

To: David Creery, Chief Administrative Officer

From: Stephanie Porter, Interim Director/Curator, Woodstock Art Gallery

Re: Reeves Creative Hub On 4 (Woodstock Art Gallery 4th Floor Renovation)

AIM

To request that 100% of the previously approved funding of up to \$235,185 from the Reserve for Capital Projects be available to finance the 4th floor renovation at the Woodstock Art Gallery.

BACKGROUND

On September 15, 2021, the Woodstock Art Gallery applied to the Green and Inclusive Community Buildings (GICB) grant program to fund the renovation of the Gallery's 4th floor, which is currently vacant warehouse space. The plan is to create a multi-purpose, flex-use space that will support additional arts educational programming as well as facility rentals, both of which are revenue-generating opportunities for the Gallery. The development of the 4th floor marks the final stage in the full utilization of the Art Gallery's capital assets to further increase the organization's ongoing operations and progress toward a sustainable future.

On August 11, 2022, Woodstock City Council approved contribution funding of up to \$235,185, financed from the Reserve for Capital Projects, towards the renovation of the Gallery's 4th floor, conditional on a successful outcome of the GICB grant. The Gallery committed to embarking on a capital campaign of \$175,000, which includes a \$100,000 naming rights opportunity, and applying for a Cultural Spaces grant through the Federal Department of Heritage to reduce the contribution funding requirement committed by Council.

On December 7, 2022, the Woodstock Art Gallery was informed by the Minister of Housing, Infrastructure and Communities that it had been approved for funding for the 4th floor development through the GICB Program. The contribution agreement outlines that the Government of Canada will invest up to 80% of the total eligible project expenditures, but only to a maximum federal contribution of \$904,740.

On May 15, 2024, the Gallery embarked on a capital campaign, successfully securing \$100,000 from the Leonard Reeves Foundation for naming rights of the 4th floor: Reeves Creative Hub on 4. The project design officially commenced on November 27, 2024.

COMMENTS

As the project team works through the preliminary scope of the 4th floor design, increases in costing have become apparent since the initial application to the GICB grant program in 2021. These increases are attributed to the long timeline between the project submission date (September 15, 2021) and the expected completion date (July 15, 2026). The issues are exacerbated by pandemic-induced supply chain disruptions and the current political climate, resulting in higher costs for building materials, an unprecedented rise in inflation and the addition of tariffs. The original project budget was \$1.176 million, with the federal GICB

program contributing up to 80% - a maximum of \$904,740. Council had approved a contribution of up to \$235,185, and the Gallery committed to raising \$175,000 to offset this amount. Due to the increased construction costs, staff requests that 100% of the previously approved City funding of \$235,185 be made fully available to finance the project, rather than being reduced by fundraising revenues. In this model, all funds raised through the capital campaign would be added to the total project budget, rather than used to offset the City's approved funding.

To address the financial pressures, the Gallery is diversifying funding sources and engaging with both government and private sectors to secure the necessary resources for project completion. In April 2025, the Reeves Creative Hub on 4 spring fundraising appeal was initiated, with the Reeves Foundation matching contributions of \$250 or more. Additionally, if Council approves that the fundraising efforts for the 4th floor project be used to increase the total budget rather than offset the current budget, stronger legacy of donors can be realized and the Gallery anticipates receiving additional donations from the Leonard Reeves Foundation, as well as other private sector donors. The Gallery will also be applying for a Cultural Spaces grant to close the gap between the original projected costs from 2021 and the costing realities in 2025.

If Council approves this recommendation, the Gallery will finalize the project scope based on the total available funding, including both the City's full contribution and ongoing fundraising. This allows for a responsive and scalable project plan that adapts to final fundraising outcomes while ensuring no reduction in the community impact of the renovated space.

ATTACHMENTS

N/A

RECOMMENDATION

That Woodstock City Council approves 100% of the \$235,185 from the Reserve for Capital Projects to be available to finance the 4th floor renovation at the Woodstock Art Gallery.

Authored by: Stephanie Porter, Interim Director/Curator, Woodstock Art Gallery

Approved by: Amy Humphries, Deputy Chief Administrative Officer/City Clerk

Approved by: David Creery, P. Eng, MBA, Chief Administrative Officer