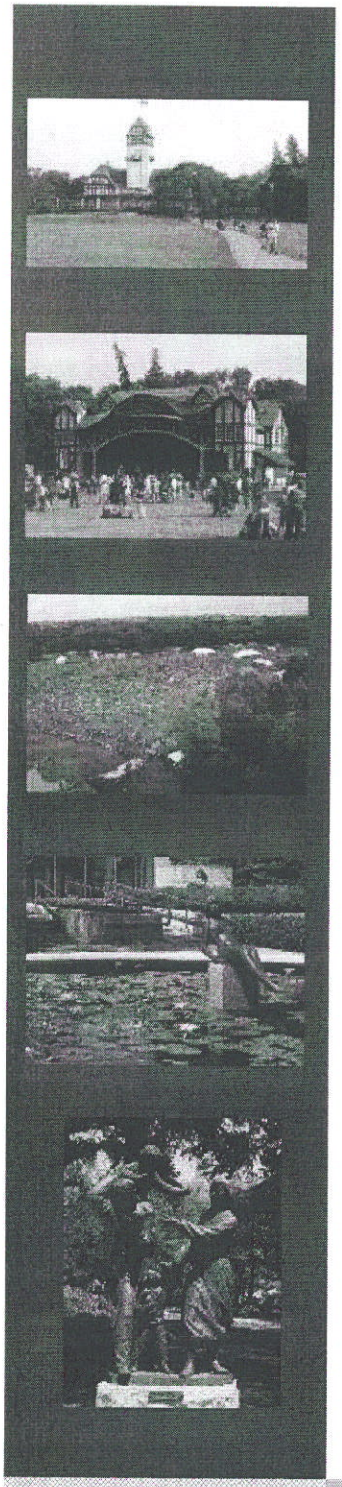


Final Version
July 25, 2005

partners
IN THE PARK

Business Plan

2006 - 2013

Pavilion Gallery Museum | Leo Mol Sculpture Garden | Lyric Theatre

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1.0 Executive Summary

The Leo Mol Sculpture Garden, the Pavilion Gallery and the Lyric Theatre are treasured assets of Assiniboine Park that help make it a world class tourist destination. Partners in the Park ("Partners") is a not-for-profit organization, governed by a private sector led, volunteer Board of Directors, created to provide direction and support to these three Assiniboine Park attractions. Partners' financial situation is critical and unless it is able to achieve stability, there is a risk that some or all of these attractions may be shut down.

With the energy of its staff, and the commitment and influence of its Board, Partners has achieved much. **Over the period from 1992 to 2003, capital investment in Assiniboine Park, as a result of Partners' projects, leveraged $3 million from government with an additional $19.9 million dollars from the private sector** (see Appendix E for details). This money was used to develop the fascinating Leo Mol Sculpture Garden, revive the cherished Pavilion, and build the enchanted Lyric Theatre and has alleviated much of the burden on the City of Winnipeg to revitalize the Park. In addition, free and accessible entertainment has been provided to people at the Park and Assiniboine Park has become a popular tourist destination for Winnipeggers, Manitobans, and other tourists. Since 2000, Partners has raised approximately $500,000 through cash sponsorships and in-kind contributions for its programming. On an annual basis, over 500,000 people visit these attractions in the Park.

The initial capital campaign for the Pavilion included $1.2 million for endowment. Unfortunately, this amount was reduced by $500k as a result of unforeseen structural costs that were encountered during the restoration of the Pavilion. The remaining $700k, which was intended for endowment, has been required to offset operating costs in recent years. To be able to continue to support these attractions and further enhance the park, Partners' most important goal for the future is to financially stabilize the attractions and their operations so that debts can be repaid, operating costs can be covered and adequate staff be employed for programming, fundraising and expanding revenue generating services.

A key element of this goal is an aggressive fundraising campaign. Growing the endowment funds, such that enough interest revenue can be generated to pay a significant portion of the operating costs is crucial. This year, Partners has hired a full-time Director of Fundraising and will be launching an aggressive fundraising campaign. As in the past, Partners will continue to take advantage of its independent status which makes it an eligible applicant for provincial and federal grants and also attractive for sponsorships.

Imagine Assiniboine Park without the Leo Mol Sculpture Garden, the Pavilion Gallery and the Lyric Theatre. Partners is asking the City of Winnipeg to make a long-term funding commitment to show its support for these attractions. The funds will be used for **operating expenses**, many of which are associated with running the Pavilion building and fixed in nature. The City's contribution will allow Partners to use the revenues it raises from sources such as rental income and fundraising to repay and build

endowments. It is intended that the endowments will be held by the Winnipeg Foundation in order to gain some matching funds and also to ensure the integrity of these endowments.

In 1997, as part of the Agreement between The City of Winnipeg and Pavilion Gallery Museum, Inc., an Operating Grant of $70,000 per year for the years 1998 – 2003 was established. This amount was based on early forecasts of the operating expenses. However, the actual operating expenses for the Pavilion Gallery Museum have been significantly higher than anticipated with an average of well over $500,000 per year for the past six years. In addition, there are the operating expenses for the Lyric Theatre and for the Leo Mol Sculpture Garden. The projections included in Appendix D, clearly illustrate the need for a new Operating Agreement between the City of Winnipeg and Partners in the Park.

Financial projections to 2013 are provided in Appendix D. Partners is requesting an Operating Grant from the City and Province in the amount of $400,000 each, that is reducing to $350,000 each by Year 8. Given the number of years projected into the future and the inability to predict external events and circumstances, there will likely be a difference between forecasted and actual results. If Partners' actual performance exceeds its projected performance, it would be willing to reduce the contribution requested from the City and the Province in the year immediately following.

Partners has invested significant resources in the planning and research of the development of a new attraction for Assiniboine Park. This facility would tell the story of the connection of Winnie the Bear to Winnipeg. It is anticipated that this venue would be a major tourist destination for visitors both domestic and international. This project is at risk, unless we are able to stabilize the existing operations.

Partners in the Park has a proven track record. By implementing its fundraising campaign and achieving successful operating agreements with the City of Winnipeg and other levels of Government, Partners will have a secure foundation from which it can bring its passion, energy and ability to raise funds to further **enhance the *existing* venues and create *new* world class attractions within the Park.**

2.0 Partners in the Park (Partners) – An Introduction

2.1 History

In the late 1980's a group of visionaries and their partners from the City of Winnipeg assembled to identify ways to revitalize the northwest corner of Assiniboine Park (the "Park"). A lot of passion and hard work resulted in three cherished park attractions:

- The Leo Mol Sculpture Garden;
- The Pavilion Gallery (including the lease for Tavern in the Park restaurant); and
- The Lyric Theatre.

Partners in the Park ("Partners") is a not-for-profit organization, governed by a private sector led, volunteer Board of Directors, that was created to provide direction and support to these three Assiniboine Park attractions, through three organizations:

- Leo Mol Garden Inc.
- Pavilion Gallery Museum Inc.
- Assiniboine Park Bandshell Inc.

The main responsibilities of Partners include co-ordinating the staffing, operations, marketing, fundraising, education, programming, and financial management of the three organizations it supports. Partners is also responsible for setting the strategic vision and future direction to be pursued by the three attractions, and for developing new ventures that would attract more visitors to the Park.

2.2 Vision and Mission

Partner's vision is to support the Park in becoming a world-class tourist destination. Through its existing attractions and new initiatives, Partners is dedicated to providing Winnipegers, Manitobans and visitors with access to fine arts, sculpture, heritage and the performing arts.

2.3 Market Relationship

Partners works with other Assiniboine Park venues such as the Conservatory and Zoo on renewal and reinvestment initiatives. Increasing the number of visitors to the Park is an important goal for all Assiniboine Park attractions. As such, Partners is a member of the Assiniboine Park Plan Advisory Committee, which advises on the Park's future vision and direction. Partners is also a member of the Tourism Industry Association of Canada (TIAC) and the Winnipeg Chamber of Commerce.

Winnipeggers value Assiniboine Park and its attractions. Close to 70% of local citizens visit the Park annually. As cities increase in size and density, and as the struggle to find balance between work and leisure continues, parks have become an outlet for individuals seeking relaxation and recreation. Parks today are not only used for quiet visits to connect with nature but also as an informal venue to meet family and friends. Because of its large open spaces, the Park can accommodate a number of group activities

simultaneously. In the latter part of the twentieth century, when participation in individual activities such as running, biking, in-line skating and cross country skiing surged, the Park met the growing needs through modification of asphalt trails, improved signage, road crossings, etc. In addition to sporting activities, Assiniboine Park has broadened its attractions to include ones that appeal to individuals interested in the arts. With the introduction of the Leo Mol Sculpture Garden, Pavilion Gallery Museum and the Lyric, visitors to the Park can enjoy nature as well as some of Winnipeg's finest sculptures and artworks by local artists and performances by talented Manitoba entertainers – all with no admission charge. These treasures appeal to a diverse group of people and benefit both local citizens and the 2.8 million tourists who visit the City each year. In one year, visitors from 42 different countries signed the Pavilion Gallery Guest Book.

The tourism sector in Winnipeg is highly varied and includes restaurants, retail, tour operations, festivals, museums, performing arts, galleries, recreational sports, etc. The tourism industry in Winnipeg generates over $500 million in direct spending from 2.8 million visitors annually.[1] The tourism industry continues to face worldwide challenges such as slow growth in the U.S. markets, greater security concerns, increased competition, and the trend toward shorter vacations. To generate wealth and create jobs for residents of the city, Winnipeg must capitalize on its combination of attractions and events. To succeed in this goal, Winnipeg must be marketed and positioned as an attractive tourist destination.

2.4 Accomplishments

Since 1990, so much has been accomplished in the small North West corner of the Park. Some of Partners' accomplishments include:

- Investment in the Park has alleviated much of the burden on the City of Winnipeg to revitalize the Park.
    - Investment in Assiniboine Park as a result of Partners' projects leveraged $3 million from government with an additional $19.9 million dollars from the private sector which was spent on developing the Leo Mol Sculpture Garden, restoring the Pavilion, and creating the Lyric Theatre (see Appendix D for funding details).
    - The Board and staff raise a significant amount of funds every year for programming at attractions, and will continue to do so. Since 2000, Partners has raised approximately $500,000 through cash sponsorships and in-kind contributions for programming.
- Preservation and promotion of valuable assets.
    - Leo Mol Sculpture Garden – Value of sculptures, paintings and ceramics gifted to the City of $4 million.
    - The Pavilion Gallery – Value of donated artwork is $10 million.
- Showcasing of local and national talent, of both established entertainers such as Winnipeg Symphony Orchestra, Royal Winnipeg Ballet, and emerging

[1] Destination Winnipeg website.

entertainers such as K'Naan and Juno award winners Swing Soniq and African Guitar Summit.
- Providing free and accessible entertainment - The International Friendship Festival was hugely successful last year in attracting over 50,000 people to the event.

In combination with other park attractions such as the Conservatory and the Zoo, Assiniboine Park is being revitalized into the "Jewel in the Crown" of Winnipeg's parks and recreation system and has been reborn as one of Winnipeg's showcase tourist attractions for local and international visitors.

2.5 Primary Goal and Challenge

Imagine Assiniboine Park without the Leo Mol Sculpture Garden, the Pavilion, and the Lyric Theatre. These attractions are at risk. While endowment monies were being established and set aside to fund operations, they have been eroded by operating requirements. Partners' financial situation is critical, and has come about as a result of:

- Funds intended for Pavilion endowment eroded from $1.2 million to $700k as a result of previously unknown structural problems discovered during the buildings renovation.
    - Over the past several years, this $700k has been used to offset operating costs.
- Actual operating costs for the Pavilion were far more expensive than originally forecasted, averaging well over $500,000 per year for the past six years.
- Significant legal costs incurred during negotiations to resolve tax liability expenses for two of the attractions.
- Delays in negotiating operating agreement with the City of Winnipeg resulted in using funds intended for endowment on operations.

Additional discussion of Partners' historical financial position is contained in Section 6.0.

Partners' most important goal for the future is to financially stabilize the three attractions and their operations so that debts can be repaid, operating costs can be covered and adequate staff are employed to be responsible for programming, fundraising and expanding revenue generating services.

To make all the organizations sustainable, an aggressive fundraising initiative will be undertaken. Growing the endowment funds, such that enough interest revenue can be generated to pay a significant portion of the staffing costs and other operating costs is crucial. This year, Partners has hired a full-time Director of Fundraising and has launched an aggressive fundraising campaign which includes:

- Securing the City of Winnipeg Agreement.
- Renewing commitment from the Province of Manitoba.
- Securing additional long-term sponsors for programming.

Unless it achieves this commitment from the City and the Province to provide long-term stable funding, Partners will not be able to continue to operate these attractions. As a

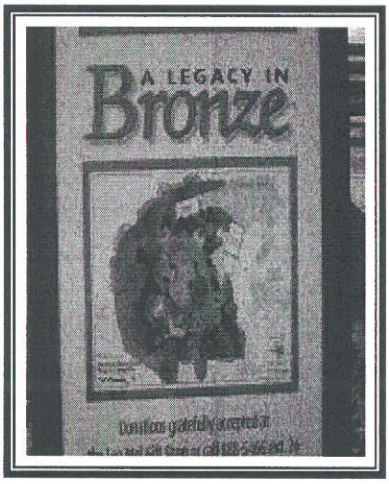
result, the experience of Park visitors will deteriorate. However, with the support and commitment of the City and the Province, Partners will be in a position to direct its energies to pursuing enhancements and new opportunities, reinforcing the Park as a premiere tourist destination.

3.0 Profile of the Partners in the Park Attractions

By blending the management of the Leo Mol Sculpture Garden, the Pavilion Gallery Museum, and the Lyric, Partners has created Park destinations where visitors can view fine art and sculpture, dine at a beautiful restaurant and be entertained by some of Manitoba's premier performers. Each attraction is profiled in the remainder of this section.

3.1 Leo Mol Sculpture Garden

In September 1990, the turning of the sod signalled the beginning of the construction of the Leo Mol Sculpture Garden as well as turning the vision for revitalizing the park into a reality.





The Leo Mol Sculpture Garden

The Leo Mol Sculpture Garden combines artistic beauty and a natural setting. It is located only a short walk from the Pavilion Gallery and offers a quiet retreat to view and enjoy the works of master sculptor, Dr. Leo Mol. The Leo Mol Sculpture Garden was created as a result of Dr. Mol's generous gift of many of his wonderful bronze pieces and works of art to the community in which he lives. Dr. Mol is an internationally recognized sculptor and the Leo Mol Garden attracts visitors from all over the world year round.

On Sundays in the summer, guests enjoy free jazz concerts as they tour the gardens. These concerts are corporately sponsored and supplemented by grants. The Leo Mol Sculpture Garden is also a very popular spot for weddings, special events, photography, and artist visits.

In addition to the Leo Mol Sculpture Garden is a small gift shop, which sells merchandise to visitors. A small gift shop is located in the garden and sells merchandise to visitors in the summer.

Highlights:

- Value of the sculptures, paintings and ceramics gifted to the City - $4 million.
- $3.2 million raised from the private sector for the three phases of development.
- Has attracted some 250,000 visitors per year.

Primary Goals:

- Continue to be a popular site for weddings and photo shoots, continuing to generate revenue.
- Establish an endowment fund for this venue with a target of $500,000 by 2009.
- Continue to develop and deliver quality programming consistent with Partners' values of friendship, kindness, integrity and learning.
- Continue to attract visitors with interesting displays and also with jazz programming Sundays throughout the summer.
- Enhance the City of Winnipeg, and Assiniboine Park, by being a great destination alongside the Park's other first rate attractions.

Challenges/Risks and Mitigation Strategies:

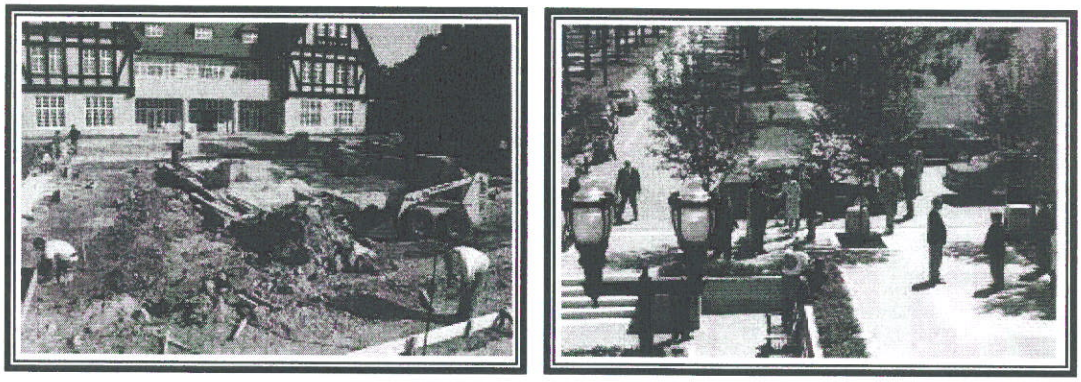
- If sustainable operations are not achieved, the public's exposure to the works of master sculptor, Leo Mol, will diminish and preservation of the assets could be compromised. To prevent this, Partners will pursue its fundraising campaign and build endowment funds.
- If Partners is unable to continue to represent the Leo Mol Sculpture Garden, the attraction loses Partners' demonstrated ability to raise new funds by leveraging the influence of its Board.

3.2 The Pavilion Gallery Museum

The success of the sculpture garden soon inspired a plan to restore and reinvigorate one of the City's most cherished buildings, the Assiniboine Park Pavilion which had deteriorated to the status of an unpopular hotdog stand. The plan resulted in a revival of the Pavilion building, which now houses three wonderful art galleries and a signature restaurant.

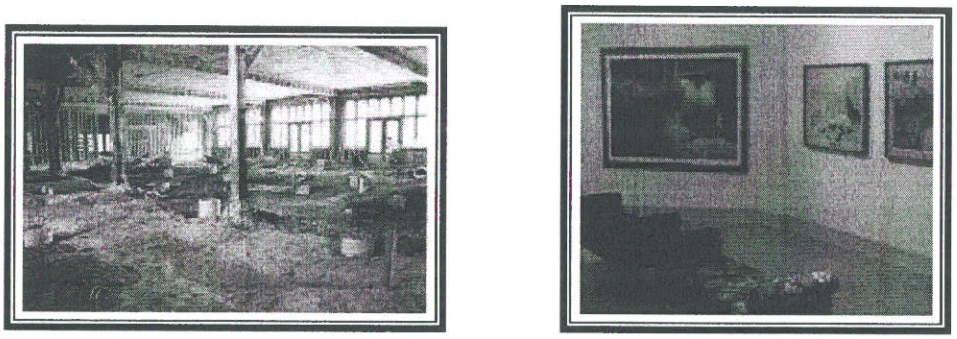


The Pavilion Building during the restoration process



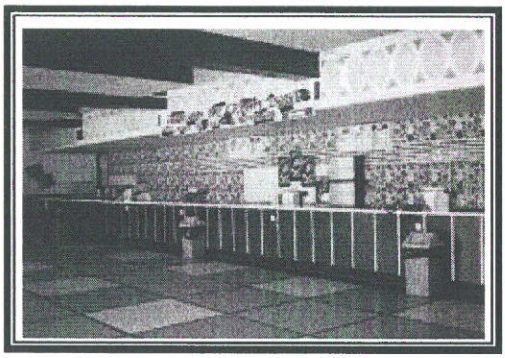
Exterior, before and after

The Pavilion Gallery Museum opened in 1998. Today, its mandate is to preserve, protect, and sustain the Pavilion Gallery, which includes collecting and conserving the art from three designated Manitoba artists – Ivan Eyre, Clarence Tillenius, and Walter J Phillips.



Gallery, before and after

Visitors from Winnipeg and around the world frequent the Pavilion Gallery to enjoy the beautiful local artwork. The designated artists' works are rotated several times a year on the second and third floors of the Pavilion building and tours are offered. The second floor area between the Galleries accommodates temporary exhibits of Manitoba artists, special traveling exhibits and private functions. The Pavilion Gallery is open seven days a week, and admission is free. Donations are encouraged.




Main floor, before and after

The main floor of the Pavilion houses the Tavern in the Park restaurant, one of Winnipeg's finest restaurants. The restaurant has a glass roof atrium providing a beautiful view of Assiniboine Park. The restaurant expands in the summer to include a patio. The restaurant serves over 55,000 patrons annually and has provided catering services to over 10,000 guests attending special events within the Pavilion.



Tavern in the Park

The Tavern restaurant is not operated by the Pavilion Gallery. The Pavilion Gallery leases space to the restaurant and receives rental income from the restaurant, at a market rate, which provides a much needed offset to the organization's cost of operations. The Pavilion Gallery's rental income increases as the restaurants' income increases. Therefore, to maximize the potential for the Pavilion Galleries, the Pavilion and the restaurant have combined forces to offer a variety of opportunities to host private or corporate functions at the Pavilion in four elegant locations.

Highlights:

- Private sector dollars raised for the Pavilion restoration - $3.5 million.
- Value of artwork donated to the Pavilion Gallery - $10 million.
- Value of the Pooh painting $298,000

- In one year, visitors from 42 different countries signed the Pavilion Gallery Guest Book.
- Over 55,000 patrons served annually at the restaurant. Catering services provided to over 10,000 guests attending special events within the Pavilion.

Primary Goals:

- Establish an endowment fund of $1 million by 2012.
- Identify revenue generating opportunities for the former Partners' office space in the Pavilion building.
- Introduce educational programs for students and explore the ability of these programs to generate revenue.
- Enhance the City of Winnipeg, and Assiniboine Park, by being a great destination alongside the Park's other first rate attractions.

Challenges/Risks and Mitigation Strategies:

- Operating expenses have exceeded original estimates and once funds intended for endowment are depleted, Partners risks having to close the attraction. Partners is working to mitigate this by hiring a full-time Director of Fundraising, undertaking a fundraising campaign and negotiating stable long term funding with its two key funders, the City and the Province.
- New agreement will need to be negotiated with the restaurant in 2008. Since the rental income provided by the restaurant is substantial, an unsuccessful renegotiation would have a significant impact on revenue. Partners will leverage its private sector expertise and the strong relationship it has built over the years with its lessee to ensure a successful negotiation.
- Unanticipated Pavilion building maintenance expenses could have a significant financial impact on Partners. Partners has budgeted for building repair and maintenance, has budgeted a contingency expense, and practices preventative maintenance. Frequent visual building inspections are conducted by Partner's head of Security/Maintenance.

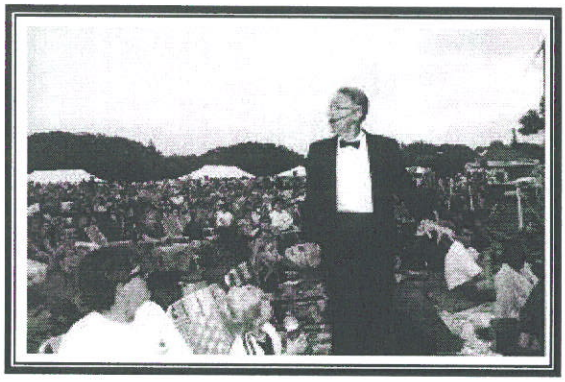
3.3 The Lyric Theatre

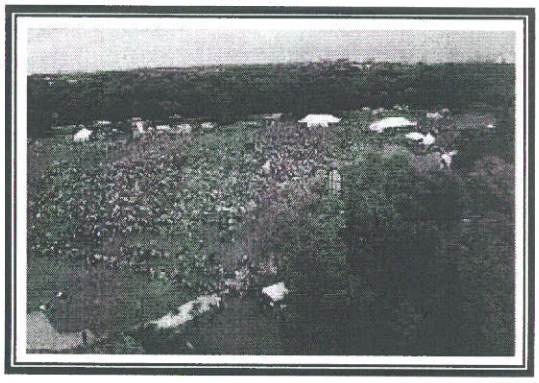
In the 1920's and 30's the bandshell in Assiniboine Park was the focal point for performances in the park. In 1999, the Lyric Theatre, a large outdoor stage, located next to the Pavilion opened to carry on this tradition of summer bandshell entertainment. The Lyric has a Tudor architectural style that echoes the Pavilion building. It is a 4,000 square foot facility consisting of 2,850 square feet on the main floor (stage) and 1,120 square feet on a second level (dressing rooms and washrooms).



Entertainment at the Lyric Theatre

The Lyric season runs from late May through to mid-September and features diverse entertainment including live theatre, outdoor movies, and lively music from home and abroad. All of these family-friendly activities are provided to the public free of charge.





The Friendship Festival

In 2005, Partners will continue to provide families access to the characters they love such as Caillou, Zoboomafoo and Arthur through the International Friendship Series. It has revamped its Thursday Night Music Series to include higher profile performers such as Swing Soniq, Moses Mayes and K'Naan. It has also added a Friday Night Music and Film Series where members of the Winnipeg Symphony Orchestra and the Manitoba Chamber Orchestra perform and are followed by classic films. Partners programming brochure for the 2005 season is provided in Appendix A. The brochure shows a diversity of programming appealing to many Winnipeggers and tourists, and also promotes the Pavilion Gallery and the Leo Mol jazz series.

Funding for the Lyric is generated from corporate fundraising, interest from the endowment fund, and annual donations from patrons. A rental fee is charged to organizations holding events at the Lyric and these fees are used to cover costs related to staffing, basic lighting, prop production, sound, power, cleaning, etc.

Highlights:

- $650,000 private sector dollars raised to build the Lyric Theatre.
- Since opening in the summer of 1999, over 265,000 people per year have attended performances and events at the Lyric.
- Over 50,000 people attended the 2004 International Friendship Festival.
- Has a broad group of quality sponsors for its 2005 programming year, many of which have acted as sponsors in previous years. Sponsors are listed on the back of the 2005 programming brochure included as Appendix A.
- Attracted and facilitated sponsorship of a major corporation for a Canada Day Celebration at the Park.
- Formed partnerships with other organizations such as the United Way to provide volunteers, and the National Film Board to provide films, allowing Partners to enhance its offering without increasing its operating expenses.
- Developed a music and film series to even further broaden the audience to which the attraction appeals.

Primary Goals:

- The Lyric is the only one of the three venues to have an endowment fund set up. However, some of its monies have been used to fund operations during a critical period in Partner's finances. Partner's goal is to replenish this endowment fund and build it to $1 million by 2012.
- Provide a venue for local artists and new and emerging entertainers.
- Provide accessible, quality entertainment to all families, with no admission charge.
- Enhance the City of Winnipeg, and Assiniboine Park, by being a great destination alongside the Park's other first rate attractions.

Challenges/Risks and Mitigation Strategies:

- In order to provide free programming for the public, heavy reliance is placed on aggressive fundraising and sponsorships. To reduce this reliance, Partners is exploring the development of a concert bowl or amphitheatre to generate a dedicated revenue stream (see next section on Future Opportunities).
- Given the restrictions placed by the City on concession sales at this attraction, Partners is exploring the feasibility of developing a revenue stream from merchandise sales.
- Poor weather conditions will decrease attendance at outdoor events. Partners is facilitating attendance by developing a series of events on a variety of dates, thus decreasing the impact of the weather on one day.

- High cost of production for profile events such as Disney Pooh Friendship Day (cost of $300,000 for one day event). Partners is mitigating this risk by developing a series of Friendship events for 2005, spread across the summer. The series not only reduces costs and decreases the impact of weather conditions, but improves accessibility and increases the number of visits to the Park.