

NORMHC

update presented to

Greater Sudbury City Council

November 24, 2005



NORTHERN ONTARIO RAILROAD MUSEUM AND HERITAGE CENTRE

History

| | |
|-------------|--|
| 1967 | Harold Prescott secures steam locomotive 6077 for Capreol |
| 1988 | Stevenson, Kellogg, Ernst and Whinney consultants recommend a railroad museum for Capreol The SRDC Tourist Master Plan recommends a railroad museum |
| 1993 | The NORMHC was incorporated with a Board of Directors in August. Capreol donates Prescott Park to the NORMHC |
| 1995 | CN land adjacent to Prescott Park leased to Capreol for museum use |
| 1997 | Capreol purchases CN Superintendent's home on 26 Bloor st. for the museum |
| 1998 | Grand opening of museum in July |
| 1999 | Capreol acquires adjacent Royal Canadian Legion land, for museum use |
| 2001 | Museum house designated as heritage site |
| 2002 | Feasibility study for expanded facility began and completed Oct 2003 |
| 2004 | NORMHC Foundation Incorporated October 2005 |

VISION

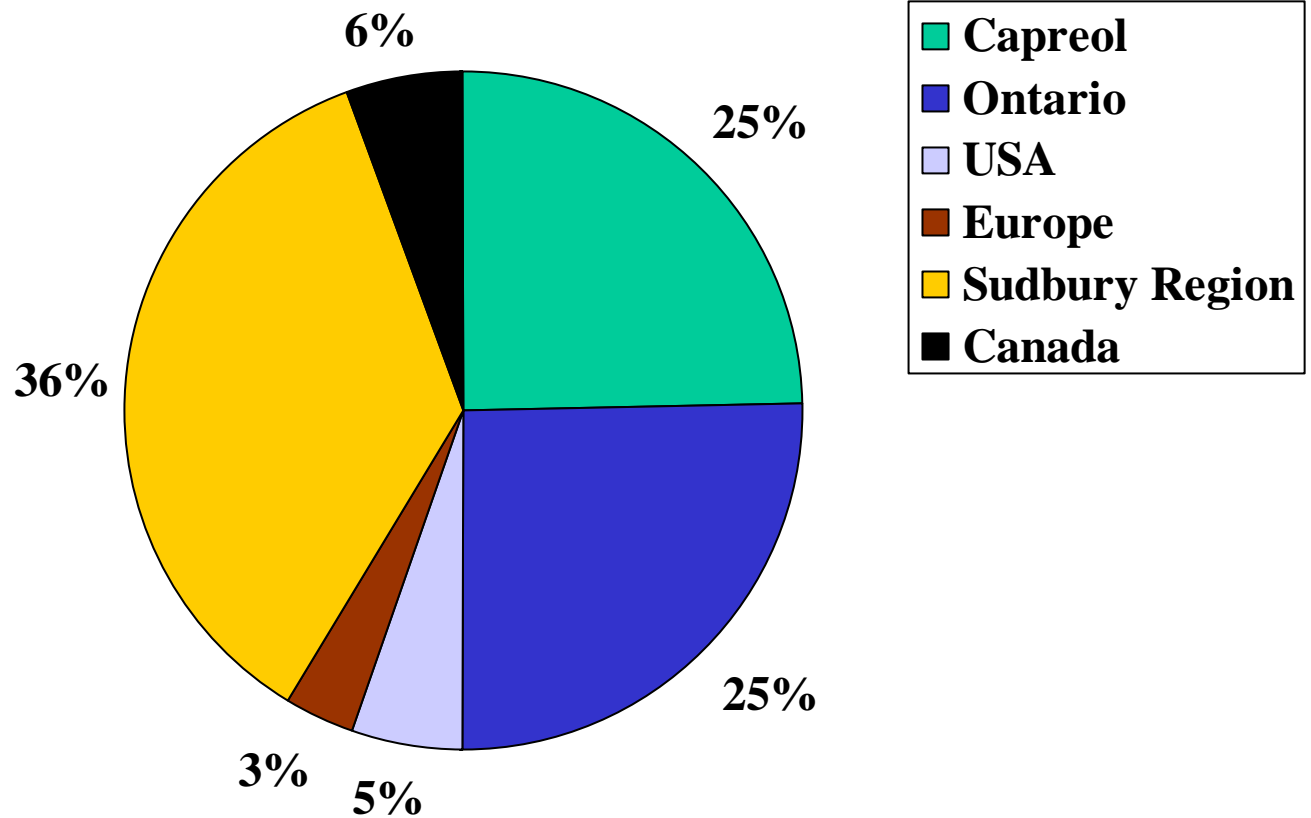
“A Must Place to Visit and Experience”

**The
Northern Ontario
Railroad Museum and
Heritage Centre’s primary
role is envisioned as a unique
attraction based upon the
railroading history of
Northern Ontario and the
Sudbury District as well as
the region’s social and cultural
history that will become a
distinct and dynamic attraction.**

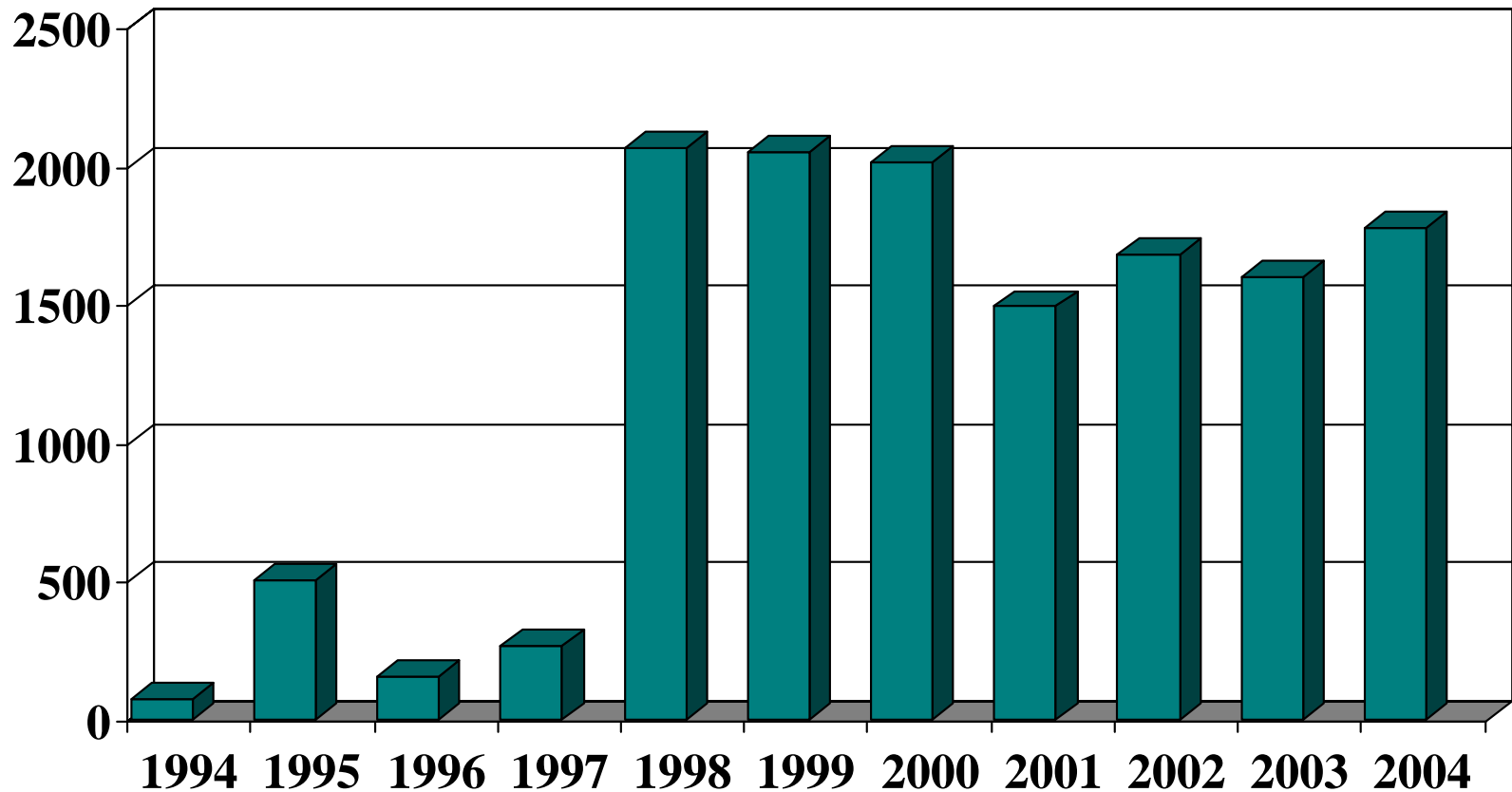
OBJECTIVES

- **Create a Building that is a Visual Railroading Icon**
- **Create Innovative on-site Exhibits, Displays and Programs**
- **Establish Co-operative Activities with Joint-venture Partners**
- **Become a significant tourist attraction in keeping with one of Greater Sudbury's economic thrusts**
- **Educational Centre for schools and the public**
- **Help stimulate the local economy**

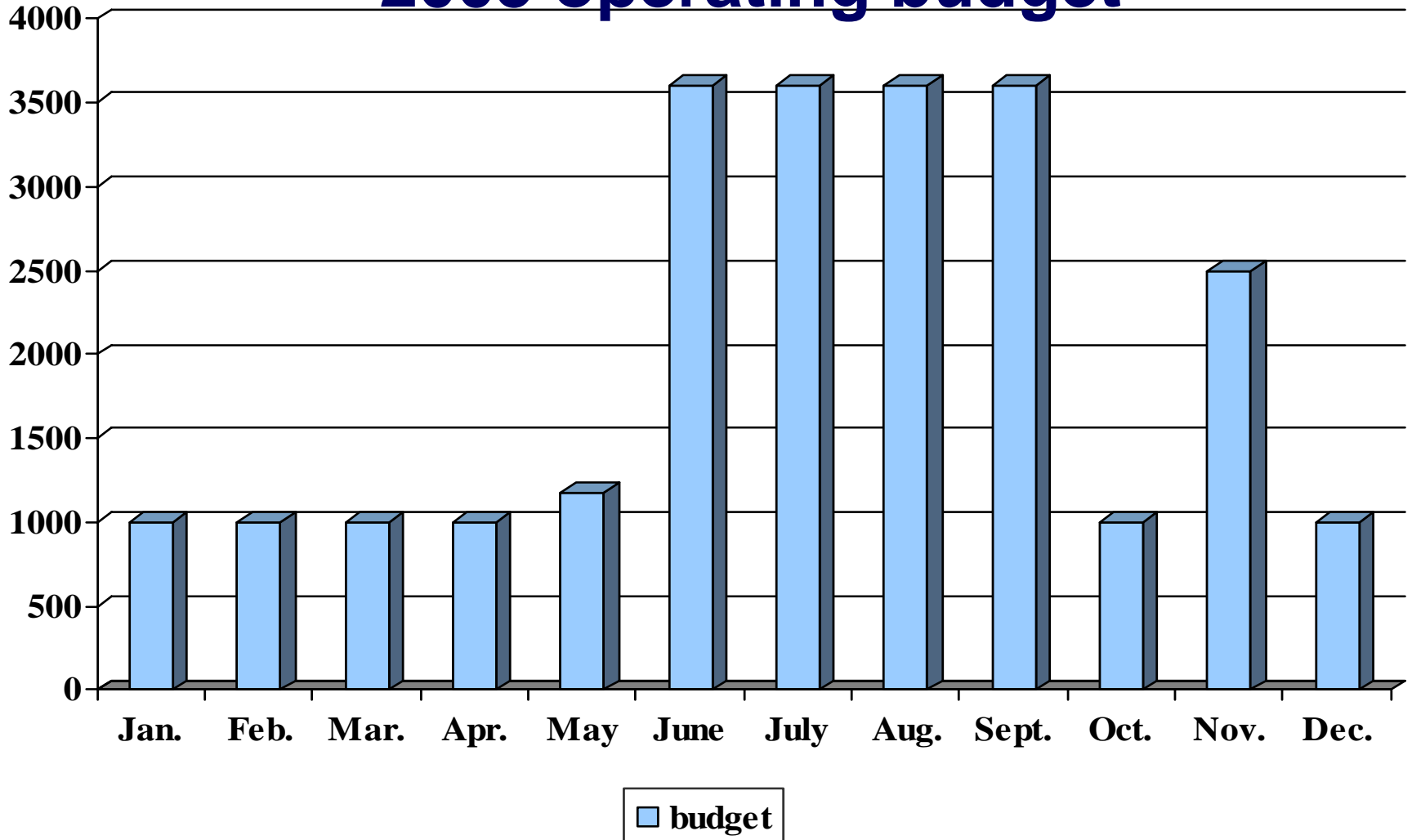
Visitor Demographics - 2000



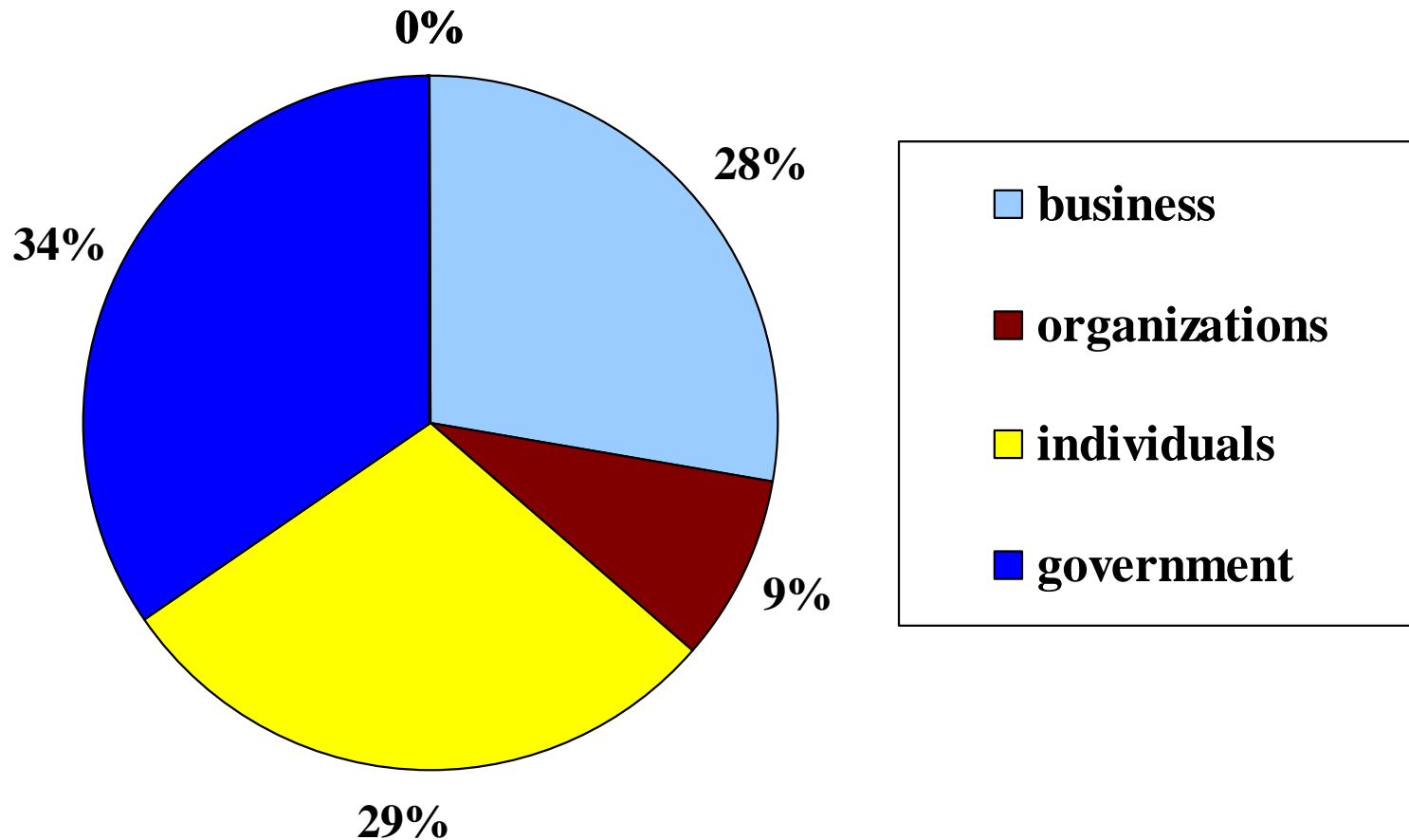
Visitations



2005 operating budget



Supporters / Donors 2002



NORTHERN ONTARIO RAILROAD MUSEUM AND HERITAGE CENTRE

| ASSET DESCRIPTION | APPRAISED VALUE \$CDN |
|---|--------------------------|
| 6077 CN mountain type steam locomotive | 375,000 |
| 1919 GE electric locomotive (INCO) | 29,000 |
| 1943 GE electric locomotive (INCO)* | 30,000* |
| 1946 Alco diesel locomotive (INCO) | 17,500 |
| vintage slag pot car* | 10,000* |
| Snow plow car | 15,000 |
| Vans or cabooses (2) | 24,000 |
| Rules car | 18,000 |
| Maintenance car | 24,000 |
| Velocipede, Hand car, Gas car | 40,000 |
| Computers, fax, office equipment | 23,000 |
| total | 605,500 |
| donated antiques, photo collections, office equipment, books and other memorabilia is not included in total asset value | total 75,000* |
| * estimate | |

Board members

President

Vice President

Treasurer

Secretary and Public Affairs

Collections Director

Director

Director

Director

Director

Director

Director

Director

Director

Robert Michelutti

Oran Hayes

Fran Michelutti

Marlene Bevilacqua

Eileen Thompson

Andy Haritakis

Ken Lynn

Stu Thomas

Muriel Kitchen

Romaine Chappell

Dave Kilgour

Dale Wilson

Frank Madigan

Honourary Board members

- **Jim Ashcroft** retired INCO President
- **Dave Chellew** financial Planer owner
- **Bob DelFrate** Superior Court Judge
- **Risto Laamanen** businessman
- **Gerry Lougheed Jr.** businessman
- **Tony Marquis** CN Gen. Manager
- **Frank Mazzuca** businessman
- **Al Melanson** medical doctor
- **Doug Mohns** retired NHL player
- **Hon. Marie Poulin** Senator
- **Jamie Wallace** businessman

Purpose

To promote the goals and objectives of the NORMHC by networking, providing expertise, lobbying and making presentations as required.

Typical Comments in Guest book

“It’s good to see all the hard work was a success”

Liane Way

Mattawa

“Spectacular, very special””

Lowell Ausent

Georgia

“I never knew there were so many mines in this area”

Carol Holloway

Ottawa

“Excellent, lots of history”

Creg Siemens

North Bay

“Outstanding Exhibits”

James Jackson

Morin Hts.Que

“A great museum, your dedication and hard work is very evident. You should be proud of your efforts”

C. Gasparini

Sarnia

“Great museum, friendly people”

Jim Schomfelt

Wisconsin

“Best railway museum ever”

Dick Sully

Biggar Sask.

NORMHC today

- Incorporated in 1993 as Charitable not for profit
- Museum house owned by CGS
- Prescott Park leased from CN
- Operated by 30-40 volunteers and summer students
- Seasonal operation from June 1 to August 31, 6 days / week
- 1,500 – 2,000 visitors / year
- Operating budget of \$25K– \$90K / year
- 80-90% of visitors from Greater Sudbury area



NORMHC tomorrow



View from the Bend in Bloor Street towards the Proposed Locomotive Shed

NORTHERN ONTARIO RAILROAD MUSEUM AND HERITAGE CENTRE

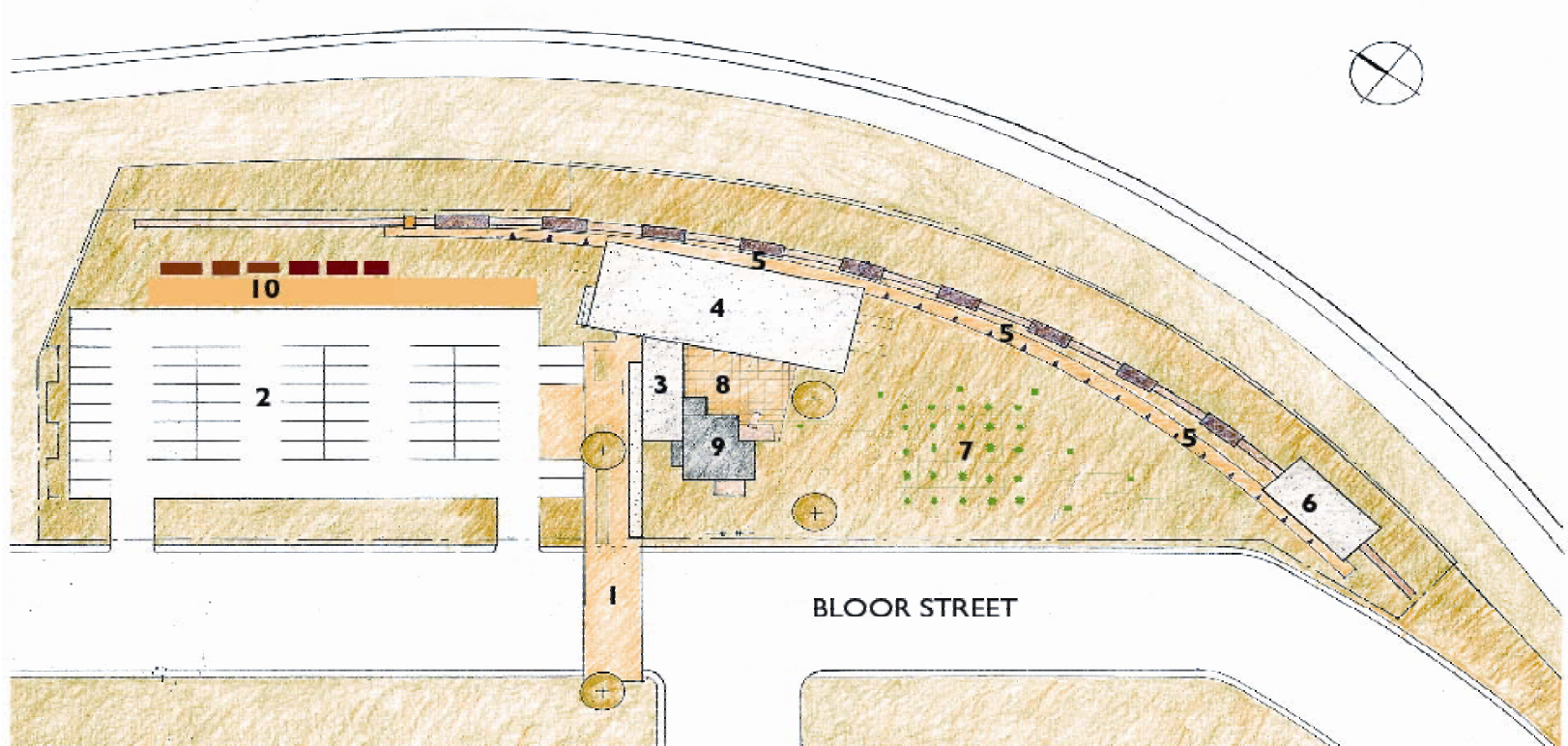


View from Bloor Street towards the Entry Pavilion of the Northern Ontario Railroad Museum and Heritage Centre

NORTHERN ONTARIO RAILROAD MUSEUM AND HERITAGE CENTRE



View from the Garden into the Artifact Courtyard

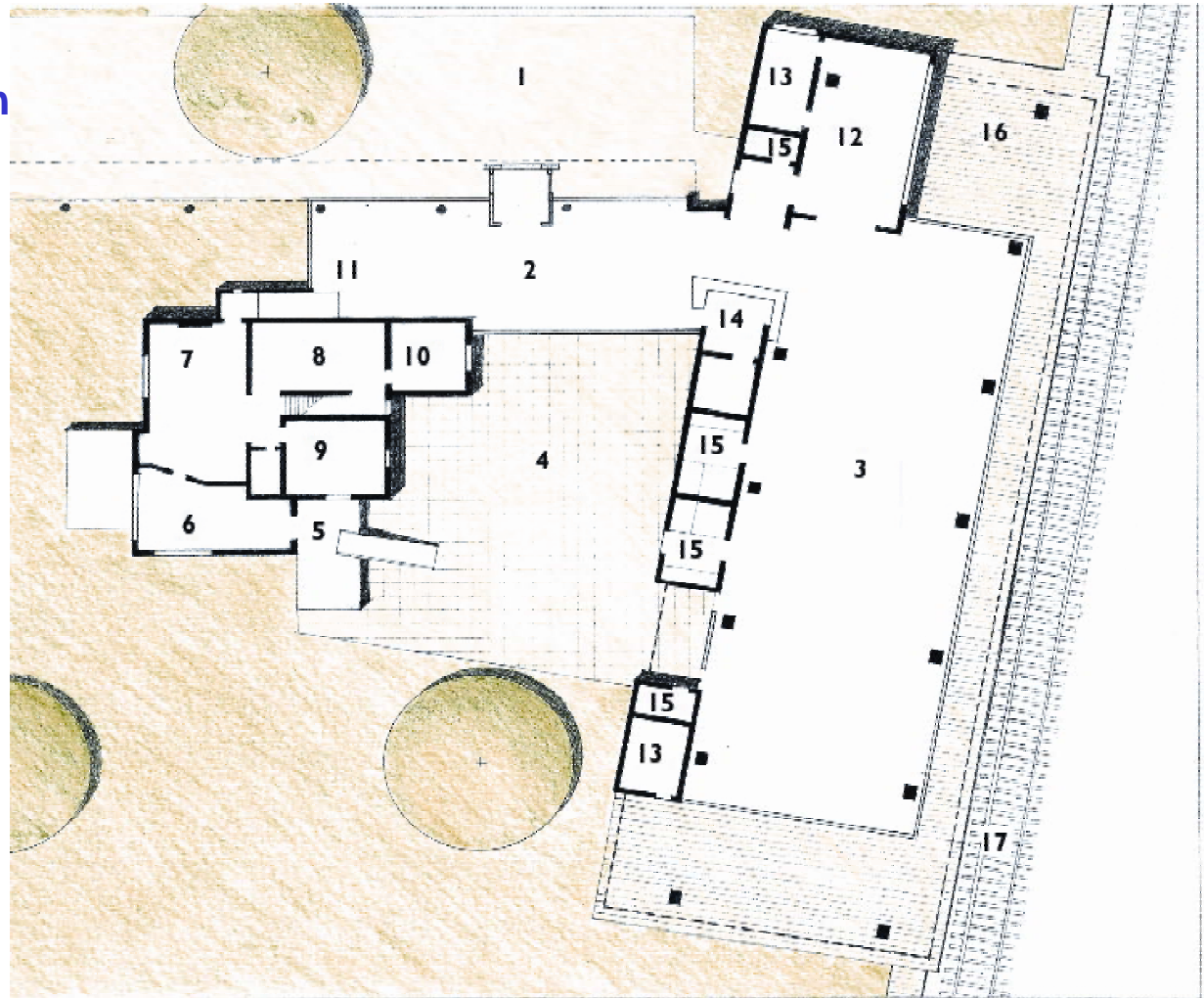


PROPOSED SITE PLAN

- | | |
|---------------------------------------|------------------------------------|
| 1. Plaza | 6. Locomotive Shed |
| 2. Car Park | 7. Signal Garden |
| 3. Entrance Hall | 8. Artifact Courtyard |
| 4. Exhibit Hall | 9. Historic Station Master's House |
| 5. Rolling Stock Interpretive Walk | 10. Van (Caboose) Retail Park |

Proposed Expansion

1. Plaza
2. Entrance Hall
3. Exhibit Hall
4. Artifact
Courtyard
5. Entrance Deck
6. Exhibit Room
7. Tea Room
8. Exhibit Room
9. Existing
Exhibit Room
10. Kitchen
11. Retail Space
12. Multi-purpose
Room
13. Storage
14. Reception
Desk
15. Washrooms
16. Outdoor Deck
17. Rolling Stock



NORTHERN ONTARIO RAILROAD MUSEUM AND HERITAGE CENTRE

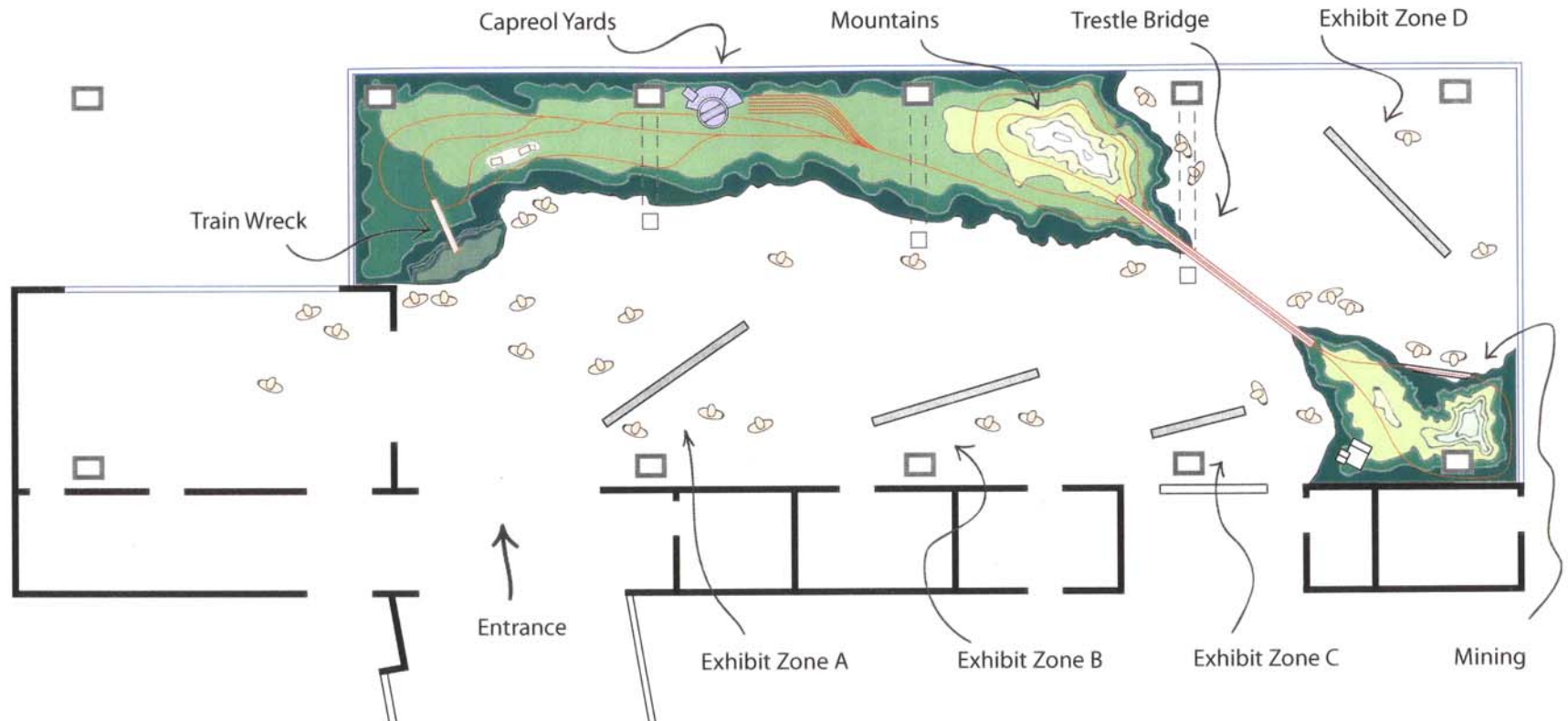


Exhibit Hall: Footprint of the Model and the Locations of Individual Exhibit Zones

Model Components

- Trains used for mining, lumbering and developing northern communities
- Construction challenges in rugged terrain with numerous water bodies
- System Development
- Capreol and / or Sudbury yards
- Dangers & Disasters

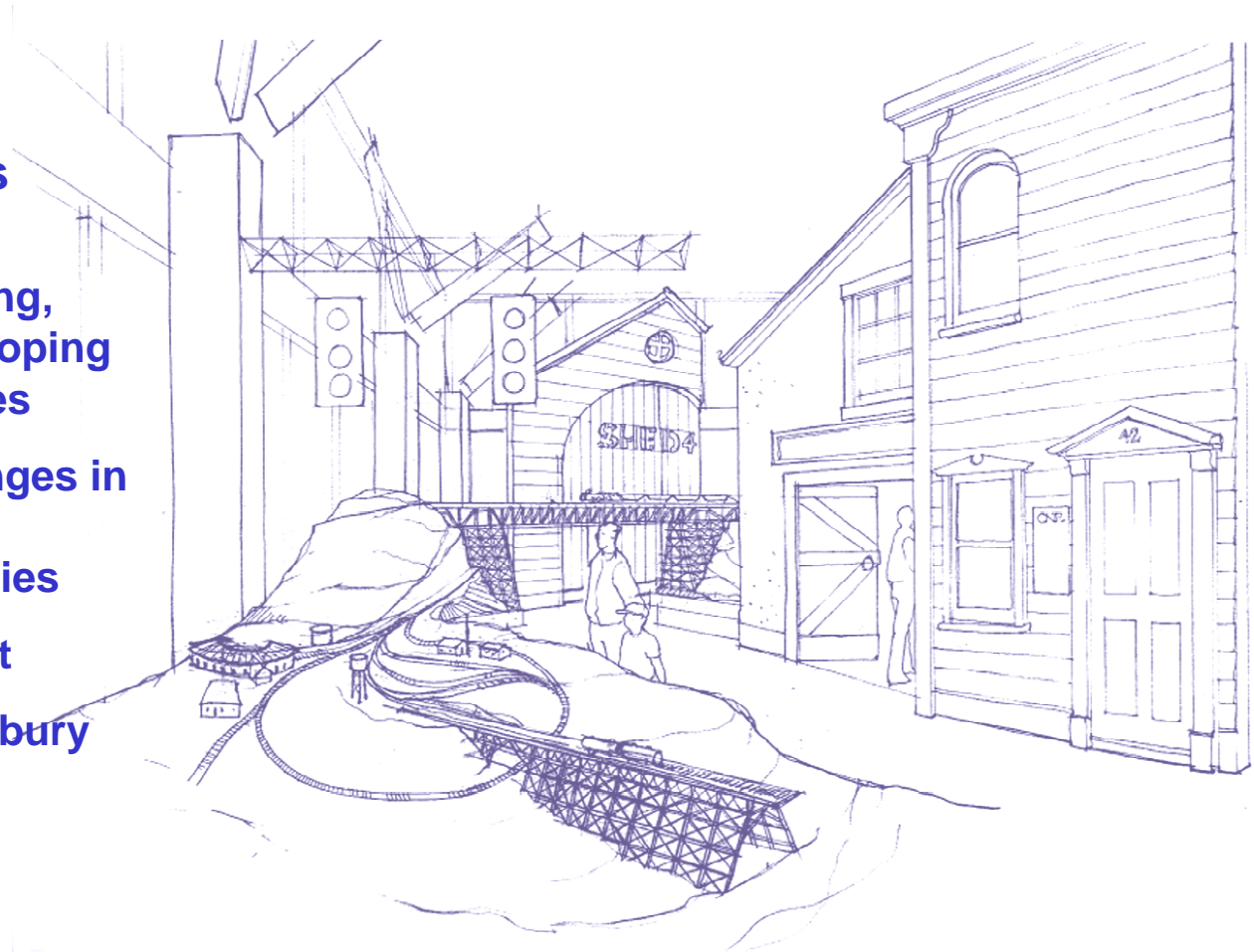


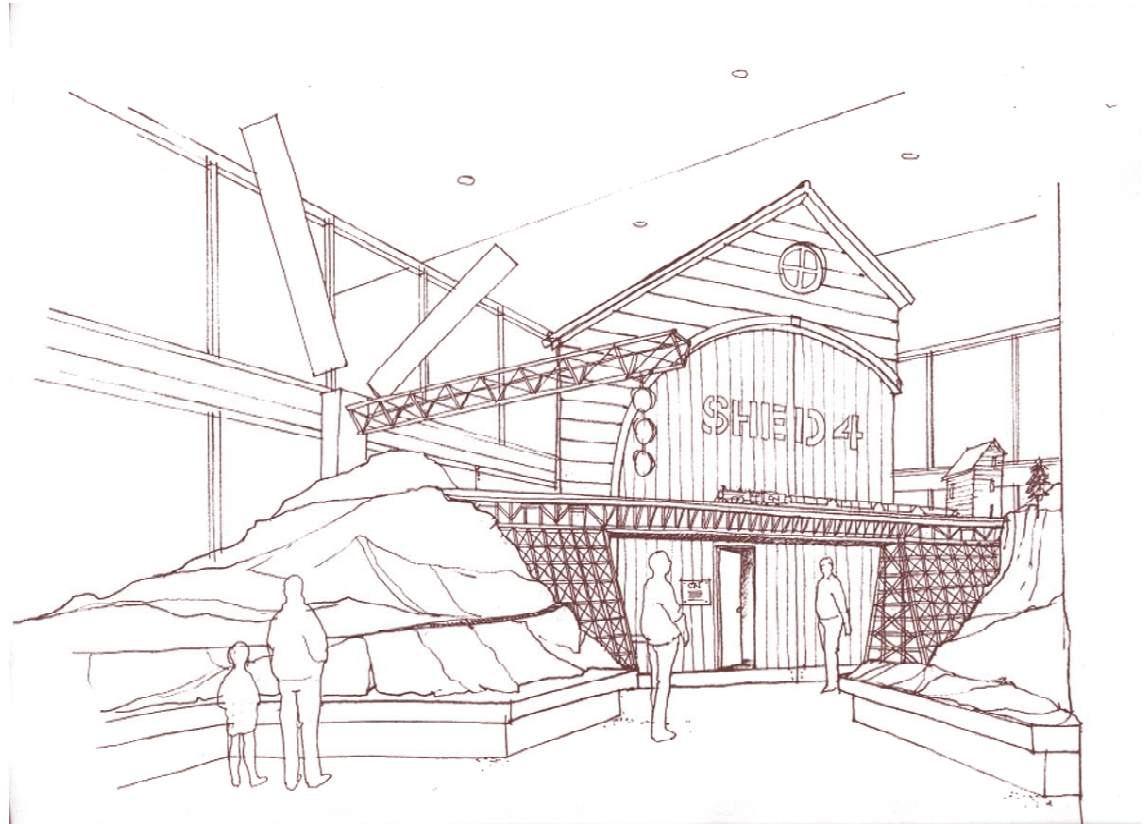
Exhibit Zones

Zone A The Railroads of
Northern Ontario

Zone B The People of the
Railroad

Zone C The Operation of
a Railroad

Zone D Capreol and
ghost Towns of
Sellwood and
Milnet



Capital Cost Budget Summary

| | |
|--|-------------|
| ■ Station Master House Renovations/Restoration | \$248,750 |
| ■ New Construction | \$1,045,000 |
| ■ Exhibit Costs | \$1,480,000 |
| ■ Tenant Improvements and FFE | \$35,000 |
| ■ Miscellaneous Components | \$390,000 |
| ■ Site Development | \$700,000 |
| ■ Design & Management | \$389,875 |
| ■ Marketing, Fundraising, Pre-opening Costs | \$200,000 |
| ■ Contingency | \$194,937 |

| | |
|-----------------------------------|--------------------|
| Preliminary Capital Budget | \$4,783,562 |
|-----------------------------------|--------------------|

Projected Attendance

| Visits | Growth Rate | Year | | | | |
|-----------------------------------|-------------|------------------|------------------|------------------|------------------|------------------|
| | | 2006 | 2007 | 2008 | 2009 | 2010 |
| Regional Population | 0.0% | 155,220 | 155,220 | 155,220 | 155,220 | 155,220 |
| Penetration | | 3.0% | 3.5% | 4.0% | 4.5% | 4.0% |
| Estimated Visits | | 4,660 | 5,430 | 6,210 | 6,980 | 6,210 |
| School Age Population | 0.0% | 62,710 | 62,710 | 62,710 | 62,710 | 62,710 |
| Penetration | | 3.5% | 4.0% | 4.0% | 4.0% | 4.0% |
| Estimated Visits | | 2,190 | 2,510 | 2,510 | 2,510 | 2,510 |
| Coach Tour Visitors | 1.0% | 23,000 | 23,200 | 23,400 | 23,600 | 23,800 |
| Penetration | | 4.0% | 5.0% | 6.0% | 6.0% | 6.0% |
| Estimated Visits | | 920 | 1,160 | 1,400 | 1,420 | 1,430 |
| Tourist Visitors to Region | 1.0% | 1,158,100 | 1,169,700 | 1,181,400 | 1,193,200 | 1,205,100 |
| Penetration | | 0.8% | 0.9% | 1.0% | 1.0% | 1.0% |
| Estimated Visits | | 9,260 | 10,530 | 11,810 | 11,930 | 12,410 |
| Total Visits | | 17,030 | 19,630 | 21,930 | 22,840 | 22,560 |

Projected Revenues

| Revenues | 2006 | 2007 | Year 2008 | 2009 | 2010 |
|--------------------------------------|------------------|------------------|------------------|------------------|------------------|
| Gate Revenues | | | | | |
| Regional and Tourist Visitors | 13,920 | 15,960 | 18,020 | 18,910 | 18,620 |
| <i>Average Realized Ticket Price</i> | \$6,70 | \$6,70 | \$6,70 | \$6,70 | \$6,70 |
| Revenue | \$93,300 | \$106,900 | \$120,700 | \$126,700 | \$124,800 |
| School Group Visitors | 2,190 | 2,510 | 2,510 | 2,510 | 2,510 |
| <i>Average Realized Ticket Price</i> | \$6.00 | \$6.00 | \$6.00 | \$6.00 | \$6.00 |
| Revenue | \$13,100 | \$15,100 | \$15,100 | \$15,100 | \$15,100 |
| Coach Tour Visitors | 920 | 1,160 | 1,400 | 1,420 | 1,430 |
| <i>Average Realized Ticket Price</i> | \$6.00 | \$6.00 | \$6.00 | \$6.00 | \$6.00 |
| Revenues | \$5,500 | \$7,000 | \$8,400 | \$8,500 | \$8,600 |
| Total Gate Revenues | \$111,900 | \$129,000 | \$144,200 | \$150,300 | \$148,500 |
| Retail Revenues | | | | | |
| Average Expenditures | \$3.00 | \$3.00 | \$3.00 | \$3.00 | \$3.00 |
| Gross Revenue | \$51,100 | \$58,900 | \$65,800 | \$68,500 | \$67,700 |
| Less Operating Expenses @ 75% | \$(38,300) | \$(44,200) | \$(49,400) | \$(51,400) | \$(50,800) |
| Net Retail Profits | \$12,800 | \$14,700 | \$16,400 | \$17,100 | \$16,900 |
| Restaurant Revenues | | | | | |
| Average Expenditures | \$1.00 | \$1.00 | \$1.00 | \$1.00 | \$1.00 |
| Gross Revenue | \$17,000 | \$19,600 | \$21,900 | \$22,800 | \$22,600 |
| Less Operating Expenses @ 75% | \$(12,800) | \$(14,700) | \$(16,400) | \$(17,100) | \$(17,000) |
| Net Restaurant Profits | \$4,200 | 4,900 | \$5,500 | \$5,700 | \$5,600 |
| Gross Profit | \$128,900 | \$148,600 | \$166,100 | \$173,100 | \$171,000 |

Profit (Loss) Analysis

| Operating Profit (Loss) | Year | | | | |
|-----------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 |
| Gross Profit | \$128,900 | \$148,600 | \$166,100 | \$173,100 | \$171,000 |
| Expenses | | | | | |
| Salaries and Wages | \$(68,500) | \$(68,500) | \$(68,500) | \$(68,500) | \$(68,500) |
| Benefits @ 18% | \$(12,300) | \$(12,300) | \$(12,300) | \$(12,300) | \$(12,300) |
| Marketing | \$(25,000) | \$(25,000) | \$(25,000) | \$(25,000) | \$(25,000) |
| Exhibit Maintenance & Replacement | \$(5,000) | \$(15,000) | \$(30,000) | \$(30,000) | \$(30,000) |
| Supplies & Office Expenses | \$(15,000) | \$(15,000) | \$(15,000) | \$(15,000) | \$(15,000) |
| Maintenance & Cleaning | \$(12,100) | \$(12,100) | \$(12,100) | \$(12,100) | \$(12,100) |
| Utilities | \$(6,800) | \$(6,800) | \$(6,800) | \$(6,800) | \$(6,800) |
| Communications | \$(6,000) | \$(5,000) | \$(5,000) | \$(5,000) | \$(5,000) |
| Professional Services | \$(5,000) | \$(2,500) | \$(2,500) | \$(2,500) | \$(2,500) |
| Insurance | \$(25,000) | \$(25,000) | \$(25,000) | \$(25,000) | \$(25,000) |
| Travel & Miscellaneous | \$(7,500) | \$(7,500) | \$(7,500) | \$(7,500) | \$(7,500) |
| Total Expenses | \$(188,200) | \$(194,700) | \$(209,700) | \$(209,700) | \$(209,700) |
| Operating Profit/Loss | \$(59,300) | \$(46,100) | \$(43,600) | \$(36,600) | \$(38,700) |

ASSUMPTIONS

- That the Centre is a stand-alone facility, not a satellite-managed facility
- That the Centre is promoted as part of the heritage and tourism complex of the Greater District of Sudbury
- That the Centre complements, and not duplicate, other programs and exhibits of other facilities in the region

NEXT STEPS

- **Create a Foundation to act as the fund raising arm of the NORMHC**
- **Phase I - expansion of Prescott Park with rolling stock currently stored at NRE in Capreol**
- **Phase II - restore current rolling stock**
- **Phase III - form partnerships and commence the expansion of the NORMHC as per the expansion study**



the end

