



**CITY OF KINGSTON**  
**REPORT TO COUNCIL**

**Report No.: 12-138**

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**TO:** Mayor and Members of Council  
**FROM:** Lanie Hurdle, Commissioner, Community Services  
**RESOURCE STAFF:** Same  
**DATE OF MEETING:** April 17, 2012  
**SUBJECT:** Capital Request for the Relocation of the International Hockey Hall of Fame

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**EXECUTIVE SUMMARY:**

In 2011, City staff was approached by representatives from the International Hockey Hall of Fame (IHHOF) to discuss its potential relocation from the City owned facility at 277 York Street (Memorial Centre site) to the former S&R building located downtown. The IHHOF has now executed a lease with the owners of the former S&R building and plans to relocate in the fall of 2012.

Some high level information on this relocation was brought to Council through a report submitted to the Kingston Memorial Centre Committee in the fall of 2011. That report recommended the demolition of 277 York Street once it was vacated by the IHHOF. The report also mentioned the community's interest to use this space on the Memorial Centre site for other community program purposes as identified in the Memorial Centre rejuvenation plan.

The current location, 277 York Street, is a City-owned facility situated on the Memorial Centre site. The City has been covering annual utility costs of approximately \$15,000 for a considerable time. In addition, the City is responsible for all capital maintenance and rehabilitation for the property. The two-storey brick building has not recently benefited from any major or significant capital investment. Not surprisingly, a recently completed building condition assessment estimates that the building would require an investment of approximately \$1.4M to address building deficiencies, and the majority of this would be needed over the next two to three years. Asset management and asset rationalization are priorities of Council from the adopted Kingston Strategic Plan 2011-2014 under the infrastructure priority.

It is important to note that in May 2011 Council approved report ARCP-11-012 and endorsed the following motion: *"THAT the City not consider any unsolicited requests for municipal funding*

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*unless it is part of a broader City based project or initiative to be recommended by staff on a case by case basis.*" This request is administered in accordance with that motion.

The request is an opportunity for the City to facilitate a relocation and avoid significant rehabilitation costs in an asset (277 York) beyond its useful life.

**RECOMMENDATION:**

**THAT** Council consider the options and direct staff to:

1. Allocate \$400,000 capital assistance funded from the Municipal Capital Reserve Fund, as requested by the International Hockey Hall of Fame (IHHOF), conditional on other IHHOF capital financial goals being substantially achieved, to relocate to its proposed downtown location and implement its transformation plan, and that the City proceed with demolition of 277 York Street and use the space on site to implement other community based programs as per the Memorial Centre rejuvenation plan.

**OR**

2. Not allocate any capital funding assistance to the International Hockey Hall of Fame (IHHOF) to relocate to its proposed downtown location and implement its transformation plan and to prepare a plan for the 2013 capital budget to invest significantly in the remediation of the facility and continue to cover yearly cost of utilities as part of the operation of the IHHOF.

**OR**

3. Not allocate any capital funding assistance to the International Hockey Hall of Fame (IHHOF) to relocate to its proposed downtown location and implement its transformation plan and request that the IHHOF secure an alternate location should the option of the former S&R building be untenable, such that the 277 York Street building can be vacated.

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**AUTHORIZING SIGNATURES:**

<p><u>ORIGINAL SIGNED BY COMMISSIONER</u>                  Lanie Hurdle, Commissioner, Community Services</p>
<p><u>ORIGINAL SIGNED BY CHIEF ADMINISTRATIVE OFFICER</u>                  Gerard Hunt, Chief Administrative Officer</p>

**CONSULTATION WITH THE FOLLOWING COMMISSIONERS:**

Cynthia Beach, <i>Sustainability &amp; Growth</i>	√
Denis Leger, <i>Transportation, Properties &amp; Emergency Services</i>	√
Jim Keech, <i>President and CEO, Utilities Kingston</i>	N/R

***(N/R indicates consultation not required)***

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**OPTIONS/DISCUSSION:**

The International Hockey Hall of Fame was established in 1943 and has operated at 277 York Street since the 1960's. In the past six (6) decades, the International Hockey Hall of Fame (IHHOF), operated by volunteers, has provided exhibits for the enjoyment of local residents, local school programs and tourists. The IHHOF has developed a long term plan which identifies a preference to relocate downtown to increase the visibility and accessibility of its programs and to attract more tourists as part of its customer base.

The current location, 277 York Street, is a City owned facility situated on the Memorial Centre site. The City has been covering annual utility costs of approximately \$15,000 for at least six (6) years. In addition, the City is responsible for all capital maintenance and rehabilitation for the property. The two-storey brick building has not benefited from any major or significant capital investment over its life. Not surprisingly, a recently completed building condition assessment estimates that the building would require an investment of approximately \$1.4M to address building deficiencies, and the majority of this would be needed over the two to three years.

In 2011, the IHHOF informed the City that it signed a lease at the former S&R Building and intends to relocate downtown. As part of its lease agreement, the IHHOF is responsible for all fit out costs for its space. In order to determine those fit out and annual operating costs, the IHHOF Board developed a business and marketing plan with the support of a consultant and which is attached as Exhibit 'A' to this report.

The programs in the International Hockey Hall of Fame would include new interactive displays and an expanded gift shop service. The marketing plan is based on an analysis conducted by SnapDesign from Belleville. The business and marketing plan includes the following assumptions and estimates:

- 20,000 visitors per year beginning in the first full year of operations, increasing by 3% per year thereafter. This number was estimated based on targeting various audiences including the number of tourists and visitors attending various events in the City and the number of visitors frequenting other local museums. The current number of visitors to the IHHOF is about 1,500 per year.
- It is projected that the IHHOF would generate a positive bottom-line over its first 4.25 years with income of \$15,718 in its 1<sup>st</sup> quarter year to an eventual self-sustaining range of \$24,000-\$26,000 in the 3<sup>rd</sup> and 4<sup>th</sup> full year of operations. In the 1<sup>st</sup> and 2<sup>nd</sup> full year of operations, the IHHOF would be assisted through rent abatement by the landlord, and it is expected that the resulting excess profits would be placed in an operating stabilization reserve fund in the event the funds would be required to sustain operations. The largest sources of annual revenue would be facility admissions and sale of merchandise, with significant contributions from sponsorships and annual fundraising.
- Attendance breakdown includes adults at 41%, seniors/students at 43.5% and youth at 15.5%.

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In order to carry out its business and marketing plan, the IHHOF has to secure a significant capital investment for the appropriate fit out, including the interactive displays, to attract the projected number of visitors. Based on the costing analysis provided, the estimated cost for the exhibit and interactive programming space is \$1.25M and the gift shop capital costs are estimated at \$100,000 for a total capital cost of \$1.35M. The IHHOF is seeking a one-time capital contribution of \$400,000 (approximately 1/3 of the exhibit and program space) from the City of Kingston to assist in the implementation of its transformation and relocation. The IHHOF will also be seeking Provincial support of \$400,000 and will continue to fundraise for the remaining \$550,000. It has initiated discussions with the Province and has already raised about \$250,000 of its fundraising goal through recent activities.

The IHHOF is not requesting any operational financial assistance from the City as its business and marketing plan anticipates it to be self-sustaining and to generate modest net profits from operations. The IHHOF has indicated that it will continue its operation at its current location if it is not successful in raising near or all of the capital required to relocate at the former S&R building and implement its transformation plan.

The City has amongst its options for consideration:

1. The City does not provide any capital funding assistance to the International Hockey Hall of Fame (IHHOF) to relocate to its proposed downtown location and implement its transformation plan which would likely result in the following:
  - IHHOF cannot leverage funding from the Province and does not have sufficient funding to complete its downtown project.
  - IHHOF continues its operations at 277 York Street and the City makes significant capital contribution (up to \$1.4M) over the next years as well as to continue to cover utility costs and ongoing maintenance costs of about \$15,000 on a yearly basis.
  - The City would not proceed with the demolition of 277 York Street and would not proceed with the implementation of additional community program area as part of the rejuvenation plan of Memorial Centre site.
2. The City provides \$400,000 capital funding assistance requested to the International Hockey Hall of Fame (IHHOF) to relocate to its proposed downtown location and implement its transformation plan which would likely result in the following:
  - IHHOF uses this investment to leverage same level of provincial funding and local fundraising and is able to complete capital works as per its original scope at the proposed downtown location.
  - The City would direct its contribution to certain exhibition and/or interactive programming elements in non commercial public use areas only.
  - The City could make their financial contribution conditional to the IHOF substantially achieving its capital financial targets through fundraising and provincial contribution.
  - The relocation of IHOF would add a tourist attraction downtown.

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- The City would proceed with the demolition of 277 York Street once it is vacated and would avoid the expenditure of approximately \$1.4M in future capital investment for the property and save \$15,000 per year in operations.
  - The City would implement other community programs as part of the Memorial Centre site rejuvenation plan.
3. The City not provide any capital funding assistance to the International Hockey Hall of Fame (IHHOF) to relocate to its proposed downtown location and implement its transformation plan and request that the IHHOF secure an alternate location should the option of the former S&R building be untenable, such that the 277 York Street building can be vacated.

It should also be noted that although the IHHOF is a member of the Kingston Museum Association, it is not eligible to receive a provincial Community Museum Operating Grant (CMOG) as it does not meet provincial requirements.

**EXISTING POLICY/BY LAW:**

Municipal Capital Facilities By-Law

**NOTICE PROVISIONS:**

N/A

**ACCESSIBILITY CONSIDERATIONS:**

N/A

**FINANCIAL CONSIDERATIONS:**

There is no funding in the City's operational or capital budgets to address this request. This request could be funded through the Municipal Capital Reserve Fund should Council wish to support this request.

**CONTACTS:**

Lanie Hurdle, Commissioner, Community Services

613-546-4291 ext. 1231

**OTHER CITY OF KINGSTON STAFF CONSULTED:**

Colin Wiginton, Manager, Cultural Services

Denis Leger, Commissioner, Transportation, Properties and Emergency Services

Alan McLeod, Senior Legal Counsel

Desiree Kennedy, Director, Financial Services & City Treasurer

**EXHIBITS ATTACHED:**

Exhibit 'A' International Hockey Hall of Fame Marketing and Business Plan



## Business & Marketing Plan



**snap**DESIGN

121 Dundas St. E., Ste, 202  
Belleville ON Canada K8N 1C3  
613 . 967 . 9699  
SNAPDESIGN.CA



## EXECUTIVE SUMMARY

Kingston is where hockey began. The Original Hockey Hall of Fame recognizes the history of the sport in the city and celebrates the game that has helped define Canada, and that Canada has given the world.

Founded by the National Hockey League and the Canadian Amateur Hockey Association on September 10, 1943 – Kingston's International Hockey Hall of Fame and Museum is the "Original Hockey Hall of Fame" and the oldest sports hall of fame in Canada. Captain James T. Sutherland of Kingston spearheaded the bid to bring the Hockey Hall of Fame to Kingston and was inducted into the hall in 1947 – one of the first forty members inducted into the hall during the Kingston-era.

With approximately 1,500 visitors each year and operating at a break-even point with approximately \$30,000 to \$35,000 each year in both revenues and operating expenses, the museum is in need of a new business model that will attract greater numbers and increase revenues.

The museum boasts a collection of artifacts that speak to the origins of the game, the story of its growth and its central role in Canadian culture.

The museum is located in a residential neighbourhood in a building requiring significant upgrading. This has hampered the number of local visitors, the majority of Kingston-area residents have not been to the museum (of those asked, approximately 60% have not visited and approximately 50% of those did not know of the museum).

By re-branding the organization as The Original Hockey Hall of Fame (OHMF), moving to a high-profile location in downtown Kingston, developing marketing partnerships using interactive technology and hands-on experiences and creating a unique sports retail outlet; the museum will engage thousands of new visitors each year.

Research shows that of those asked if they would visit a new museum with interactive displays that tells the story of Kingston's role in hockey over 94% said they would be interested in doing so (33% very interested, 41% interested, 20% somewhat interested). Only 4.2% said they would not be interested.

The business model for the new operations relies on 20,000 visitors per year and \$95,000 in net profit from the retail outlet and other sources. A study found a price point for tickets that was attractive for our audience and approximately 93% of people would visit a retail outlet in the same location (46% definitely, 25% very likely, 22% likely).

The capital costs for the design and construction of the new location and interactive displays is \$950,000 with the funds being sourced from existing funds, a variety of government sources, corporations and donors.



## Exhibit 'A'

With conservative estimates for the first five years, and taking into account annual expenses, The Original Hockey Hall of Fame expect to generate \$25,000 to \$75,000 in profits each year and be a self-sustaining enterprise with varied and reliable income sources.

The museum will retain its charitable status with a Board of Directors that will oversee the capital program and the operations of the new location.

## VISION AND MISSION STATEMENT

The Original Hockey Hall of Fame will connect people to the heart of Canada's identity – hockey, whose origins lie in Kingston. Authenticity is the key and the draw for fans from across the country and around the world that will be attracted to the original jerseys, rare photos, the first Olympic gold medal, trophies, skates, sticks and pucks of the legends dating back to the origins of the game – and the stories they carry. Multi-media and hands-on interactive displays and electrify that past and connect it to the present.

We may not be called a museum but that is, in fact, what we truly offer to people – a past that has made today's game what it is, and what matters to us all today. Displays in the museum will not be staid, but use the best in light, sound, and interactive technology along with experiences to engage people in the artifacts and their stories.

## AUDIENCE

The target market can be split geographically – the local, Kingston area market and visitors to the area.

The audience, by segment, includes in priority:

### Families Visiting Kingston for Sports Tournaments (40%)

Visiting from out of town for year-round sports tournaments; whether it is hockey, soccer, lacrosse, football or track & field. Sports minded families, with down time between games at their tournaments, are a prime target market to visit the Original Hockey Hall of Fame.

Our most natural market is targeting the large number of minor hockey tournaments Kingston hosts each year. The largest, Kids for Kids, held every March, attracts 180 teams, that translates to 2,700 players, approximately 5,000 parents and an estimated 5,000 or more additional family members. In one weekend, you have a potential audience of 12,000 or 13,000 people.

## Exhibit 'A'

### Local Visitors (Kingstonians - 20%)

As indicated in our marketing surveys and focus groups, the vast majority of Kingston residents have not visited the current Hockey Hall of Fame. We believe that will change dramatically with a re-branded, modern Hall of Fame in a new high profile location. It will attract significantly more attention and the 'curiosity' factor alone will draw local visitors to the museum.

Our Ambassador program will be key; local visitors get a free pass for a return visit if they bring someone with them for a second visit (see Marketing Section).

We will position the Hockey Hall of Fame as one of the top-three 'must see' attractions when local people are entertaining out of town family and guests in Kingston.

### Partners & Downtown Tourism (15%)

Kingston has one of the most engaging and historic downtowns in all of Canada. During the summer months there is tremendous numbers of pedestrian traffic in downtown Kingston on any given day

More than 236,000 visit the Tourist Information office down the street from the new Hall of Fame, there are approximately over 700 hotel rooms in downtown Kingston and many 'day trippers' who are driving through and stopping downtown for lunch on a patio and staying for a few hours. The Hockey Hall of Fame becomes a natural destination for foot traffic exploring the downtown that have an affinity for hockey.

Partnerships and discount coupons offered through other tourist attractions such as Fort Henry, Kingston Boat Lines and the Penitentiary Museum, along with Milestones Restaurant in the Smith & Robinson building will lead visitors to our Hall of Fame

### Festivals (10%)

Kingston's numerous festivals (Feb Fest, Buskers Rendevous, Limestone Blues Festival, 1000 Islands Poker Run and Fan Fare) each attract thousands of visitors to the city. These events are held within easy walking distance to the new Hall of Fame.

Our travelling kiosk and working with other tourism partners and downtown hotels and restaurants for special festival promotions will lead to increased traffic

## Exhibit 'A'

### Sports Fans (5%)

With a large majority of Kingston's visitors within one-day's drive, an overwhelming percentage of that group are exposed to hockey on some level on a consistent basis and have an affinity to the sport. They become a natural target market when visiting the city.

### Canadian History Buffs (5%)

Kingston is steeped in history and attracts many history buffs to this area

The rich history of hockey in this city and the focus on that aspect in our collection and displays will create a natural draw for those visiting Kingston to search out history

### Female Hockey Fans (5%)

More women are playing hockey globally than ever before. The early roots of women's hockey can be traced to Kingston and displays in the museum dedicated to women's hockey will be varied and significant.

Our re-vamped on-line presence will promote all of our exhibits, but special attention will be paid to the women's game to broaden that appeal

This audience, our offering and our marketing are based on market research with focus groups in Kingston and out of market (Toronto) conducted in October, 2011. The two marketing focus groups attracted a total of 20 people, primarily in the age 29-to-50 category, approximately 60% considered themselves to be hockey fans and 40% did not. They were interviewed in detail about the vision for the new Original Hockey Hall of Fame.

The on-line survey was conducted for approximately one week, more than 1,000 invitations were sent out by email to potential respondents, and 150 completed the survey which is a response rate of 15% - above the industry average for this type of survey. Respondents had the opportunity to answer a number of multiple choices questions and also to provide their own answers (see detailed summary attached).



## Exhibit 'A' SERVICE

### Hours Of Operation

The Original Hockey Hall of Fame will be open daily 10:00am to 5:00pm, Thursday and Friday nights until 8:00pm, Sunday from 12 noon to 4:00pm. During the shoulder season, January to April we plan to close Monday, Tuesday and Wednesday but both the museum and retail store will be open regular hours Thursday through Sunday. We also have the flexibility to open the store when the museum is not in operation – if we feel that is necessary.

Closing three days a week during the ‘slow season’ reduces operating expenses and is based on research conducted by Tourism Kingston that shows a marked decrease in visitors to the area in winter months.

### Interpretation

The museum will be designed to allow for self-guided tours that take the visitor chronologically through the history of the sport in Kingston and Kingston’s contribution to Canada’s game. The museum will use the rare artifacts of the sport and interactive and multi-media displays to engage the visitors in the stories and relevance of the displays. The museum offers a rare and authentic experience of the history of the game and its untold stories: women’s hockey, Kingston’s pre-eminent place, and the origins of the game, the heroes and the growth of the sport.

Research shows that of those asked if they would visit a new museum with interactive displays that tells the story of Kingston’s role in hockey over 94% said they would be interested in doing so (33% very interested, 41% interested, 20% somewhat interested). Only 4.2% said they would not be interested.

## SALES

The Original Hockey Hall of Fame will generate self-sustaining income for the operations through sales:

Admissions - The Original Hockey Hall of Fame is forecasting to attract 20,000 visitors annually and growing at 3% per year.

We are using a blended ticket price of \$6.48 with the top priced ticket at \$9.00 for adults. Seniors, students and kids will be less and we plan to offer a family rate.

Sales: The former S&R department store operated the Sport a Logo store, selling pro sports merchandise and generated sales of \$350 per square foot in annual sales and in its best years had total annual sales of \$400,000. No other store in downtown Kingston is currently selling licensed sports merchandise and we believe there is a viable market for



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that product line. S&R also identified certain lines of popular merchandise not carried by big box chains. The Hockey Hall of Fame store will also offer items unique to the Hall of Fame such as souvenir square pucks, replica hockey sticks and jerseys from 1800's and Don Cherry unique collectibles that will augment the Don Cherry Collection – the only place in Canada where the legendary Hockey Night in Canada commentator has his collection on display.

We are using a conservative sales figure of \$200 per square foot with 750 square feet of retail space that will have a store front on Ontario Street (Sport a Logo was in the basement of S&R with no store front visibility). The Original Hockey Hall of Fame already has e-commerce sales on our existing website and we plan to grow that business as a result of higher visibility for the museum and unique product offerings not available anywhere else.

Corporate Sponsors: Our intent is to generate recurring annual revenue through corporate sponsorships of some of our displays. These sales are expected to be \$50,000 annually.

Donations: The landlord, the Doornekamp family, has generously offered us free rent in the first two years; \$78,680 savings in rental income each year.

Government Funding: While we may qualify for annual operating grants, at this time we have not built it into our estimates.

Annual Fundraising: Initially we plan a celebrity fundraising dinner each year. By year three we plan to have two fundraising events annually, augmenting the dinner with a charity golf tournament. This will generate \$60,000 annually.

Nevada Ticket Profits: The Original Hockey Hall of Fame already has a longstanding Nevada ticket outlet in Kingston that has consistently generated on average \$1,000 plus per month in net revenues over the last 3-to-5 years. It is expected that it will continue to generate a net profit of \$12,000 annually.

Cost of Sales: We are using a standard retail markup of 50% and assume our cost of merchandise after markdowns, promotions and sales etc., at 60% of merchandise sales.

With conservative estimates for the first five years on the revenue side and accurately forecasting our expenses; we expect to be profitable every year.

The details of sales and incoming funds can be found in the appendix.

## MARKETING

### Local Audience

The marketing strategy will seek to engage area residents in a new offering and a new location for an existing museum. This will be done through a series of local promotions,



## Exhibit 'A'

advertising and events. We will institute an Ambassador Program; Kingston visitors will receive a free admission card on their first visit that will allow them to return for a second visit free of charge when they bring a guest. The overwhelming response (over 90% of all respondents) said they would visit again if they got a free ticket with a guest. This promotion would be wildly successful at growing the user base initially as it could exponentially grow the audience.

The strategy for the local market, through media relations, events and partnerships is to engage people in a renewed museum that celebrates their shared story in a more accessible location with more engaging displays.

### Visitors

According to research provided by Tourism Kingston and the Kingston Economic Development Corporation the vast majority of visitors to Kingston are Canadians (84%) and from Ontario (90% of the previous amount). This audience shares an affinity for the sport and its history.

In 2008, almost 2.2 million visitors came to Frontenac County. Of these visitors, approximately 1.1 million stayed in the area for one or more nights and the balance, 1.1 million made a same day visit to Frontenac County.

The top 10 activities among overnight visitors were Visiting Friends and Relatives (46.46%), Any Outdoor Sport (30.49%), Historic Sites (16.53%), Boating (16.16%), National/Provincial Nature Parks (15.61%), Fishing (10.28%), Cultural Performances (7.99%), Museums and Art Galleries (7.25%), Festivals/ Fairs (6.88%) and Theme Parks (4.78%). In essence, roughly 50% of visitors are in the area to see family and the other half are for leisure. These are both strong demographics for the museum.

Same-day and overnight visitors spent \$260,859,000 in Frontenac County on tourism related expenditures/categories including lodging, food, and beverages, transportation, entertainment and retail during 2008.

By moving to the downtown core, within easy walking distance of the Tourist Information Office, K Rock Centre, Confederation Harbour, Fort Henry and Kingston's shopping and entertainment district; The Original Hockey Hall of Fame will attract a varied audience year round. Its street signage and retail store on Ontario Street will further increase visibility for the visitors to Kingston. The museum will seek to capitalize on the location and nearby attractions through partnerships and promotions.

Working with local partners, our primary goal will be to attract those already visiting the city and people from the Kingston area.

The following is a snapshot provided by Tourism Kingston ([www.tourism.kingstoncanada.com](http://www.tourism.kingstoncanada.com)) of the visitor impact on the city:



## Exhibit 'A'

Occupancy Rate Annual Average.....	56.2%
Annual Average Daily Rate of Accommodation.....	\$116.50
Visitor Information Centre Visitor Count.....	236,656
Tour Bus Count.....	1,303
Tour Bus Passengers.....	64,350
Retail & Attraction Ticket Sales .....	\$345,815
Meeting & Conference Economic Impact.....	\$15.494M
Meeting & Conference Delegates .....	40,499
Sport Tourism Economic Impact.....	\$15.761M

## Marketing Tools

### Digital Kiosk

We will develop a micro-version of the museum that can be present in high traffic locations with our audience members. This could be best done with a digital kiosk that has a display case showing an artifact and a digital touch screen with audio that gives people an exciting preview of the museum experience. The kiosk would also be able to print tickets to the museum. It could be placed in the Tourist Information Office, K-Rock Centre, Fort Henry, at festivals and local minor hockey tournaments. It could also be taken to various tourism events in the region from upstate New York to the Trenton – Brockville corridor

### Partnerships

Partnerships will be key to our marketing strategy. The Original Hockey Hall of Fame is a unique offering in the market, that when combined with others offers in the vibrant downtown area will attract scores of visitors. These partnerships will allow visitors to receive discounts, packages with hotels, restaurants and other tourism locations and to raise awareness of the new museum to locals and visitors to the area. These partners include:

#### Fort Henry

We have secured an agreement with Fort Henry they will offer a discount coupon to its visitors for savings on admission to the Hockey Hall of Fame. As Kingston's premier tourist attraction, Fort Henry attracts over 100,000 people interested in Canadian history and a new interpretive centre is coming to the Fort in 2012. Given our close proximity to the Fort – this is a very significant partnership for us.



## Exhibit 'A' Penitentiary Museum

The Hockey Hall of Fame currently has its own display within the Penitentiary Museum and discount coupons available to visitors. We can leverage this partnership even further in a higher profile downtown location and the Penitentiary Museum consistently attracts 25,000 to 30,000 visitors per year.

## Boat Cruises

The Kingston Boat Lines attract thousands of visitors each year for tours of the Thousand Islands. Cross promotion and discount coupons will be put in place with the local boat lines.

## Bus Tour Operators

With over 1,300 tour buses visiting Kingston each year with over 64,000 passengers; becoming part of the packages for these tours will be a vital partnership for the Original Hockey Hall of Fame.

## Local Restaurants and Hotels

The Original Hockey Hall of Fame operates in the heart of Kingston's retail and dining district with a new Milestones restaurant in the same building. The Hockey Hall of Fame will seek to offer discounts to the nearby restaurant patrons to visit the museum.

The same holds true of hotels. There are more than over 700 hotel rooms within easy walking distance of the proposed location. The museum will promote itself through the hotels and seek to offer special rates to hotel visitors as part of hotel promotions.

## Conferences

In 2010, Kingston hosted over 40,000 delegates for conferences in the city. The museum will tap into these conferences themselves and the hotels hosting and housing visitors to develop mutually beneficial partnerships.

## Tourism Kingston

They have noted that there are some 2.2 million visitors per year to Frontenac County and of them, more than 236,000 visitors flock to the downtown Tourist Information Office, located just two blocks from the Hockey Hall of Fame, looking for attractions. The Original Hockey Hall of Fame will work with Tourism



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Kingston to create a greater presence in their office through our digital kiosk. In return, OHHF marketing can be done in a way that also builds awareness of other Kingston-area attractions/reasons to visit.

### K-Rock Centre

The 5,370 seat centre is not only the home to hockey's Kingston Frontenacs, but hosts events throughout the year. The centre is an ideal partner for the Original Hockey Hall of Fame.

### Local Festivals and Events

There are a number of high-profile annual festivals, with a successful track record of attracting large crowds, within easy walking distance of The Original Hockey Hall of Fame each year. They include:

Limestone City Blues Festival

Kingston Buskers Rendezvous

1,000 Islands Poker Run

Fan Fare

Movies in the Square

Music in the Park

Kingston Public Market

Canada Day

K-Rock Concerts

CORK Kingston

Wolfé Island Music Festival

### Kingston Chamber of Commerce

The chamber of commerce operates the popular Tour Trolley that has 12,000 to 15,000 riders every summer and is an ideal promotional partner. It drives right past the new home of the Hockey Hall of Fame and can be included as one of the attractions/landmarks it points out to visitors.

### 1000 Islands Chamber of Commerce



## Exhibit 'A'

The nearby chamber of commerce (in Gananoque, Ontario) attracts thousands of visitors to the area each year and promotes the area to out of market visitors. The Original Hockey Hall of Fame will work with the chamber to determine how to best promote its offering along with the others in the area.

## Hockey Tournaments and Hockey Programs in the Area

The Kingston area hosts numerous annual hockey tournaments that attract our target audience in large numbers. By using a variety of marketing tools (digital kiosk, partnerships and promotions) we will attract visitors to the museum. This will also apply to other sports tournaments and special events that attract sports minded families.

The hockey tournaments include the annual Kids for Kids tournament that runs every spring and is one of the largest house league tournaments in Ontario attracting approximately 180 teams and upwards of 12,000 to 13,000 visitors.

## Wolfe Island Ferry Terminal

The Original Hockey Hall of Fame will seek to advertise to the thousands who travel to and from Wolfe Island via the ferry that operates only a few steps from the museum.

## Web Site

The web site, like the kiosk, should offer an exciting preview of the Original Hockey Hall of Fame experience in order to drive traffic. It will also offer tickets that can be printed or digitally delivered and brought to the museum.

Interactive, dynamic multimedia content will engage hockey fans in Ontario, Quebec, and around the world. Search Engine Optimization will ensure that both general tourists and hockey fans will find the site.

It will also have a dynamic on-line store that can generate significant additional revenues for the Hall of Fame.

## Advertising and Media Relations

Tourism Kingston is ultimately responsible for bringing visitors to Kingston. Our marketing plan is targeted at attracting the out of town visitor, who is already in Kingston, looking for engaging activities, to visit the Hockey Hall of Fame.

We will focus on a number of special events each year; bringing in hockey personalities to offer interviews, speaking engagements, and autograph signings on site to draw media.



## Exhibit 'A'

### Social Media

To connect with hockey and sports fans wherever they live, by targeting their interests, discussion groups, etc. Social Media Marketing will be highly focused by interests, age group, geographical location, etc., serving as one of the most efficient controlled and measurable ad buys.

Facebook and Twitter will be used extensively and featured on our dynamic, interactive website.

### E-Mailing Lists

We already have developed an email data base and will continue to build on it. We will develop an e-marketing campaign with regular communication to update potential visitors and past visitors on new developments at the museum.

### Listings

The Original Hockey Hall of Fame will be listed in local, visitors and destination guides about Kingston, hockey museums, sports museums and general museums.

### Internal Marketing (City of Kingston and Province of Ontario)

With a total of over 75,000 people working for the City of Kingston and Province of Ontario and both orders of governments supporting The Original Hockey Hall of Fame, we will use their internal communications outlets to promote the museum.

### Corporations and Schools for Events

The Original Hockey Hall of Fame will offer events and promotions for business and school groups at discounted rates. We already have a special program for elementary school tours that meets curriculum and is run by a retired educator.

### Ambassador Program

Members of the local community who visit the museum will receive a free ticket to return with another person.

### Membership

For an annual fee of \$50.00 for individuals and \$250.00 organizations can become 'members' of the OHHOF. Benefits include:

Unlimited visits to the museum



## Exhibit 'A'

Guaranteed access to special 'invitation only' events such as appearances of hockey celebrities at the museum

Discounted rates on all merchandise at the retail store

Guaranteed access to tickets for our annual fundraising dinner, celebrity golf tournament and other events we organize

## GOVERNANCE

A full review of our corporate governance model is currently being conducted by Mr. Eric Bennett, Partner, Cunningham & Swan law office in Kingston and advised by a sub-committee of our current board of Directors consisting of Mark Potter, President . Larry Paquette , Vice-President and Chris MacKeigan, Director.

Once completed in early 2012, we expect significant changes from our current governance model with a new constitution and by-laws. We still plan to have a 12-member board with new members serving a three-year term to create turnover among our directors.

### Board Responsibilities

Several sub-committees (as outlined below) will be formed consisting of members of the Board of Directors and will include members of the public who have a specific skill set related to the role of the committee. The members of the public who serve on committees will ultimately make good potential candidates to serve on the Board of Directors. The committees will report back to the Board of Directors and are outlined below:

Executive Committee

Development/Fundraising

Museum And Collections

Marketing And Publicity

Education/School Tours

Volunteer Coordination

## STAFFING

Traditionally the Hall of Fame has been operated solely by volunteers; that model has many limitations and has greatly limited its growth and development.

Full time paid staff are a necessity to ensure the viability of the museum and will have



## Exhibit 'A'

the required expertise and specialized skill-set to market and operate the Original Hockey Hall of Fame to ensure its success. Additional part-time staff will be hired for the retail store with an emphasis on younger workers, still in school, who will qualify for government grants such as the annual grant currently obtained each year by the Hall of Fame through Kingston Employment Youth Services.

### Executive Director

The museum will hire a full time Executive Director responsible for the day to day operations of the facility and will report to the Board of Directors. Primary responsibilities will include:

Managing other employees of the Hall of Fame

Marketing the Hall of Fame to other tourism partners to build attendance

Attract and maintain recurring revenue streams from corporate sponsors

Developing new display themes and gather artifacts for the OHHOF

## RETAIL STORE

The Retail Store Manager will have control over inventory, product lines, profit margins and pricing and will also oversee the E-Commerce component of the operation.

Will report directly to the Executive Director

Ensure items for sale are relevant to the exhibits and interpretive themes at the site and meet the current trends in demand from consumers

Staffing and scheduling for the retail store

### Volunteers

We will recruit an enthusiastic group of motivated volunteers. These volunteers, primarily retired, will demonstrate a love of hockey, pride of being connected to the world's original Hockey Hall of Fame, a love of Kingston and an eagerness to welcome, engage and educate visitors to the Hockey Hall of Fame.

We will develop a group of at least 20 volunteers willing to commit approximately four hours per weeks to be on duty during peak periods for visitors. They will wear a special Original Hockey Hall of Fame jacket and take 'ownership' in the new facility. We already have had numerous individuals express an interest in volunteering at the new Hall of Fame. The Penitentiary Museum and Kingston City Hall have both developed similar, successful programs.



## Exhibit 'A' SITE ASSETS AND POLICIES

### Building

The Smith and Robinson building dates back to the mid 1860's, well before the first organized game of hockey was played in Kingston (1886). The Doornekamp family, well known as a sports minded family and for other work refurbishing historic buildings in Kingston, purchased the building and is completely refurbishing it to bring it up to modern day standards while retaining its historic charm.

The Hall of Fame and retail store will be fully accessible to those with disabilities.

### Collection

Our collection has been professionally appraised\* with a value of \$880,586 US dollars. Most of the collection is the property of the International Hockey Hall of Fame and the artifacts have been gifted to us dating back to the 1940's. An estimated 25% of the collection has been loaned to us, although many of the items have been on display and in our collection for many years. Over the years we have hired various summer students in museum programs and our collection has been catalogued. We do not have an official collections policy and our intent is to utilize the expertise of a City of Kingston curator, on an occasional basis, that is providing the same service to other Kingston museums.

\* Appraisal conducted by Classic Auctions of Montreal, QC in June, 2010. Every artifact has been itemized, appraised and photographed.

### Queens University Archives

Queen's University is our official archivist and we have a long-standing formal agreement in place. Queens' has catalogued and they professionally maintain and store for us over 4,000 photographs, along with hockey programs, cards, media guides and personal scrapbooks and newspaper clippings dating back well over 100 years.



## Exhibit 'A' FINANCIALS

### Why Our Operating Model Will Work Long-Term

Multiple Revenue Streams. We will not rely on admissions as our only source of revenue.

Retail Store. A store front location on Ontario Street, based on the same model successfully used by the former S&R department store that fills a market niche in downtown Kingston.

On-line sales. We will continue to leverage our on-line presence and sell unique product and hockey collectibles to the global hockey market.

Location. We will have thousands of potential visitors within easy walking distance of the new Hall of Fame.

Programming. Updating and rotating displays and changing themes will become a priority to keep the museum fresh and encourage visitors to return.

Paid staff. No longer relying solely on volunteers, we will have highly qualified, paid employees to successfully operate the new Hall of Fame.

A new governance model for the organization to create turnover on the Board of Directors and establish a formal committee structure to recruit future board members.

Kingston support. A new, high profile location and a targeted marketing plan to attract the local Kingston market; that largely has never visited the current Hall of Fame.

Reserve Funds. Before we open our doors we plan to have one full year of projected expenses in reserve as a contingency fund.





## Projected Capital & Operating Budgets



## Exhibit 'A'

### CAPITAL BUDGET

#### Museum Capital Costs

#### Best Estimate

Design Costs	\$35,000.00
Working Drawings - PACE	\$15,000.00
Site Visits and Construction Progress - PACE	\$7,500.00
Architect	\$5,000.00
SNAP Design: Marketing Booklet, Logo, Marketing Plan	\$15,000.00
Purchasing & Setup - PACE	\$7,500.00
Display Cases	\$140,000.00
Travelling Kiosk	\$5,000.00
Leasehold Improvements: New Stairs, Washrooms, Flooring & Partitions	\$170,000.00
Graphic Design for Display Cases	\$20,000.00
Content and Creative Work for Displays	\$25,000.00
Lighting	\$65,000.00
Hardware for Multimedia: Video, Projection, Computers	\$100,000.00
Content Development for Interactive/ Multimedia	\$200,000.00
Contingency Fund	\$300,000.00
Security System	\$7,500.00
Moving Expenses	\$2,500.00
Project Manager	\$25,000.00
Signage	\$30,000.00
Contingency for Cost Overruns	\$75,000.00
<b>TOTAL</b>	<b>\$1,250,000.00</b>

#### Retail Store Capital Costs

Store Fixtures	\$50,000.00
Lighting	\$10,000.00
Computers, Cash Register	\$6,000.00
Security Systems	\$5,000.00
Signage	\$25,000.00
<b>TOTAL</b>	<b>\$96,000.00</b>

#### TOTAL PROJECT BUDGET

\$1,346,000.00



Exhibit 'A'

OPERATING BUDGET

	2012 <sup>1</sup>	2013	2014	2015	2016
<b>Income/Cash Inflow</b>					
<b>Best Estimate</b>					
Admissions Sales <sup>2</sup>	\$43,333.00	\$130,000.00	\$133,900.00	\$137,917.00	\$142,054.00
Merchandise Sales	\$50,000.00	\$150,000.00	\$154,500.00	\$159,135.00	\$163,909.00
On Line Sales	\$7,500.00	\$22,500.00	\$23,175.00	\$23,870.00	\$24,586.00
Corp Sponsors & Benefactors	\$16,666.00	\$50,000.00	\$51,500.00	\$53,045.00	\$54,636.00
Govt Funding & Foundations	\$10,000.00	\$30,000.00	\$30,900.00	\$31,827.00	\$32,781.00
Ann Fundraising	\$20,000.00	\$60,000.00	\$61,800.00	\$63,654.00	\$65,563.00
Interest Income	\$200.00	\$600.00	\$600.00	\$600.00	\$600.00
Nevada Ticket Profits	\$4,000.00	\$12,000.00	\$12,360.00	\$12,730.00	\$13,112.00
	\$151,699.00	\$455,100.00	\$468,735.00	\$482,778.00	\$497,241.00
<b>Costs of Sales</b>					
Cost of Merchandise For Sale	\$34,500.00	\$103,500.00	\$106,605.00	\$109,803.00	\$113,097.00
<b>Total Gross Profit</b>	<b>\$117,199.00</b>	<b>\$351,600.00</b>	<b>\$362,130.00</b>	<b>\$372,975.00</b>	<b>\$384,144.00</b>
<b>Operating Expenses</b>					
Rent	\$0.00	\$0.00	\$26,226.00	\$78,680.00	\$78,680.00
Common Area Maintenance	\$11,521.00	\$34,563.00	\$35,599.00	\$36,667.00	\$37,767.00
Taxes - after 40% Rebate	\$3,833.00	\$11,500.00	\$11,845.00	\$12,200.00	\$12,566.00
Advertising & Promotion	\$30,000.00	\$30,900.00	\$31,827.00	\$32,781.00	\$33,765.00
Bank Charges & Interest	\$383.00	\$1,150.00	\$1,184.00	\$1,220.00	\$1,256.00
Security System	\$500.00	\$1,500.00	\$1,545.00	\$1,591.00	\$1,639.00
Liability & Content Insurance	\$1,733.00	\$5,200.00	\$5,356.00	\$5,516.00	\$5,682.00
Display Upgrades	\$0.00	\$10,000.00	\$10,300.00	\$10,609.00	\$10,927.00
Postage	\$400.00	\$1,200.00	\$1,236.00	\$1,273	\$1,311.00
Accounting Fees	\$500.00	\$1,500.00	\$1,545.00	\$1,591.00	\$1,639.00
Stationary and Supplies	\$1,000.00	\$3,000.00	\$3,090.00	\$3,182.00	\$3,278.00
Phone/Internet	\$833.00	\$2,500.00	\$2,575.00	\$2,652.00	\$2,731.00
Wages & Employee Benefits	\$40,400.00	\$121,200.00	\$124,836.00	\$128,581.00	\$132,438.00
Website/E Store	\$1,666.00	\$5,000.00	\$5,150.00	\$5,304.00	\$5,463.00
Visa / Interact	\$3,012.00	\$9,075.00	\$9,347.00	\$9,627.00	\$9,916.00
Cleaning Services	\$3,200.00	\$10,400.00	\$10,712.00	\$11,033.00	\$11,364.00
Misc Expenses	\$2,500.00	\$7,500.00	\$7,500.00	\$7,500.00	\$7,500.00
Total Operating Expenses	\$101,481.00	\$256,188.00	\$289,873.00	\$348,734.00	\$357,922.00
<b>Net CFs</b>	<b>\$15,718.00</b>	<b>\$95,412.00</b>	<b>\$72,257.00</b>	<b>\$24,241.00</b>	<b>\$26,222.00</b>



<sup>1</sup> The 2012 figures in that column are based on a September 01, 2012 opening of the Hall of Fame in the new location.

<sup>2</sup> Based on projected attendance of 20,000 annually growing at 3% per year.

## Exhibit 'A'

# TICKET PRICING

### Comparable Analysis: Ticket Price

Museum Name	Ticket Type				
	Adults	Seniors	Youth	Students	Children
Agnes Etherington	\$4.00	\$2.50	\$-	\$-	\$-
Bobby Orr Museum	\$9.00	\$6.00	\$6.00	\$9.00	\$-
Canadian baseball hall of Fame	\$7.50	\$6.00	\$3.75	\$7.60	\$-
Canadian Football Hall of Fame	\$7.00	\$3.50	\$3.50	\$3.50	\$-
Canadian Golf Hall of Fame	\$4.00	\$3.00	\$3.00	\$3.00	\$-
Fort Fright	\$14.25	\$13.00	\$9.95	\$14.25	\$3.00
Hockey Heritage North	\$12.00	\$10.00	\$8.00	\$10.00	\$-
Marine Museum	\$8.50	\$7.75	\$6.00	\$6.00	\$-
Toronto Hockey Hall	\$15.00	\$12.00	\$10.00	\$15.00	\$-

### OHHF: Ticket Pricing

Ticket Price	Adult	Seniors	Youth	Students	Children
Current Price	\$5.00	\$5.00	\$5.00	\$5.00	\$-
<b>Proposed Pricing</b>	<b>\$9.00</b>	<b>\$5.00</b>	<b>\$4.00</b>	<b>\$5.00</b>	<b>\$-</b>

### Attendance Breakdown

Adults	41.00%
Seniors/Students	43.52%
Youth	15.49%
Average Ticket Price	\$6.48



## Exhibit 'A'

### 2010 VISITOR NUMBERS TO OTHER KINGSTON ATTACTIONS

## Appendices

Fort Henry	<b>100,000+</b>
Military Communications Museum at CFB Kingston	<b>25,154</b>
Kingston Tour Trolley	<b>13,000 riders in 2010</b> <b>Avg 12-15,000 riders</b>
Kingston Marine Museum.	<b>7,016</b>
Penitentiary Museum	<b>24, 240</b>
Bellevue House	<b>11,813</b>

### 729 HOTEL ROOMS WITHIN A 5 MINUTE WALK OF THE NEW FACILITY

Confederation Place Hotel	<b>94 rooms</b>
Radisson Hotel	<b>126 rooms</b>
Four Points by Sheraton Hotel & Suites	<b>171 rooms</b>
Holiday Inn Kingston Waterfront	<b>197 rooms</b>
Residence Inn by Marriott Kingston Waters Edge	<b>141 suites</b>



## Visions & Concepts



Exhibit 'A'

LOBBY

*Original Hockey Hall of Fame*



RETAIL

*Original Hockey Hall of Fame*



Exhibit 'A'

THE KINGSTON LOCKERS  
*Original Hockey Hall of Fame*



DISPLAY CASES & ATTRACTIONS  
*Original Hockey Hall of Fame*

