming or educational outreach. Several groups see an artist-in-residence program as part of the project and most (89%) see the project located in downtown Peterborough.

***"It enabled me to listen to a broad range of opinions and ideas about the value of this type of space and to work on how this might become a reality."***

*- Charette Participant*

### ***What will it look like?***

Participants see One Roof as a heritage building, either industrial or an old school, surrounded by public space. The public space could be green space, a courtyard, a piazza, or a sculpture garden. It is easily identifiable as One Roof, is bright, sound proofed, with windows that open. It is beautiful to look at and be in.

### ***Size of One Roof***

Participants see One Roof as a minimum of 35,000 square feet whether it is one building or a complex. It should be identifiable and flexible in function and form.

### ***Space at grade***

Most participants see arts-related retail in some form at grade, whether it be emerging artist retail/gallery space, open studios, or a café. There is no interest in chain retail, restaurant or bar activity, but a definite desire for the main floor to be publicly accessible and welcoming.



*Courtyard of 401 Richmond, Toronto.*

### **Tourist/local draw**

Participants are unanimous in One Roof being both a local destination as well as a tourist draw. They are equally certain of it being first and foremost a project for the local cultural community and incidentally a tourist attraction.

***"The process was an important and useful one. It is rare to see such diverse representation from all facets of the arts community, and better yet, from City Council itself."***

*- Charette Participant*

### **Public/private partnership**

Participants are cautious about the type of retail tenant in One Roof. Although supportive of retail, even small industrial use to defray operating costs of the larger project; it is local arts-related retail that is encouraged, not larger corporate tenants such as Starbucks or GAP.

### **Tenant Mix**

All groups see One Roof as being both live/work as well as work studios. There is interest in artistic residencies to ensure a constant turnover of tenants. There is also a definite expectation that tenants will be a mix of working artists and arts organizations.

Participants also see One Roof as a very animated and active place whether because of frequent performances, rehearsals or accessible public space. Office space is seen as occupied by arts, cultural or environmental organizations, supportive professionals or communal administrative space.

### **Governance**

Participants see a board of directors managing the project using either a co-operative model or another model yet to be determined depending on stakeholders. There is also an acceptance or expectation of government involvement, not in the operations of One Roof, but in capital funding or building ownership. The project should be self-sustaining.

***Of all of the respondents to a charette follow up questionnaire, 80% expressed an interest in becoming more engaged in the project.***

Surveys, charette comments and discussions reveal that One Roof is seen as a project of at least 35,000 square feet, in downtown Peterborough with active, accessible public space. There is affordable work and live/work studio space for artists, arts and non-profit organizations, some private, independent retail as well as a performance/exhibition component. One Roof is a self-sustaining, vibrant hub that is managed by on-site staff overseen by an accountable Board of Management. Construction components and operations have minimal environmental impact on the surrounding area. It is a green and welcoming centre of creativity and innovation.

### **Multi-tenant Arts Centres and the Power of Creative Clustering**

Clustering strategies have been employed in many sectors and industries as a means to fuel economic growth by building synergies, networks, and capacity. Multi-tenant arts centres can be understood as a type of micro-cluster that can achieve similar results. There are a wealth of examples in North America and Europe of multi-tenant arts centres that have been developed to anchor artists and arts organizations in low-cost premises. Examples from a decade ago might typically include artist studio buildings or live/work projects that were conceived and designed with functionality in mind to provide safe, secure, and affordable places to live and/or work.

Today, the power and impact of creative clustering is better understood. Experience has demonstrated that diversity in the tenant mix and uses is key in promoting resource sharing, fostering collaborations, and building community. These places are now designed to promote interaction and exchange and the spirit in which they are managed is as important as their built form. Managers of multi-tenant centres are learning how to engender a culture of creativity within and connect it to the surrounding community. As a result, multi-tenant arts centres have been recognized as catalysts for the revitalization of urban areas.

### **5.1 One Roof Vision**

Based on discussions, surveys and the charette, the following is a draft vision for the One Roof project for consideration.

***One Roof is a hotbed of creativity: an energetic place for experimentation and innovation where new ideas flourish and people from all walks of life come together to make their community a better place to live, work, and play. One Roof is a catalyst. It creates a dynamic point of intersection between artists and the community. It celebrates the creative spirit, promotes resource sharing and collaboration, and showcases Peterborough's hidden talents and assets. One Roof is a partner in the evolution of Peterborough's downtown as a vibrant centre for creativity in the cultural sector.***

**5.2 Tenant Uses and Mix**

The One Roof Project is an exciting opportunity to build on what has been learned about the successful development and operation of multi-tenant arts centres. Program components that ought to be considered for the One Roof Project include work studios for artists and non-profit organizations; live/work studios for artists; retail; public assembly and common space.

<b><i>For Peterborough, the 2004 CMHC maximum monthly rent ranges are:</i></b>	
<i>Bachelor</i>	<i>\$505-\$550</i>
<i>One Bedroom</i>	<i>\$650-\$719</i>
<i>Two Bedroom</i>	<i>\$760-\$807</i>
<i>Three Bedroom</i>	<i>\$855-\$925</i>

**Work Studios – Artists and Non-Profit Organizations**

Work studios in One Roof are basic units that provide the essential space for creativity to happen. They are typically one large room with natural light and a lockable door, raw design, with exposed structural elements.

There is generally communal access to water and washrooms on each floor. A range in sizes allows for both a range of rents as well as disciplines, since a web designer typically needs less space than a set builder or an environmental education group. Work studios provide both daytime and evening activities to the project.

**Artist Live/Work**

Live/Work units are self-contained apartments that also accommodate the space required for artists to work and create. The sizes of the units are not significantly different than typical rental housing units, but innovative design and layout creates the flexibility needed for artists to work in the same space in which they live. Live/work space contributes to the affordable housing stock in Peterborough, as well as diversity and liveliness to One Roof.

**Arts and Designer/Maker Retail**

Retail space is the more visible, street-related space that enlivens the edges of the One Roof project. Such uses may include a gallery, café, bookstore or arts-related retail. Retail rents can be higher than live/work or work studio rents and may be able to cross-subsidize the cost of the work studio or live/work space.

**Public Assembly/Performance/Theatrical Space**

A theatre or performance space of 60–150 seats within the facility could be leased and programmed by one or more tenants or even by One Roof itself. This space would provide a focus or anchor for the project and the community.

**Common Space**

Common space can take the form of a lobby, a lounge, a bulletin board, a garden, a courtyard, a square, a cafe or a green space or all of the above. The success of developing a creative environment hinges on these places. They build community inside and outside the project.



**5.3 Scale + Affordability + Sustainability**

Several factors are important in considering what scale of project is optimal and sustainable. If the intention is that the project should operate on a cost recovery basis, a minimum size of 35,000 square feet is suggested. A project of this size will be able to spread overhead costs of a full-time manager and other management costs over a large enough area to keep leasing rates affordable. It is worth noting that the One Roof Project Space Needs Survey indicated interest in leasing 42,905 square feet of workspace. Given that the scale of the project could grow substantially depending on the number of live/work units proposed, the following three scenarios have been studied.

Building size	Bachelor units	One Bedroom	Two Bedroom	Total live/work	Workspace
35,000	10	10	5	26	20,000
50,000	11	20	10	41	25,000
65,000	16	40	11	67	25,000

*The waiting list for subsidized housing in Peterborough is currently at 1461 applicants, with 57% of those waiting for one or two bedroom units, 78% if seniors are included. Given the significant number of applicants waiting for smaller units, the residential component calculations and considerations for One Roof reveal a greater number of bachelor and one-bedroom units than two bedroom units.*

Determining the affordability threshold for a low-cost project is a complex undertaking. For this study, Artscape surveyed leasing rates for commercial real estate in downtown Peterborough to determine that current market rates range from \$13-\$17 p.s.f.gross. The fact that there is vacant space available and multiple space-challenged artists and arts organizations suggest that lease rates exceed affordability thresholds.

<b>Unit Sizes</b>	
<i>The sizes of the live/work units are based on industry standards for affordable housing.</i>	
<i>Bachelor</i>	<i>450 square feet</i>
<i>One Bedroom</i>	<i>600 square feet</i>
<i>Two Bedroom</i>	<i>800 square feet</i>

In the Space Needs Survey, respondents were asked to identify the level of rates they would be willing and able to pay. Analysis of this data revealed that while some indicated a desire to pay little or no rent, the majority indicated a rate of 55% of the lowest average commercial rates in the area. In Peterborough today, this would mean a rate of \$7.20 per square foot gross. Operating and capital budgets were then constructed to see if this amount could provide sufficient revenue potential to meet the sustainability goals. Projected budgets demonstrated that the range of \$8-\$8.20 p.s.f. gross rate could meet the sustainability test provided certain capital assumptions (see Section 6.1 Capital Investment Assumptions) were met.

## 5. CONCEPTUAL MODEL

Artscape evaluated the affordability threshold as a percentage of the lowest average commercial rates and found that at 55% it is roughly similar to its experience albeit in a much higher market in downtown Toronto. The threshold figure was then presented for discussion at the Vision Charette where the lack of negative feedback confirmed that the affordability threshold made sense.



*AS220, Artist live/work project, Providence, Rhode Island.*

### Cost-Recovery

There is a strong consensus that One Roof should operate as a self-sustaining entity. The framework recommended in this report is that One Roof run on a cost-recovery basis. Cost-recovery means that money raised through rents is sufficient to cover the operating costs of the building, such as heat, hydro, maintenance, staffing, taxes, and capital reserve contributions. By keeping costs low, rents can be kept affordable. No government grants would be required to sustain the annual operating budget of the project itself. Any grants from Arts Councils or other funders could be used to fund specific programming or activities within One Roof.

### 6.1 Capital Investment Assumptions

This report is written with the assumption that all of the required capital to purchase or renovate the One Roof property can be raised up front, that there is no ongoing cost for the buildings' mortgage, or only minimal mortgage financing involved for the housing component of the project. Many successful multi-tenant arts facilities have been created with 100% of the capital costs secured up front.



Photo: E. Vincent

*Agoryphilia – John MacEwan & Emma Romerin*

There are funding sources that can be accessed through different levels of government for specific components of project development, from design costs to environmental retrofits. It is recommended that One Roof pursue them all. Where funding falls short, fundraising from foundations, corporations and the community will fill the gap.

This means that the One Roof Committee will have to seek and take advantage of opportunities to secure an appropriate property at reduced or no cost, either through fundraising or gifting from a local authority, such as the municipality, public utility or agency of the municipality.

There is also an assumption of a Federal/Provincial Affordable Housing program that will direct funding to the creation of new rental housing stock. It is assumed that One Roof will qualify for this program for \$52,000 per residential unit. Other programs that One Roof should seek to take advantage of include:

- **Provincial Infrastructure Program** – for municipalities of less than 250,000 to improve public infrastructure including cultural, recreational and tourism infrastructure, and connectivity, up to one third of the capital cost

- **Cultural Spaces Canada** – a Heritage Canada program that provides up to one third of the capital costs to renovate and construct arts facilities
- **Rural Economic Development Program** – a provincial program for collaborations that funds capital projects, up to 50%, that help revitalize rural communities
- **Eco Action** – a funding program through Environment Canada that provides up to \$25,000 support to community groups for projects that have measurable, positive impacts on the environment
- **Green Municipal Funds** – a federal program administered through the Federation of Canadian Municipalities that can provide up to \$350,000 for innovative applications of green technology
- **Commercial Building Incentive Program** – a federal program through Natural Resources Canada that provides up to \$60,000 for energy management plans and project facilitation services
- **Seed Funding** – a CMHC program that offers up to \$20,000 to housing proponents who are in the very early stages of developing an eligible housing project
- **Foundations/Donations/Fundraising**
- **Municipal Contributions** – The City of Peterborough should be approached with respect to contributions in the form of reduced taxes, or the waiving of fees, levies and approval costs, or one-third matching contributions for Provincial funding

## 6. BUSINESS CASE ANALYSIS – BASIC OPERATING PRINCIPLES

### 6.2 Capital Budgets

The capital budget for One Roof includes all costs to construct the project from concept to occupancy. The costs vary depending on the size of the project. Below are estimates of capital costs based on Artscape’s experience in renovating and retrofitting existing buildings (see Appendix F).

<b>Capital Budget</b>	<b>35,000 sq ft</b>	<b>50,000 sq ft</b>	<b>65,000 sq ft</b>
<b>Revenue</b>			
Federal Programs	1,080,519	1,564,986	1,604,098
Federal/Provincial Housing Programs	1,352,000	2,132,000	3,484,000
Provincial Programs	1,672,972	2,000,000	2,000,000
Municipal	410,000	410,000	500,000
Foundations/Donation/Fundraising	250,000	500,000	600,000
Financing	778,218	1,236,071	1,986,201
<b>Total Project Revenue</b>	<b>\$5,543,709</b>	<b>\$7,843,057</b>	<b>\$10,174,299</b>
<b>Expenses</b>			
Architectural & Engineering Design	375,550	536,500	697,450
Cost Consultant	30,000	30,000	30,000
Non-residential construction	2,099,574	2,513,400	2,950,000
Residential construction	2,030,426	3,386,600	4,720,000
Appliances & furniture	46,970	59,645	91,615
Disbursements & printing	9,450	13,500	17,550
CMHC fees, appraisals,	105,000	105,000	105,000
Administration & legal	40,000	40,000	40,000
Project management	212,771	318,085	432,581
Contingency	593,969	840,328	1,090,103
<b>TOTAL PROJECT COST</b>	<b>\$5,543,709</b>	<b>\$7,843,057</b>	<b>\$10,174,299</b>

The capital budget projections for the project reflect base-building standards, that is, there would be basic finishes within all but the live/work spaces. Tenants renting any performance or theatrical space would have to do the necessary improvements to accommodate their specific use. Such improvements would include items such as venting, partitioning, washrooms, theatrical systems, lighting, sound, seating and staging requirements.

**6.3 Projected Annual Operating Costs**

The operating costs of One Roof will vary depending on the size of the project. Below are collapsed operating budgets that reflect the first year’s costs of running One Roof. Detailed operating budgets are in Appendix F and show how each building will be in a surplus position with an appropriate building reserve after ten years.

<b>Operating Budget – 35,000 Sq Ft project</b>	<b>Revenue</b>	<b>Expenses</b>
Revenues: 26 live/work studios & 20,000 sq ft work space (\$8.00 sq ft)	\$328,676	
Building Superintendent & Caretaker PT Management & Tenant Services FT		104,300
General Maintenance, Fire & Security		23,450
Insurance & Utilities		76,300
Taxes, Reserve, Contingency & Mortgage		127,269
<b>Total Costs</b>		<b>\$331,319</b>
<i>Surplus/(Deficit)</i>	<i>\$2,643</i>	

<b>Operating Budget – 50,000 Sq Ft project</b>	<b>Revenue</b>	<b>Expenses</b>
Revenues: 41 live/work studios & 25,000 sq ft work space (\$8.00 sq ft)	\$513,636	
Building Superintendent & Caretaker PT Management & Tenant Services FT		167,950
General Maintenance, Fire & Security		43,500
Insurance & Utilities		110,000
Taxes, Reserve, Contingency & Mortgage		191,940
<b>Total Costs</b>		<b>\$513,390</b>
<i>Surplus/(Deficit)</i>	<i>\$246</i>	

<b>Operating Budget – 65,000 Sq Ft project</b>	<b>Revenue</b>	<b>Expenses</b>
Revenues: 67 live/work studios & 25,000 sq ft work space (\$8.20 sq ft)	\$719,986	
Building Superintendent & Caretaker FT Management & Tenant Services FT		215,900
General Maintenance, Fire & Security		46,800
Insurance & Utilities		143,000
Taxes, Reserve, Contingency & Mortgage		308,765
<b>Total Costs</b>		<b>\$714,465</b>
<i>Surplus/(Deficit)</i>	<i>\$5,521</i>	

### 6.4 Governance + Management

There is a strong sense that the governance structure of One Roof be clearly defined, transparent and accountable, and that a Board of Management be struck to guide the project and staff. The day-to-day management of the facility includes: property management, tenant services, and application administration for the project.

It is recommended that the management for One Roof include the following positions and responsibilities to ensure smooth operation and sound management of the project.

#### **Management and Tenant Services – full time**

It is recommended that One Roof include a Management and Tenant Services staff complement. This office would deal with all tenant issues including:

- lease administration
- marketing
- tenant relations
- public relations
- communications within the project and the community
- any program administration i.e. administration of a residency program
- leasing of retail spaces
- co-ordination of events
- rentals of common space
- fundraising & grant co-ordination

**Building Superintendent** – this staff position deals with the day-to-day operation of the project, including:

- supervision of cleaning and repairs
- supervision of general maintenance of units and common areas
- scheduling of monthly and annual inspections
- arranges and monitors any contracted services within the project, such as fire or HVAC systems, elevator contracts, laundry rentals, pest control or security systems.
- drafting of capital budgets
- forecasting of capital improvements
- deals with all emergencies within the project and is reachable 24 hours a day

**Caretaker** – this position is supervised by the Building Superintendent and provides cleaning and general maintenance to the project. Duties include:

- common area cleaning
- basic repairs to units and common areas
- garbage and recycling removal
- daily grounds pick-up
- light landscaping
- snow clearing

Both the Superintendent and the Caretaker can be part-time or full-time staff depending on the size of the project. The greater the number of live/work units within One Roof, the more in-suite repairs and tenant management issues and therefore the higher the staffing level.

### **Administration**

The business administration component of the project includes:

- accounts payable and receivable
- budget projection and monitoring
- purchasing
- payroll

### **Governance**

It is recommended that a non-profit board of management be constituted to govern the development and management of the One Roof facility. The board provides advice and guidance to staff around many issues including, but not restricted to: finances, legal matters, and the relationship with the community. It may be that PAU assumes this role of the board of One Roof given its leadership and involvement to date. Barbara Anderson-Huget has been separately contracted by PAU to develop a governance strategy for the project.

### **6.5 Basic Tenant Eligibility Principles**

One Roof will require policies and processes to determine tenant eligibility and facilitate tenant selection. There are four types of tenancies to be considered for One Roof: individual artist workspace; individual artist live/work; organizations and designer/maker retail. There will always be a greater demand for space than there is available space, so waiting list maintenance will be important. Processes will have to be created for each type of tenant, similar to the sample procedure for individual artists applicants described in this section.

#### **6.5.1 Determining Eligibility of Individual Artist Live/Work Tenants**

Eligibility for individual artists for live and workspace can be determined through a three-step process.

Step 1 – an initial qualifying, through application, letter of intent, and cv;

Step 2 – a review by a tenant advisory group established by One Roof;

Step 3 – an interview between the applicant and the tenant advisory group

Live/work and work only applicants must all be qualified as professional artists through the Draft Canadian Artist Code criteria. (Appendix G)

Applicants for One Roof would submit their artist curriculum vitae, a letter of intent (what they propose to do in their unit) along with their One Roof application form. The application form would have all contact information, the size of unit required, including special requirements such as ventilation, noise



attenuation, as well as the primary and secondary artistic disciplines of the applicant.

One Roof would then undertake a secondary review to determine whether they are recognized as a professional artist using the Draft Canadian Artist Code. Once qualified as a professional artist, the application would be forwarded to a Tenant Advisory Committee for review.



*Laurel Packinghouse, Arts & Culture Community Centre, Kelowna, B.C.*

If accepted by the Tenant Advisory Committee, an interview would be completed with the applicant and, if suitable, they would be placed on the waiting list, by date of application, for the One Roof project and any vacancies would be filled from that list.

### **6.6 Tenant Advisory Committee**

#### **6.6.1 Composition**

The Tenant Advisory Committee (TAC) can be constituted as a standing committee of the One Roof Board of Directors consisting of two Board members, three tenants (each serving a two-year term), and a One Roof staff member (ex-officio).

#### **6.6.2 Mandate + Application Review**

The TAC would be mandated to review and recommend any tenant policies and programs including: eligibility for waiting lists; the options of term limits and renewals; specific tenant issues, including appeals, as well as waiting list management and selection process.

The Advisory Committee interviews and approves tenants for units or placement on the waiting list. Using the Draft Canadian Artist Code as a guide, the five volunteer (non-staff) members review each application and decide by simple majority whether or not applicants meet the criteria. Dissenting comments should be noted in order to identify deficiencies to applicants or make suggestions as to how they might qualify in the future; e.g. "Call us when you have had at least one exhibition in someplace other than your home."

Initial application review and Tenant Advisory Committee review would include consideration of:

## 6. BUSINESS CASE ANALYSIS – BASIC OPERATING PRINCIPLES

- a) the artist's curriculum vitae, which outlines education, employment, exhibition, performance, composition, publication, grants etc. relating to the artistic practice.
- b) the letter of intent, which describes what the artist intends to use the space for,
- c) determination of whether the individual receives, or has received, professional recognition as defined by one, some or all of the following criteria as set out by the Draft Canadian Artist Code.

Applicants do not have to meet all the criteria in order to be considered "professional"; however, committee members will use the criteria as a guide by which to make the determination of eligibility.

Once eligibility has been established, the applicant is placed on the waiting list for the project by date of application.

Once placed on the waiting list for One Roof, applicants will have to maintain their application current through yearly updates. One Roof will need to create an annual administrative process that will include an annual update letter being sent to applicants on the waiting list to ensure that: they continue to qualify, their contact information is current, and they are still interested in space in the One Roof Project. By maintaining a current waiting list of interested potential tenants, One Roof will reduce any vacancy loss resulting from time wasted chasing applicants who have relocated or cannot be contacted.



900 Queen St. W. (see Appendix D), Toronto.

## 7. SITE AND BUILDING CHARACTERISTICS

Given the level of interest and the demonstrated need for space for artists and non-profit organizations in Peterborough, it is apparent that the One Roof project has an exciting opportunity before it. The thought and energy that has been generated around the project will allow the vision of One Roof to drive the form and site of the building. In the search for a site, two forms, and two approaches, should be considered, a single building, or an infill project.

### 7.1 One Building

It may be possible to accommodate everything that surveys, suggestions and steering committee members dream of within one building in Peterborough.

There is an existing supply of potential buildings, some being historically significant, or recently declared surplus. There are many examples of successful multi-tenant arts facilities that occupy one building (1313 Queen Street West Toronto, The Laurel Packinghouse Kelowna BC, Artspace Inc. Winnipeg Manitoba (see Appendix D). It is very feasible to take an existing building and renovate it to accommodate both retail space and workspace. Given building code compliance for live/work units, as well as the need to make the project financially viable by creating new housing units, the housing component would be an addition of new construction to the building.

*"The Commercial Policy Review of 2000 confirmed the longstanding tradition of the City to encourage the Central Area as a vibrant commercial district and a place for people to find permanent housing . . . Encouraging housing in the Central Area implements the Official Plan in a tangible way."*

*(Affordable Housing 2002 Report January 7, 2002)*



*Neal's Yard, Covent Garden, UK.*

### 7.2 Mews/Yard/Infill

While the existence of an empty or underused heritage facility should not be ignored, neither should the context of downtown Peterborough. An exciting form that should be considered when siting One Roof is that of a mews or yard.

## 7. SITE AND BUILDING CHARACTERISTICS

Contemplate the typical streetscape of downtown Peterborough, with its mix of 2 and 3 storey historical storefronts with laneways behind. These buildings with retail at grade should be reused, revived and reinvented. The storefronts could be gallery, retail or designer/maker retail space. The laneways behind provide great opportunity for new housing and workspace construction that relates to the rear of the renovated street fronts across a public courtyard or plaza. This form would renew and enliven the public streetscape as well as give One Roof a dynamic face at grade. It would also create opportunities within the common outdoor space for passive (casual gathering or common gardening) or programmed (sculpture gardens, a patio café, performance or exhibition) space.



*Rear alley looking towards Hunter Street.*

Photo: B. Kimball



*Rear alley seen from Water Street.*

Photo: B. Kimball

***89% of respondents to the survey indicated that One Roof be located in downtown Peterborough***

### 7.3 Location

Throughout the meetings, surveys and charette process, there was an overwhelming interest in One Roof being located in downtown Peterborough. The City's Official

Plan promotes diverse neighbourhoods and a wide range of housing needs and levels of affordability in the central core (see map, Appendix H). With the imminent adoption of a Community Improvement Plan for the Central Area in early 2005, there are real possibilities of the One Roof project qualifying as a 'Municipal Capital Facility'. This would allow the City to treat the project as if the City owned it, which would mean the forgiveness of development charges, building permit fees and taxes.

## 7. SITE AND BUILDING CHARACTERISTICS



Photo: B. Kimball

Corner of Hunter & George, Peterborough.

### 7.4 Heritage Preservation

Heritage buildings and districts create a unique sense of place and a rooted sense of local identity and continuity. The City of Peterborough boasts a Heritage Property Tax Relief program that reduces the property tax for owners of historically designated properties. The reduction is up to 20% for commercial and multi-residential buildings and 40% for qualifying residential properties.

The City will also waive all development charges and fees for developments within the central area (see map Appendix H). One Roof will be able to take advantage of both of these opportunities.

There has been discussion and approval in principle of two other programs at the City. A Façade Improvement Program, to assist owners of qualifying properties with exterior improvements; and an Upper Storey Redevelopment Program, which would provide grants or forgivable loans for commercial building owners to refurbish upper stories for residential use. As of January 2005, these two programs are part of the City's policy framework, but not currently active. One Roof would have to enter into discussions with the City about each of these dormant programs.

Finding alternative uses for existing buildings maximizes capital funding and costs. Heritage conservation contributes to building strong communities by protecting and promoting their cultural assets, stimulating local economic development and strengthening civic identity and pride.

## 8. PUBLIC BENEFITS OF THE PROJECT

The key to unlocking the untapped potential of Peterborough is to build an environment that is conducive to creativity.

Artists and arts activity can play a key role in strengthening communities, stimulating economic growth and revitalizing downtowns. Creative places grow when a complex array of factors related to creative capacity and community are present in a favourable environment. Peterborough has many of the attributes needed in order to support and encourage creativity. The City is home to many artists and boasts a significant number of creative practitioners. There are supportive and active non-profit organizations such as PAU and Artspace as well as presenters such as Peterborough New Dance that showcase art and creativity. Peterborough also boasts a supportive municipal partner in the City.

A vibrant and well-managed multi-tenant facility can generate both measurable and intangible benefits to a community. The One Roof project will have many positive impacts on the immediate and wider community in Peterborough.

**Physical environment** – When existing buildings are re-claimed and converted into multi-tenant arts facilities, the physical changes induce many benefits. The area is seen as more attractive, charming, walkable and safe. Measurable improvements include a reduction in crime, cleaner streetscapes and the fostering of a sense of pride among business, property owners and residents in the neighbourhood.

**Activity** – By re-activating a once-dark building there are resulting economic impacts in the surrounding area, including a gradual rise in property values, increasing rent levels and retail sales. There is an increase in foot traffic reinforcing connections and linkages throughout the community, which contributes to an improved street life. Evening use of the streets and public spaces heightens the sense of neighbourhood and safety for everyone in the community including seniors, women and children.

**Access** – One Roof has the very real potential of becoming a local hub. A conveniently located facility that provides connection and access for a wide range of users and uses. One Roof can create a dynamic point of intersection between artists and the community; it can house creative enterprise; advance creative capacity and invest in social capital.

The findings in this report indicate that there is sufficient demand and interest in Peterborough to develop and sustain a multi-tenant arts centre in the 35,000 – 65,000 square foot range. Many important stakeholders have been engaged and a vision for the project has been proposed. A business model and sources of funding have been explored. There appears to be general consensus on a diverse range of arts-related uses as well as clear agreement that the project can be a driver of downtown revitalization. In effect, the groundwork for the project to move forward with confidence has been laid.

***The challenge ahead will be in holding the collective will and vision for the project together as the project's details are fleshed out, competing and conflicting interests emerge, and difficult decisions have to be made.***

To effectively navigate the course ahead, it is recommended that Peterborough continue to build its expertise in the development and management of multi-tenants centres by taking advantage of Artscape's Creative Clusters Development Program.

Next steps in the realization of the One Roof Project will include:

**Identification of community leaders:** it is essential that One Roof identify the community leaders who will be able to push the project forward. These will be the people that will be the public face and force for One Roof. Ideally, they would participate in Artscape's Creative Clusters Development Program throughout 2005.

**Community Relations plan:** there will be a need for One Roof to reach out to the community in order to build support and local buy-in for the project. This individual, group or committee could become a standing committee of the board to ensure good communication between One Roof and the surrounding community.

**Identification of a Building/Site:** The logical next step in the process will be to secure a development site for the project. This task might be best undertaken by the Mayor's Committee in collaboration with the One Roof Steering Committee.

**Selection of an Architect and Consultant Team:** As soon as a site has been selected a lead architect should be engaged through a competition to undertake a feasibility study and coordinate the work of other consultants.

**Feasibility Study:** Once a site has been selected, a feasibility study should be undertaken by the chosen consultant team that includes a conceptual architectural design and preliminary capital and operating budget projections. The cost for this type of service is estimated to be in the range of \$45,000–\$65,000.

**Determination of Governance Structure:** As noted in the report, Peterborough Arts Umbrella has engaged a consultant to help define a governance structure and manual for the One Roof initiative. While this work can be started at any time, it probably makes sense to begin this once a site has been selected.

**Tenancing:** At this point a call for expressions of interest from non-profit organizations, artists and arts service organizations can be issued in order to commence the tenancing of the project and to engage some of the potential tenants in the next phases of the development process.

**Major Contributions and Gifts Solicited:** It is preferable to secure pledges of financial support for the project from government departments and major donors before a great deal of public profile for the project is developed. This process can begin anytime but does not really gather momentum until a site is identified and a feasibility study is complete.

**Development and Launch of Capital Campaign:** Planning for the capital campaign can begin in earnest after the feasibility study is complete. Media and other profile building events prior to the launch of the capital campaign should be carefully considered as there will be a limited number of opportunities to capture the community's interest and support for the project. At the launch of the capital campaign, it is ideal if 50% or more of the project funds and finances have been pledged and materials and systems are in place to solicit support from the community.

**Planning Approval Process Begins:** Invariably, the selected site will require a range of government approvals from re-zoning to building permits and environmental approvals. In a re-zoning, this process can begin after the completion of the feasibility study and take between 6 to 12 months depending on appeals. It is extremely helpful to have the support of a City staff working group to facilitate this process.

**Detailed Design Developed:** Only after sufficient funding and financing for the project has been secured does it make sense to proceed with detailed design drawings of the project. Typically, 75% of the expenses for architects and consultants occur in the development of working drawings and contract administration (during construction). For a project of this scale 6 – 9 months should be allotted for the development of working drawings.

**Construction Begins:** As a rule, the sooner construction can begin on a project, the less expensive it is. Therefore every effort should be made to compress previous steps and when possible work on them concurrently. Construction for the One Roof Project should be expected to take 9 months to 1 year.



- A. Mayor's Committee Terms of Reference and Membership List
- B. One Roof Survey
- C. One Roof Survey Results
- D. Examples of Multi-Tenant Facilities
- E. Charette Questions and Attendance
- F. Detailed Operating and Capital Budgets
- G. Draft Canadian Artist Code
- H. Schedule J, City of Peterborough