



March 21, 2023

From Kenn Norman, Chair representing the Board of the Fashion History Museum

To City Council regarding the FHM's delegation to Council on March 28, 2023

Regarding: Request to increase funding recommendation of \$45,000 from the Community Grants Fund to the \$96,800 requested to pay annual rent to the City of Cambridge of nearly \$80,000, and a contribution towards facility costs such as maintenance, public liability insurance, security, and utilities.

Background:

The Fashion History Museum was founded in 2004, federally incorporated as a non-profit corporation in 2008 and was registered as a national charity through the Canada Revenue Agency in 2009.

In 2007 the founding museum Board of Directors and founders of the museum were encouraged to move to Cambridge after an exploration nationally of where to physically locate. The proposed site discussed with then Mayor Craig and senior members of City staff fell through. Following the museum's developing international travelling exhibitions and cultivating relationships in the local area, an opportunity for a pilot gallery was taken for 6 months in the former Southworks complex in 2013. By gaging response of nearly 9,000 visitors and the potential in Cambridge, the following year the current location of the museum was leased from a private owner with the encouragement of the City and a grant through the Arts Connect fund to secure the lease, followed in 2015 by funding through the Grants to Groups fund and assistance with a one-time economic development grant from the Region of Waterloo towards the renovation of the former post office to open public museum galleries. With many volunteer hours and donations of materials the museum opened coinciding with the Queen Street East refresh in Spring 2015.

Just prior to the Pandemic, using the Tourism Regional Economic Impact Model (TREIM) the data analysis tool used province-wide, the Fashion History Museum had grown to approximately \$1 million in economic impact locally, and increased the demand for hotel rooms generating more revenues through the Municipal Accommodation Tax (MAT) to the city.

Annual support through Grants to Groups to the museum has been funded by the City since 2015, and in September 2020 the former Hespeler Post Office building was purchased under market value securing the heritage site for the community and one of the first projects funded through the Core Areas Transformation Fund. The FHM was happy to partner with the city using its charitable status to apply for capital improvement grants through various sources, reducing the cost to the city for items such as improved security and accessibility, while increasing equity. During Covid fundraising and several external grants were used to upgrade fire doors, the heating system, plumbing, flooring and green initiatives in energy use. The City of Cambridge also receives revenue from rooftop solar panels generating electricity installed by the former owner.

The museum was closed to public visitation during extended Covid lock down periods and implementing interior reconfiguration to follow pandemic related health and safety restrictions with social distancing. The FHM continued to pay full rent despite a drastic decline in revenues because it was able to utilize federal rent subsidies to make up the difference from reduced city support in 2021, and thus ensure the city continued to have a balanced budget during difficult circumstances. In 2022 the Community Grants funding was \$96,800.

Impact of Reduced 2023 Funding on the Fashion History Museum:

Covid subsidies are no longer available and yet full recovery has not yet been reached. The Board of Directors are quite concerned about the financial impact on the museum as the first quarter of the year has already passed and loans have been taken to pay the full rent including property tax to date. Without the funding needed for paying the city further rent in 2023 the museum is at high risk of defaulting on the lease and potentially being evicted.

Federal and Provincial grants currently in progress or pending are jeopardized in a domino effect as they relate to capital improvements, staffing and projects that are threatened with closure of this location. Fundraising and donations are also threatened with the risk of items that have been given in public trust may no longer be cared for to the high standards necessary as the museum collections would have to go into deep storage, while seeking another location. In turn, this threatens the potential of the FHM receiving annual provincial funding when the Community Museums Operating Grant (CMOG) program reopens to new clients. Additionally, the Highway 401 TODS signage (Tourism Orientation Directional Signage) will be confusing to the public and tourists as a 5-year contract will have to expire before the signs are removed.

The FHM's focus for revenues this year were to fund much needed staff positions, repay the federal CEBA covid loans (or forfeit a \$20,000 grant of the \$60,000 owed and incur interest charges for years to come), and promote the exhibition on Cher garments that took 4 years in the making to have as an international loan for its only Canadian appearance, along with associated programming.

Conclusion:

This current rent funding issue is of immediate concern however a larger concern is the annual process that is involved as the museum has grown significantly in demand for its services and context in the community. The most common comment is the need to be a larger venue to share more of the collections and increase programming. Without a stable and secure location, planning and the efforts needed to fulfill expectations are increasingly difficult.

In addition to the return to a funding level equal to last year to pay the city its rent and care for the building, the Board of the museum requests that consideration be given to multi-year funding discussions in the near future.

Sincerely, Kenn Norman, Chair