



City of Richmond

Report to Committee

To: General Purposes Committee **Date:** July 9, 2018
From: Jane Fernyhough **File:** 11-7000-01/2018-Vol
 Director, Arts, Culture and Heritage Services 01
Re: **Britannia Shipyards National Historic Site Strategic Development Plan**

Staff Recommendation

That the Britannia Shipyards National Historic Site Strategic Development Plan as outlined in the staff report titled "Britannia Shipyards National Historic Site Strategic Development Plan" dated July 9, 2018, from the Director, Arts, Culture and Heritage Services be endorsed as the guide for the future development and operation of Britannia Shipyards National Historic Site.

Jane Fernyhough
 Director, Arts, Culture and Heritage Services
 (604-276-4288)

Att. 1

REPORT CONCURRENCE		
ROUTED TO: Parks Project Development Transportation Corporate Communications	CONCURRENCE <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	CONCURRENCE OF GENERAL MANAGER
REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE	INITIALS: 	APPROVED BY CAO

Staff Report

Origin

The purpose of this report is to provide an overview of the Britannia Shipyards National Historic Site Strategic Development Plan (Attachment 1) and seek Council endorsement for both the Development Plan and for capital development priorities that support this plan.

This report supports Council's 2014-2018 Term Goal #2 A Vibrant, Active and Connected City:

Continue the development and implementation of an excellent and accessible system of programs, services, and public spaces that reflect Richmond's demographics, rich heritage, diverse needs, and unique opportunities, and that facilitate active, caring, and connected communities.

2.3. *Outstanding places, programs and services that support active living, wellness and a sense of belonging.*

2.4. *Vibrant arts, culture and heritage opportunities.*

Analysis

Background

In 2014 Council endorsed the following vision and mission for Britannia Shipyards National Historic Site (Britannia Shipyards):

Vision: Britannia Shipyards is an outstanding national historic site that inspires a lasting connection to Canada's West Coast maritime heritage.

Mission: Britannia Shipyards National Historic Site preserves West Coast maritime heritage with an emphasis on local wooden boat building traditions and the cultural mosaic and living conditions of the people who worked on the Steveston waterfront. This unique heritage park provides engaging interpretation and innovative programs that respond to changing community needs.

Britannia Shipyards is a heritage park that provides local residents and visitors from around the world the opportunity to experience Richmond's maritime and cultural heritage. It is a place for active participation through educational programs, special events and festivals and a place for quiet reflection.

Britannia Shipyards Strategic Planning Background

The Britannia Shipyards National Historic Site Strategic Development Plan (Development Plan) (Attachment 1) will provide the framework for decision making at Britannia Shipyards for the next five years.

This plan builds on previous plans and strategies, including:

- Britannia Shipyards National Historic Site Strategic Plan 2014-2018 (2014);
- Britannia Heritage Shipyard Business Plan Update, 2008-2012 (2008);
- Britannia Heritage Shipyard Historic Zone Development Plan (2004);
- Britannia Heritage Shipyard Business Plan (2000); and
- Steveston Community Industrial Adjustment Study – Feasibility Report – Britannia Heritage Shipyard Development Project prepared by Cornerstone Planning Group (1998).

With many of the recommendations from these plans fulfilled, and the fact that Richmond is in the midst of a profound transformation becoming an increasingly urban city with a growing, aging and more ethnically diverse population, the need to update the strategic plan for Britannia was recognized. The Development Plan was developed as a result of this need.

Britannia Shipyards Development Plan Key Recommendations

Building on the Council-endorsed Britannia Shipyards' vision, mission and the 2014 Strategic Plan, the objective of the Development Plan is to provide direction for short, medium and long term priorities.

Crucially, the Development Plan recommends an incremental, iterative approach to ensure sufficient resources are in place to successfully achieve the desired outcomes, ensure stakeholder buy-in, and limit risks. As a key cultural asset for the City, the priority remains on providing public access and increasing visitation to the site.

Short and medium term initiatives that contribute to Britannia Shipyards as a destination tourism attraction will be supported in part by Municipal and Regional District Tax (MRDT) funding over the next four years.

In the **short-term** (2018 and 2019), the Development Plan recommends:

- Complete heritage restoration and interpretation (See Table 1 – Britannia Shipyards Capital Development Priorities);
- Improve volunteer participation through increased and enhanced recruitment, training, supervision and recognition;
- Invest in precursors to success including the collection of quality metrics;
- Develop a program plan for the Richmond Boat Builders building and redevelop the space as required to ensure proper equipment is in place to support the type of work occurring;
- Conduct preparatory work to assess viability of additional boat building and repair activities on site;
- Enhance and expand marketing, partnerships, sponsorship opportunities, grants and donations;
- Explore opportunities to enhance and utilize the Britannia Heritage Shipyard Society(BHSS)membership program;
- Ensure hiring of a Manager with an appropriate skill set including knowledge of museum and heritage programming, exhibit development and destination tourism (this is an existing vacant position); and

- Enhance and expand paid programming aligned with the site’s vision by diversifying program offers and improving awareness of programs, including increasing the number of paid tours, enhancing and expanding school visits and providing more opportunities for visitors to get on the water. Invest in key staff to enhance visitor offer and expand programming on the site, including:
 - Community Facilities Programmer and additional auxiliary staff to support growth. These positions are currently being funded on an annual basis through a one-time additional level and MRDT funding; and
 - Shipyard Operations Supervisor, a new staff position to provide oversight of boat building and repair activities. This position will be brought forward as an ongoing additional level request through the 2019 budget process.

In addition to the recommendations detailed above, the Development Plan also references the need for increased capacity in the BHSS. The Society has been active on the site since the early 1990’s and its current role is formalized under the terms of a service agreement with the City that was executed in 2016. This agreement provides a framework for both boat building and repair activities, which have been the focus of the Society, as well as other activities on the site.

The BHSS Board of Directors reviewed the draft Development Plan and provided comments to staff in March 2018. The Board stated that overall the plan was well written and has some good ideas. They also stated that in order for the BHSS to have an effective role at Britannia, it is important for the City to come up with a clear vision and direction that is well communicated and enforced.

Since that time, the BHSS has held their Annual General Meeting and elected a new board, and a new Chair. Staff continue to work with the Board to evaluate the role of the BHSS at Britannia and the suitability of the current agreement with the City. Any revisions to the agreement with BHSS will be the subject of a future report to Council.

In the **medium-term** (2020–2022), the Development Plan recommends:

- Creating a new event(s) that can draw new visitors while remaining aligned with the site’s vision; and
Exploring opportunities to increase rentals as restoration continues and potentially more space becomes available. As any private use of space can negatively affect regular visitors to the site by limiting their access to exhibit and program space, staff recommend any future rentals are carefully managed so as to not compete with the site’s core programming.

In the **long-term** (2023–onwards), assuming heritage restoration and exhibit development is complete and visitation had increased, it is recommended that the site consider retail, food and beverage opportunities as well as expanded boat building and repair activities.

While not addressed in the Development Plan, staff recommend monitoring tour bus traffic and parking issues that may arise as a result of increases in site visitation and developing longer term transportation plans if required.

To address a referral at the February 28, 2017 meeting of Parks, Recreation and Cultural Services Committee, staff anticipate bringing forward a report to Council in fourth quarter 2018 to address the feasibility of repaving Dyke Road around Paramount Pond to increase capacity.

The short, medium and long term priorities will be achieved through a combination of allocation of existing resources as well as future additional level requests through the operating budget process.

Capital Development Priorities

In order to support the recommendations of the Development Plan, staff recommend the following schedule for capital development and operating budget impact (OBI) submissions for Council’s consideration.

Table 1: Britannia Shipyards Capital Development Priorities

Project	Current Status	Recommended Use	Requirements	Funding Status	Project Timeframe
Phoenix Net Loft	Unrestored	To be determined A report to Council will be prepared for Q4 2018	Preservation and reconstruction	\$11.5 M approved funding available	2018–2020
			Development of program plan options	Funding available within existing budgets	2018
			Interior detailed design and construction	Future capital submission required	2018–2021
Richmond Boat Builders and Boat Yard	Boat repair and restoration projects	Status Quo	FFE, tools and equipment	Future capital submission may be required depending on program plan	2019
Britannia Shipyard	Exhibit: Industry on the Waterfront Exhibit and Shipyard Ways	Status Quo	A review of current code requirements to consider upgrades is currently underway Planning for future use of Shipyard Ways is currently underway	Future capital submission may be required \$165,000 approved funding available for Shipyard Ways	TBD

Project	Current Status	Recommended Use	Requirements	Funding Status	Project Timeframe
First Nations Bunkhouse	Unrestored	Exhibit and program space	Reconstruction of building and exhibit and program development	Future capital submission required	2019–2020
Japanese Duplex	Unrestored	Exhibit and program space	Reconstruction of building and exhibit and program development	Future capital submission required	2019–2020
Murakami House Exhibits	Exhibit and program space	Minor exhibit upgrades	Exhibits are 20 years old and in need of an update – they can be updated concurrently with the design of the Japanese Duplex	Future capital submission required	2019–2020
Murakami Boat Works	Flexible program and meeting space	Status Quo	Complete	No funding required	
Seine Net Loft	Exhibit, program and flexible event / rental space	Future uses may be re-evaluated pending program plan for the Phoenix Net Loft	Complete	No funding required	
Administration Building	Staff offices	Status Quo	Complete	No funding required	
Historic Zone: Murchison House, Manager's House, Men's Bunkhouse, Point House and Chinese Bunkhouse	Exhibit: How We Lived: Stories of Work and Play at Britannia, flexible program and event space	Status Quo	Complete	No funding required	

Project	Current Status	Recommended Use	Requirements	Funding Status	Project Timeframe
Vessels: Silver Ann, Fleetwood, Burnaby, Portage Queen, Iona, Starliner and several skiffs and small boats	Silver Ann is on display on the dock. Remaining vessels are stored on-site or currently under repair.	To be determined	Planning is currently underway to develop recommended options for Council's consideration	Future capital submission may be required depending on program plan	2018-ongoing
Landscaping			Complete design for site landscaping including improved wayfinding and interpretive signage	\$150,000 approved funding available	2020
			Construction and installation	Future capital submission required	2020–2021

Next Steps

Regular monitoring and annual performance reporting will continue to ensure the successful implementation of the plan. Council will be kept informed through the annual Museum and Heritage Services Update.

Financial Impact

There is no financial impact to the endorsement of the Development Plan. The actions in this report will be considered through the annual capital planning and operating budget processes to be approved by Council.

Conclusion

The endorsement of the Development Plan builds on the success of previous strategic plans and addresses several key outstanding issues.

Britannia Shipyards is the City of Richmond’s flagship maritime heritage asset. With the endorsement of the Development Plan, the City will be prepared to bring Britannia Shipyards to its full potential.

July 9, 2018

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A handwritten signature in black ink that reads "Marie Fenwick". The signature is written in a cursive, flowing style.

Marie Fenwick
Manager, Museum and Heritage Services
(604-247-8330)

Att. 1: Britannia Shipyards National Historic Site Strategic Development Plan

Britannia Shipyards National Historic Site Strategic Development Plan

February 2018

Prepared for

[The City of Richmond](#)

Prepared by

[Nordicity](#)

In association with

[RC Strategies + PERC](#)

[Lord Cultural Resources Ltd.](#)

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Executive Summary

As the oldest shipyard community in British Columbia Britannia Shipyards National Historic Site (Britannia Shipyards) retains its vision to be *an outstanding national historic site that inspires a lasting connection to Canada's west coast maritime heritage*. While the site is City-owned and managed, it also holds a service agreement with the Britannia Heritage Shipyard Society (BHSS), with the latter contributing to some of the site's operations and programming.

The site's mission, endorsed by City Council in April of 2014, emphasizes Britannia Shipyards' unique offering in terms of its capacity to provide access to - and participation in - local history:

Britannia Shipyards preserves west coast maritime heritage with an emphasis on local wooden boat building traditions and the cultural mosaic and living conditions of the people who worked on the Steveston waterfront. This unique heritage park provides engaging interpretation and innovative programs that respond to changing community needs.

Building on Britannia Shipyards' mission, the objective of the Development Plan is to provide direction in view of reasonable expansion and enhancement activity for the site's programs, events and tours that are **safe, educational, immersive**, and authentically relay the story of **BC's maritime history**. While revenue generation remains secondary to this important community space, the Development Plan explores ways for the site to continue offering diverse community programming and, at the same time, generate revenue to **minimize the cost (subsidy) per visitor** and build **internal capacity** in taking on particular initiatives.

To this end, three overarching goals will shape the development of Britannia Shipyards: **completing heritage restoration and interpretation**, enhancing the general **quality of the visitor experience**, and, ensuring **adequately trained staff** and volunteers are in place.

Moving forward, Britannia Shipyards will focus on the following eight key focus areas at the site:

- Site tours
- Paid programming
- School visits
- Special events
- Space rentals
- Retail offer
- Food and beverage
- Boat building and repair activity

In order to achieve success within these focus areas, Britannia Shipyards will also need to invest in key **precursors for success** such as: improved quality metrics; increased staffing and volunteer/auxiliary hours; a new marketing budget; a strategy to increase partnerships, an expanded sponsorship offer (while still pursuing donations or grants;), working with the BHSS to enhance (and leverage) its membership program; and, conducting preparatory work for boat building and repair activities (including short-term program plan for the Richmond Boat Builders Building).

In the **short-term (2018 and 2019)**, it is recommended that the site focus on three key areas:

- Enhance visitor offer and expand branding of the experiential benefits of the paid experiences to increase number of visitors taking paid tours;
- Enhance programming on the site by diversifying program offers and improving awareness of programs; and,
- Enhance school visits by exploring options for break-even cost structures and the development of bespoke offers that cater to growing demographic groups.

In the **medium-term (2020-2022)**, the site should focus on potentially increasing the number of rentals on the site, alongside events that are aligned with the site vision, while minimizing disturbance to operating hours. This will be made feasible by the increased in staff and space becoming available through restoration. Additionally, the site should increase special events by one large event that is closely aligned with the mission and purpose of Britannia Shipyards.

In the **long-term**, after Year 5, the site will regroup and consolidate gains in order to move forward with the most impactful activities on the site. At this point, the site would be near completion in terms of heritage restoration, potentially freeing up capital investment for larger projects such as a new gift shop/welcome centre building, a full-service restaurant facility (leased), and/or the infrastructure and safety measures required for renewed on-site boat building and repair activity.

While revenue generation remains a secondary goal for this important cultural and historic asset, the development plan proposed herein will also increase revenue on site and, importantly, significantly decrease the cost per visitor. The table below summarizes visitation numbers and operating deficits in 2016 and 2017 at Britannia Shipyards. Additionally, the table compares these two years to the expected 5-year financial and visitor projections. As illustrated, **the operating deficit per visitor** decreases from roughly \$3.50 per visitor to less than \$1.50.

Table 1: Yearly visitor comparison at Britannia Shipyards

Focus area	2016	2017	2022
Regular (drop-in) visitors	58,480	92,591	120,000
Program participants (registered)	1,789	2,738	5,750
School programs	1,931	2,150	2,880
Special event attendees	62,300	65,748	95,000
Visitors during rentals/ Number of rentals	3842 / 114	6045 / 167	8,100 / 225
Total visitation	128,342	169,272	231,730
Net operating activity (deficit)	\$449,184	\$623,860	\$311,267
Operating deficit / visitor	\$3.50	\$3.68	\$1.34

Crucially, the achievement of Britannia Shipyards' vision requires an incremental, iterative approach so as to ensure additional resource requirements are appropriately matched with expected outcomes.

Document map

The report begins with a description of the background and contextual information regarding Britannia Shipyards (**Sections 1 and 2**), including the vision and mission of the site, its governance structure, and the complementary development impacts of the site.

Building on that foundation, **Section 3** details a profile of the key focus areas on the site, as listed in the executive summary. It starts with the key precursors to success before moving into analysis for each focus area, which are listed in order of priority in a staged approach (short, medium or long term). Each of these sections will provide the following details:

- The status of the focus area on the site (if any);
- Challenges or barriers;
- Opportunities for growth given current realities and market considerations; and,
- Forward-looking recommendations for the site.

Section 4 provides financial projections for the scenario described in the development plan. Additionally, long term options are described with regards to larger capital expenditure projects such as a restaurant or retail offer.

A brief summary and conclusion is then provided, before moving to the Appendices which include:

- A tabulated analysis of comparable sites;
- A list of the *2014 Britannia Shipyards National Historic Site Strategic Plan Strategic Framework* (for reference);
- A detailed description of the assumptions and calculations required for the financial analysis; and,
- A list of interviewees during the stakeholder engagement process.

1. Introduction and Background

1.1 About the project

Nordicity, RC Strategies + PERC and Lord Cultural Resources were commissioned by the City of Richmond to produce a detailed Development Plan for Britannia Shipyards. This work involved close engagement with the City, the Britannia Heritage Shipyard Society (BHSS), and its relevant partners/stakeholders so as to produce a future-facing, cost-effective and sustainable plan, including a profile of key focus areas, a market analysis, a development plan and a financial analysis.

To understand the current reality of the Britannia Shipyards, the Project Team conducted a thorough document review (including the key documents listed in Section 1.2) in order to produce a profile of the site's focus areas and visitor offer. Additionally, an analysis of comparable sites was conducted to understand relevant best practices (both in Canada and internationally) and possible benchmarks for future changes at Britannia Shipyards (see Appendix 1).

Following preliminary research, the Project Team led an extensive stakeholder engagement process. Interviews were conducted with representatives from the City of Richmond, the BHSS, the wider community and comparable heritage/historic sites (see Appendix 4). Once preliminary options were developed, the findings of the research phase were validated in a focus group session with participation across stakeholder groups in November 2017.

The analysis stage included a market analysis which underpinned the creation of a development plan and financial projections. The results of this analysis can be found in subsequent sections of this report.

1.2 Background

In 2000, a *Business Plan for the Shipyards* was endorsed by Richmond's City Council. The Business Plan document was preceded by the *Britannia Heritage Shipyard Historic Zone Development Plan* in 2004 and a *Business Plan Update* in 2008. Most recently, the *Britannia Shipyards Strategic Plan 2014-2018* sets the future directions of the site in light of the changing needs of the community (see Appendix 2 for further details). The development of the 2014 Strategic Plan was underpinned by *Voices of Britannia*, a community engagement process in which more than 2,000 people participated and provided direction for this report.

In addition to studies specific to Britannia Shipyards, planning for this site also intersects with several other municipal policies and programs. The most recent strategic plan supports outcomes of the City of Richmond's *Parks and Open Spaces Strategy* and the *Museum and Heritage Strategy*. Britannia Shipyards also falls within the purview of the *City of Richmond Waterfront Strategy*.

1.3 Vision and mission of Britannia Shipyards National Historic Site

The development of the *Britannia Shipyards Strategic Plan 2014-2018* included revisions to the mission and vision articulated in the 2008 *Business Plan Update*. These updated statements reflect the site's past and its current role in the community.

The current mission of Britannia Shipyards is as follows:

Britannia Shipyards National Historic Site preserves west coast maritime heritage with an emphasis on local wooden boat building traditions and the cultural mosaic and living conditions of the people who worked on the Steveston waterfront. This unique heritage park provides engaging interpretation and innovative programs that respond to changing community needs.

The current vision states:

Britannia Shipyards is an outstanding national historic site that inspires a lasting connection to Canada's west coast maritime heritage.

The mission and vision adopted in 2014 guided the development of this Development Plan, which aims to balance local, historic maritime traditions with evolving community needs.

1.4 Building on the Britannia Shipyards Strategic Plan 2014-2018

In many ways, the Development Plan is the logical next step of the *Britannia Shipyards Strategic Plan 2014-2018*. In addition to the governance structures discussed in Section 2.1.2, several of the key focus areas discussed in this Development Plan look to build on active progress made on key strategic focus areas outlined in the Strategic Plan, including:

- **Educational Programs:** Connecting with schools is a key component of creating *Inspirational Experiences*. Specifically, one of the action items associated with this strategic focus area is to develop and deliver increased curriculum-based educational programs for K-12 and English as a Second Language (ESL) students. *Outstanding Communication* also calls for direct marketing to schools.
- **Special Events:** Expanding special events at Britannia Shipyards relates to the strategic focus areas *Unique Spaces* and *Inspirational Experiences*. One of the action items associated with *Unique Spaces* recommends designing flexible program and event space at the Seine Net Loft. In terms of *Inspirational Experiences*, a core objective is to have festivals and special events contribute to site animation and regional tourism.
- **Exhibits and Collections:** Engaging exhibits are an objective listed under *Unique Spaces*. Further, under *Respect for Historical Integrity and Authenticity*, one of the objectives is to have Britannia Shipyards be home to a well-preserved artefact collection that is used to interpret the site's history. Both of these strategic focus areas demonstrate the importance of planning for exhibits and collections at Britannia Shipyards and incorporating them into each visitor experience.
- **Visitor Programs:** The 2014 Strategic Plan establishes the need for data on visitor experiences and program participation as part of the strategic focus area *Effective Management*.

2. Current Context

This section provides an overview of the current status of programming and maintaining the site, as well as the current facilities at Britannia Shipyards.

2.1.1 Facility description

The Britannia site has many stories to tell. Site buildings were originally constructed to service early fishing and canning operations on the waterfront, including the Britannia Cannery, and many company homes for workers and families. The cannery was later converted into a shipyard (1917-18), used for both boat repair and maintenance of the ABC Packing Company fishing fleet.

By the 1930s, there were two other boatworks on the property: The Kishi Boatworks and the Murakami Boatworks, as well as over 90 residences that were home to a multicultural workforce. People moved to Steveston from all over the world with dreams of prosperity and a better future for themselves and their families. They worked in various capacities: as fishermen, boat builders, shop owners, cannery workers and in the service industry. They endured social, political, environmental and economic change together; sometimes in conflict between cultures, and sometimes building on the strengths and bonds between groups.

The stories told at Britannia Shipyards focus on the experiences of these adventurous individuals, what they did for work, and how they interacted with each other. This historic multicultural community resonates strongly with today's visitors who recognize the parallels with today's society – making history relevant to the present. Through interactive programs, exhibits and experiences, visitors learn about how the past has informed the present and how it will play a role in the future development of the wider community.

From a programming perspective, the site encompasses more than ten historic buildings, most of which are open to the public. The Chinese Bunkhouse and the Seine Net Loft are also available for rental for meetings and other social events. Facilities include:

- **Britannia Shipyard** from which the site takes its name. Dating from 1889, this building houses the "Industry on the Waterfront" exhibit. The Shipyard does not have full public occupancy and is limited to 50 visitors who must be accompanied by staff or a volunteer. The dock area and floats are used for vessel display and are accessible to the public during special events.
- **Seine Net Loft** was built in the mid-1950s and was used to store and repair nets for the fishing fleet. This building was recently restored and is used as a flexible exhibit, program and special event space, and has full public occupancy for up to 300 people.
- **Murakami House** dates from 1885 and was restored in 1998. It is currently used as exhibit space to show the living conditions of Japanese-Canadians pre-1941.
- **Murakami Boatworks** dates from 1929 and was fully restored in 1998. It is currently used as program and meeting space, and houses the BHSS and City programming staff offices.
- **The Richmond Boat Builders and Boat Yard** was originally built in 1932 as a Japanese-Canadian boat building facility. This building was restored in 1993, and has been most recently used for boat repair and restoration projects.
- **Winch House** built circa 1950, houses the winch and machinery for the Richmond Boat Builders' ways.

- **Cannery Office** dates from 1889, and was originally the office for the Britannia Cannery and Shipyard. It was fully restored in 2009 and now serves as the site’s Administration Building.¹

In addition to the original structures listed above, the site has added several buildings to the historic zone, which feature the “How We Lived: Stories of Work and Play at Britannia” exhibit. These buildings include:

- **Visitor Centre and the Manager’s House** were pre-fabricated in the 1880s in New Westminster and delivered to Richmond by barge. The buildings were purchased in 1895 by Mr. Murchison, the first customs and police officer in Steveston. The buildings were relocated to the site in 1994 and opened to the public in 2009. Exhibits highlight the lifestyle of a cannery or shipyard manager, and the work of John Murchison as a police chief, customs and immigration officer.
- **Men’s Bunkhouse** was once home to between 4 and 15 temporary workers. Moved to Britannia in 2004, exhibits inside explore the lifestyle of single men who comprised much of the area’s temporary labour force.
- **Point House** was also moved to Britannia in 2004 from Steveston. Its exhibits interpret local architecture. The north side of the building is a caretaker’s suite.
- **Chinese Bunkhouse** was relocated from Knight Inlet in the early 50s to the BC Packers site. It was then relocated to Britannia in 1999, and opened to the public in 2011. The upper floor exhibits examine the lives of Chinese men who lived and worked in Steveston in the early 1900s. The main floor is a flexible meeting, program and event space.

And there remain two building on site to restore, which will be a key priority in the near-term for the site. They are:

- **The Japanese Duplex** dates from the late 1890s. While substructure repairs were completed in 2004, the building is in poor condition. It is currently used for storage only, and is not open to the public.
- **The First Nations Bunkhouse** was built in 1886, and moved to the site in 1946. It is in poor condition, has not been stabilized, and is not open to the public.

In addition to the buildings on site, Britannia Shipyards is home to a fleet of heritage vessels and a display of wooden boats owned by the City, the BHSS, individuals and other community groups that provide enhanced programming for visitors.

2.1.2 Governance

Britannia Shipyards is managed by the City of Richmond. The City has a service agreement with the BHSS which is also active on the site. Essentially, the City leads operations and maintenance while the BHSS provides additional activities, primarily in the area of boat building. At present, the City employs three full-time staff to coordinate exhibits, facility rentals, school and public programs, special events and guided tours. The City also recruits and trains volunteers to support these activities.

¹ Descriptions sourced from the Britannia Shipyards National Historic Site Strategic Plan, 2014-2018.

The BHSS was incorporated in 1991 and is a volunteer-based organization. Its purpose is to “preserve and promote west coast maritime heritage with an emphasis on local wooden boat building traditions and the cultural mosaic and living conditions of the people who worked on the Steveston waterfront.”²

The BHSS provides additional programming on site

According to the service agreement with the City, the BHSS is responsible for maintaining its own equipment and recruiting and training volunteers involved in its programs. However, as a volunteer-run initiative, there is a need for increased internal capacity, notably to connect with diverse communities and ensure safety guidelines are adhered to while handling industrial equipment.

The evolving nature of activity at Britannia Shipyards reinforces the importance of the strategic focus areas as described in the *Britannia Shipyards Strategic Plan 2014-2018*. The following table illustrates the current steps taken towards satisfying the action items of each focus area.

Figure 1: Governance and the 2014-18 Strategic Plan

Strategic Plan 2014-18 Focus Area	Action Items	Steps Taken
A relationship-based approach	Formalizing relationships with community stakeholders; Pursuing joint programming opportunities.	The service agreement between the City and the BHSS is now in place; Partnerships have been forged with the Steveston Folk Guild and the Vancouver Wooden Boat Society, amongst others.
Effective management	Enhanced volunteer participation	Volunteers active at Britannia Shipyards are managed either through the City or through the BHSS – the service agreement defines the roles of both groups in coordinating volunteers.

The Project Team recognizes that the service agreement between the City and the BHSS is very new and is working through its formative stages. This study’s stakeholder consultation, however, revealed some key challenges in the current capacity of the BHSS to formally oversee programs or initiatives. Indeed, the organizational capacity of the BHSS to take on increased responsibilities may be limited in the short-term.

As described in the development plan herein (Section 3), Years 1 and 2 will witness a consolidated relationship between the City of Richmond’s Arts, Culture and Heritage Services and the BHSS. Namely, this requires a facilitated approach sensitive to the needs, aspirations and limitations of each bodies’ interests, as well as their capacities in a practical, operational context. This includes ensuring the BHSS Board membership is fit to purpose (e.g. representation from communities that reflect the site’s long-term vision). In the longer term, it is envisioned that the feasibility and effectiveness of extending more operational opportunities directly to the Society will increase.

2.1.3 Current opportunities and challenges

² Britannia Heritage Shipyard Society “About Us.” <https://britanniashipyard.ca/about-us>.

As indicated above, Britannia Shipyards offers a unique blend of museum, park, attraction and working industrial assets. This combination creates an abundance of opportunities for the site, but also means there are many voices to consider in its development going forward. Currently in the process of finishing the final stages of restoration, the site is exploring different opportunities for cost-effective activity while maintaining alignment with its strategic direction, mission and vision.

While the site's specific focus areas will be explored in this section, some of the key considerations for the broader site are as follows.

Opportunities

- The importance of celebrating cultural diversity at the site is important in a hyper-diverse city such as Richmond.
- The site has an abundance of space with diverse physical (buildings and boats) and natural (beautiful scenery) offers, meaning it can offer a diverse range of activities and events on site.
- The passion of the BHSS members provide opportunities for detailed heritage interpretation, as well as on-site boat building and repair programs in the longer term.
- Its rich history (oldest shipyard in BC) is a unique offering that cannot be matched.
- The development of the Steveston waterfront area – including the potential for connecting the Britannia dock with the larger dock in Steveston offers opportunity for increased traffic to the site.

"How can you not spend a pleasant hour or two learning about and experiencing the local history? Wooden boats, riverside setting and historical buildings make for a charming site. An easy and delightful waterfront stroll from the heart of historic Steveston."

TripAdvisor comment

Challenges

- Lack of transportation means accessibility to the site is very difficult for transit-reliant visitors.
- Uncontrolled access to the site means restricting free access is a very difficult task, resulting in challenges for revenue generation.
- The location (within a quiet neighbourhood) could be a barrier to significantly increasing traffic to the site.
- The delicate balance between museum and tourist attraction means that there are competing voices for the pace of change and trajectory of growth on the site.
- The implementation of the agreement between the City and the BHSS is only in its formative stages.
- Public perception and advertising to the community has posed a challenge in the past but can be improved with increased marketing.
- The necessary staffing to improve and grow the site has not yet been put in place.

Britannia Shipyards already has multiple revenue generating **"focus areas"**, either implemented or in review. The development plan identifies the current focus areas, internal documentation, stakeholder consultation and the findings of the market analysis.

2.2 Setting the stage for the future

Importantly, several local residents interviewed see Britannia Shipyards as a great local asset and community gathering space³ which increases awareness of Richmond's rich, multicultural maritime history. The potential for a model where public access and community park elements of Britannia Shipyards exist alongside an enhanced ticketed offer (implemented over time) was developed over the course of the study's research and analysis phase. Not only would enhanced fee-based tours and programming provide revenue, but they would also gear Britannia Shipyards towards becoming a destination tourism site.

To this end, the **development scenario** recommended herein introduces a scenario in which a paid site access offer is incrementally increased over time, while leaving the remainder of the site open for use as a public park. A physical gate was not considered for several reasons, including the fact that the Steveston Greenway runs directly through the site, and the fact that such barriers would likely eliminate the feel of a local park or gathering space.

Assuming this development scenario, we consider all related site enhancement opportunities and inputs in the proceeding sections. Based on the identification of existing and potential activities/concepts, we prioritize the activities according to the efficacy and appropriateness of each, as well as the capacity of the City of Richmond and the BHSS to embark on some of them at the same time.

For these priority areas we posit **market and cost assumptions**, based on existing market research and comparative experience in other similar historic site developments. These assumptions underpin the pro forma **development plan** projections.

³ The notion of a gathering space was a common response collected throughout stakeholder interviews.

3. Development Plan

Crucially, it is recognized that the growth of Britannia Shipyards must occur **incrementally** in order to ensure broad-based stakeholder buy-in and to limit risks. Additionally, as a key cultural, recreational and heritage asset for the City, it is important that priority **remains on providing public access to the space and the opportunity to learn more about local history**. Generating revenue, while important, remains secondary with the emphasis being on reducing cost (subsidy) per visitor. The following section illustrates the Project Team's assertion of the most feasible option, building on the current situation and market considerations. The development plan detailed in this section is based on growth occurring within **the short-term (2018 and 2019); medium-term (2020 through 2022); and long-term (beyond 2022)**.⁴

The recommended development plan is based on not only internal capacity to optimize the focus areas that offer the best hope of improving the site, but also those that offer distinct potential to resonate with the overall vision for Britannia Shipyards. They also assume that certain things need to happen (e.g. increased site visits) before other things can be pursued (e.g. gift shop, food and beverage services).

Three overarching goals would shape the next period of development at Britannia Shipyards:

- Enhance the **general quality of the visitor experience**, through higher quality heritage and interpretive interactive exhibits/programs, and more carefully crafted visitor exposure to them. This report includes some examples and suggestions of how an enhanced visitor experience will lend to significantly more site visits. A more detailed interpretive plan may be required.
- Ensure **adequately trained staffing and volunteers** are in place so as to effectively achieve the growth and development opportunities.
- Continue **heritage restoration and interpretation**. The focus needs to be on restoring and protecting heritage values and the interactive interpretive visitor experience. Capital is too scarce and the need for restoration and quality exhibits is too great for capital to be diverted to other large capital expenditure projects under consideration (e.g. securing the site perimeter, redirecting the public pathway through the site, building a restaurant or gift shop). As indicated in **Strategic Framework 1.1.2**, capital plans are to prioritize the completion of both the Japanese Duplex and First Nations Bunkhouse.

3.1 Precursors to success

To ensure maximum benefit from the various focus areas, the site will need to **invest in key precursors to success**. Following a year in which the site benefited from the celebration of Canada 150 and increased hours at the site, 2018 offers the opportunity to build on success through increased investment at the site and the funding commitment necessary to remain open seven days a week. There are several precursors to success that will augment improvements for all focus areas of the site, as listed below:

⁴ Note, while audience development tactics would naturally require a bespoke marketing strategy, some budget-related marketing assumptions are referenced herein.

- Quality metrics;
- Staffing requirements;
- Marketing;
- Partnerships;
- Sponsorship, grants and donations;
- Annual BHSS membership; and,
- Preparatory work for boat building and repair activities.

Quality metrics

An initial priority should be initiating the collection of quality metrics (e.g. customer satisfaction levels, number of attendees, proportion of repeat visits) which will provide valuable feedback on exhibits, assets and programs. A more comprehensive feedback cycle will allow staff to monitor the extent of success of each activity, consolidate gains, and move forward in an iterative process. While the site has success in one-off feedback tools (e.g. 2013 Voices of Britannia Survey, 2016 Richmond Maritime Festival Exit Survey, 2017 Visitor Survey) it is important to initiate ongoing measurement as to the satisfaction of programs and facilities on the site – in part, to ensure they remain in line with **Strategic Framework 4.1.3**.

As the measurement process evolves, the site should aim to create metrics that meet the recognized SMART criteria (Specific, Measurable, Achievable, Realistic and Time-bound). The Britannia Shipyards could also explore the option of partnering with local universities to have business and/or administration classes assist in the implementation of quality metrics.

Overall staffing requirements

A key requirement to enhancing the site will be the addition of **one new permanent full-time staff member** (in the immediate term). Currently, the site operates with three permanent full-time staff members⁵. As a result, the staff is heavily reliant on auxiliary and volunteer support. As such, it is recommended that the site adds a fourth full-time permanent role in the immediate term. A fourth full-time permanent role will continue to work directly with the Manager, Heritage Coordinator and Visitor Service Associate. Given the opportunities that could arise from a dedicated focus on improved quality, diversity and awareness of programming on the site, it is important that the new hire has the required programming knowledge and experience.

While it is important the site add a fourth staff member in the short-term, the site should work towards two more specific, roles (totalling five) in the medium to longer term. These roles could be established by shifting auxiliary roles into full-time positions, splitting more general roles into two, more specific, positions, or by hiring externally. Description of these future roles are found below:

- **Public Programs Coordinator:** This role's responsibilities would cover events, seasonal programs, BHSS program support, assistance in marketing programs and events (e.g. social media), with a concentration on program development, engaging instructors, promoting, coordinating, etc.

⁵ Note, the Gulf of Georgia Cannery operates with 7 admin staff while the Vancouver Maritime Museum has 12.

- **School and Educational Programs Coordinator:** This role's responsibilities would include curating and managing school tours, school outreach programs, and spring and summer camps, with a concentration on program development and the recruitment/training of facilitators.

The site should also add a **Shipwright/Operations Coordinator** to oversee boat building projects, site carpentry and maintenance work, development of safety procedures and equipment procedures. Additionally, this role would be to supervise volunteers involved in these projects.

Speaking to **auxiliary staff**, it is likely the case that the hours required from these staff members will **increase**. Any increase in the number of visitors will increase the requirement from auxiliary staff attendance, and may eventually require more than 90 hours per week. Table 11 in Section 3.5 presents a breakdown by key focus areas of the potential activities that will require additional staff resources. For example, as more buildings are restored, the hours required from the Building Services worker will certainly increase from the 24 hours currently allotted. In view of the increased marketing budget (detailed in section below) a **marketing professional** may be another additional auxiliary position requirement in the short-term.

On an ongoing basis, resources would be allocated to **enhance the number, quality and consistency of volunteers** on site. As indicated in **Strategic Framework 4.2**, given that almost all the opportunities presented require them, volunteers play an active role at Britannia Shipyards and contribute significantly to its success. The Site Manager may be well positioned to develop more volunteer capacity in-house, or he/she can consider partnering with an outside agency to provide that support.

Of critical importance is ensuring the particular skill-sets of the **Manager, Britannia Shipyards** are fulfilled, such as: knowledge of museum and heritage programming, events and exhibit development, a rich understanding of destination tourism, marketing/PR expertise, the ability to identify and develop public and private sector partnerships and a familiarity with the conservation and restoration of heritage buildings. The fulfillment of this role will also allow the Heritage Coordinator to focus on the development of meaningful exhibitions, community partnership development and the interpretation and exhibits in upcoming building restoration work.

In summary, it is recommended, in the short-term that the site adds one permanent full-time employee, while budgeting for increased demands on auxiliary staff time. In the medium to longer term, the new full-time role should be split into two, more specific, full-time roles. As per definitions of the role described above, this scenario would see one position focusing on school programming, with the other leading the more public side of programming and events. In the longer term, the site should hire a Shipwright/Operations Coordinator to oversee the program plan for boat building and restoration activities on site. Additionally, it is critical that volunteers remain well-trained and regularly updated about the evolution of site restoration and interpretation.

Marketing

For all of the above potential enhancements to be realized, even in part, the site will require **enhanced marketing efforts** in the immediate term. Additionally, a **reinvestment in partnerships** with important allies and **potential sponsors** are required to support development at the site.

To begin with, the City should consider an additional \$50,000 in the annual **marketing budget** (and related auxiliary marketing

"We need the communications piece, in the past marketing of Britannia Shipyards has been very poor"

Stakeholder Interview

staff). While this is a significant increase from the current base budget of \$5,000, it is a necessary step for improving awareness and the potential of the site.⁶ This increase in budget should be used to complete the development of a marketing and communications plan as indicated in **Strategic Framework 5.2.1** of the Strategic Plan 2014-2018. Additionally, it will help address potential communications gaps revealed in the 2017 Britannia Shipyards Visitor Survey. For example, the survey found that 56% of respondents heard about Britannia Shipyards via word of mouth, while an additional 13% discovered the site because they walked by or happened upon it. Given that only **19% of visitors indicated being on site as a direct result of advertising**, an increased focus on marketing could significantly increase site attendance.

In order to make the marketing budget extend as far as possible, the site should focus on leveraging **earned media** wherever possible (e.g. word of mouth, retweets, shares). Digitally speaking, the site can leverage its already strong digital presence (especially the 5,633 followers on Instagram⁷) through opportunities for interactivity at the site, which can be shared online via customized or popular hashtags. Given the site's especially strong following on Instagram, and the picturesque nature of the site, an effective way to gain earned media is an Instagram photo competition where visitors are encouraged to share their favorite moments at the site on a designated hashtag, with daily, weekly or monthly prizes. Furthermore, this type of earned media may be the biggest return on investment from the site hosting special events, where large numbers of guests attend, largely for free. If these events are high quality and people enjoy them, they will tell their friends, both in person and, of course, online.

Partnerships

To maximize return for marketing investment, the new auxiliary marketing professional should explore opportunities for or partnering/contracting with outside agencies or other heritage site as this offers a built-in opportunity for co-branding and cross-marketing initiatives. While it is important that the site maintain a **unique brand**, establishing **productive partnerships** will be a critical enabler for success in the next phase of Britannia Shipyards' development (and another way to gain earned media). In the first instance, Britannia Shipyards should continue to explore opportunities to partner with local heritage sites, especially the **Gulf of Georgia Cannery**. Some potential options for joint marketing include:

- Combined tickets, promotional offers or incentives/discounts to visit multiple sites;
- Sharing resources such as staff and volunteers;
- Marketing campaigns (e.g. Steveston, Richmond, maritime themed specific social media campaigns or advertising campaigns);
- Shared efforts in the designing, ordering and selling of merchandise (i.e. increased economies of scale, collaborative branding and marketing);

⁶ Note, the Gulf of Georgia Cannery spends more than \$65,000 on their annual marketing and advertising budget.

⁷ As of January 23rd, 2018.

Furthermore, in the longer term – and leveraging the coordinating body of the Steveston 2020 group – options for a regular bus tour of Steveston that includes both sites as well as others (e.g. Steveston Village, the Tram, the Post Office) should be considered.

Some less conventional partnerships could be leveraged for enhanced programs or other improvements for the site. For example, partnerships could be considered with the following groups:

- Local K-12 schools so as to explore opportunities for closer collaboration and more nuanced curriculum-based offerings on-site. That is, working directly with schools or districts to design bespoke educational offerings (in addition to the pre-packaged programs currently available).
- Increased linkages with Tourism Richmond could be leveraged for marketing support. Additionally, the site could explore potential partnerships with local marketing firms or business schools to aid in marketing campaigns.
- Booking or partnering with groups that have built-in audiences for special events or programs (e.g. Artisan Christmas Craft Fair brings its own audience).

Sponsorship, grants and donations

With intensified marketing efforts and expanded partnerships, increased **sponsorship** may come naturally for Britannia Shipyards. It is also recommended that the site develop a menu of **sponsorship opportunities that offers lower and higher priced options** for companies and individuals to choose from. This approach to sponsorship allows for increased programming or new exhibits/displays without adding a cost burden. In many comparable sites, programs are considered part of the mission and not motivated by revenue generation.⁸ It is often the case that costs exceed revenues by two or three times, and this becomes part of the rationale for seeking sponsorship of specific programs to keep the costs low (or non-existent).

While commercial partnerships and sponsorship opportunities provide a great opportunity, developing the right product to target sponsors does not happen overnight. It is likely that a comprehensive sponsorship package would not be developed until 2020. For this reason, it is recommended that, while developing a variety of sponsorship packages, the site should **continue to pursue a variety of grants and in-kind support**. The site should build off recent successes, such as the roughly \$50,000 in grants and in-kind support the site has acquired since 2016.

Some examples of successful **grant and in-kind support** driven activities at Britannia Shipyards in recent years include:

- Family Day and Canada 150 grants;
- The Artist in Residency program (through the City of Richmond's Public Art Department);
- Local group and individual contributions (e.g. time, objects, expertise) to exhibitions (e.g. Our Coastal Connection, Christmas Craft Fair), and;

⁸ For example, a current exhibit at the Gulf of Georgia Cannery is sponsored by the Pacific Salmon Foundation - <http://gulfofgeorgiacannery.org/join-give/sponsors> - while the busy Heritage Christmas event at the Burnaby Heritage Museum was presented by Concord Pacific <http://www.burnabyvillagemuseum.ca/EN/meta/whats-new/2017-archive/sponsorship-announcement.html>.

- One-off events (e.g. Artist's Talks).

By 2020, the site should have developed a unique menu of sponsorship offers and see a significant expansion in revenue from sponsorships. Identifying potential sponsors for special exhibitions is another area for exploration, building on the successful partnership model of the *Our Coastal Connection* exhibit in Summer 2017. Furthermore, as detailed in Section 4.4, there are a wide variety of publicly available opportunities for grants to sponsor certain activities or general finances of the site. The site could use the five-step process for engaging the business world, described as follows by the Museums Association⁹, as a starting point for building its sponsorship offer:

- Scrutinize your own project so you are in a position to demonstrate to potential funders how its "reach" will meet their own promotional goals;
- Examine the projects that companies already support to see where yours might match their priorities;
- Remember that companies have their own agenda (i.e. need for self-promotion);
- Remember that sponsorship is a business arrangement, not a casual quid pro quo; and,
- If you cannot offer 'prestige' as a small museum, you may be able to provide other benefits to a company, such as helping it demonstrate its corporate social responsibility.

It is recommended that the site continue to seek grants and donations while striving to increase sponsorship revenues by 10% annually after the 2019 launch of its sponsorship offer, contributing roughly \$84,000¹⁰ to the budget of Britannia Shipyards by Year 5.

Annual BHSS membership

In the short-term, the City should explore opportunities to work closely with the BHSS to enhance and utilize the latter's \$25 **membership program**. Some examples may include: increased access to paid programming or behind the scene tours, priority access to special events, and/or access to unique site rental offers. While this partnership could include some revenue sharing with the City, it is likely that the biggest benefit will come in the form of increasing the membership size, and, in turn, the participation in, awareness of, and enthusiasm for the **community asset** element of the site. The membership body could also play an important role in programming support. For example, much-needed school program materials and exhibit components could be created by the membership.

Another option within the membership scheme (possibly in the medium to longer term) could be an 'upper tier' where members (or organizations) who feel aligned with the mission of the site can purchase an enhanced membership (~\$100). This could include guest passes for paid tours or programs, to be distributed to those who may not be able to afford the services offered at Britannia Shipyards or discounted/priority booking of site space.

Preparatory work for enhanced boat building and repair activity

⁹ Museums Association, *Museum Practice* (2008): <https://www.museumsassociation.org/museum-practice/fundraising/16530>.

¹⁰ Note, the Gulf of Georgia Cannery raised over \$150,000 in sponsorship, grants and donations in 2016.

While a full analysis of market considerations and opportunities for boat building and repair activity can be found in Section 3.4.3, it is recommended in the immediate term, a program plan for the Richmond Boat Builders Building is developed and the building is redeveloped to support this plan. Processes and procedures must be in place to address all regulatory requirements. Appropriate City staff oversight for boat building and repair activities will help to ensure regulatory compliance.

It is also recommended that the site conducts preparatory groundwork for longer-term boat building and repair activity at the site. It is important to note that much of the programming, tours, events and school visits will be closely related to the wooden boat building traditions and maritime history of the site. However, some of the more industrial related options (e.g. more complex activity, new machinery) need to be explored further, especially as they relate to the diminished access to the public. Specifically, the following aspects need to be closely considered, in the immediate term:

- Working closely with Department of Fisheries and Oceans (DFO) and Environment and Climate Change Canada officials to ensure regulatory compliance of intentions (e.g. engineered drawings, specific use plans).
- Ensuring compliance with all Municipal, Provincial and Federal laws and regulations such as Work Safe BC Regulations, the Canadian Environmental Protection Act, the Fisheries Act, the Marine Liability Act, the Canadian Environmental Assessment Act and the Heritage Conservation Act.
- Preparing an application to the Province for permission to perform this type of activity under an amended water lot lease agreement (a process that can take 1-1.5 years)
- Ensuring hazardous materials (e.g. lead, asbestos), are first removed from vessels at a proper facility (e.g. Steveston Harbour Authority, Shelter Island).
- Developing initial plans for containing work (e.g. boom, other infrastructure) for the containment of sawdust and other less hazardous waste, including engineered drawings and equipment procedures.
- Professionalizing the activities of the BHSS – e.g. ensuring health and safety regulations are understood, practiced and overseen by BHSS leaders.

In summary, there are several important, ongoing initiatives that will provide a foundation for continued improvements at the site. The following sections will describe the operations of the site in the short, medium and long term, as they relate to eight key focus areas at the site:

- | | |
|--------------------------|----------------------------|
| ▪ Site tours | ▪ Space rentals |
| ▪ Registered programming | ▪ Boat building and repair |
| ▪ School programs | ▪ Retail/gift shop |
| ▪ Special events | ▪ Food and beverage |

3.2 Short-term focus areas (2018 and 2019)

In the short-term, the site should pursue “**low hanging fruit**” or focus resources on activities that have higher and faster returns (financial or otherwise), with measurable gains. Crucially, these focus areas also align closely with the vision and mission of the site.

3.2.1 Site tours

Current State

A guided tour is a facilitated visit of Britannia Shipyards site and buildings. Typically, staff are utilized to deliver the tours and, ideally, participants pay for the experience. Importantly, many of these visitors end up receiving informal tours or receiving casual interpretation, requiring an adequate number of volunteers on site and in addition to the more 'formal' 15-minute offered tours.

544 of the visitors to the site in 2017 paid for tours, resulting in a very modest \$2,100 in revenue in 2017, up from the \$1,500 earned from 484 visitors in 2016. Tours available to the public are shown in the table below.

Table 2: Summary of paid tours at Britannia Shipyards

Name	Fee	Minimum and Maximum Participants
Inside the Britannia Shipyards	\$4 per person	Minimum: 12 people Maximum: 30 people
Culture Makes Communities	\$8 adult \$3.50 child (6-12) Free under 6	Minimum: 12 people Maximum: 30 people
The Story of Tea	\$6 adult \$3.50 child (6-12) Free under 6	Minimum: 12 people Maximum: 30 people

Site tours are central to the vision of Britannia Shipyards as they offer an important means of telling the story of west coast maritime heritage.

Challenges

- Garnering more interest for paid tours when there is a free option - i.e. breaking the notion of "why pay for something when I can get it for free".
- Tours, especially for a small number of visitors, can be very staff intensive.
- Enforcing limits for free access will also require increased staff attention to tours.
- Having a site without secure perimeters, with a public trail running directly through it, makes it inherently difficult to stop visitors exploring for free.
- Many of the City's other assets offer free access as an important means of ensuring that access to historical or cultural programming is inclusive.

"Simply put, people do not want to pay for something they think they can get for free. We need to do a better job of advertising the benefit of the paid experience"

Stakeholder interviewee

Market Considerations and Opportunities

While the market for programming is likely to be more local and include repeat visitors, the primary market for guided tours, at least in the short-term, are newcomers to the site. Therefore, if paid tours are pursued by the site, the focus should be placed on the regional market and beyond. There are 2.4

million residents within the Vancouver census metropolitan area (CMA), and an additional 2.2 million elsewhere in the province.¹¹

Visitors from the United States and other international countries should also be targeted, particularly when already in the Vancouver area. In 2015, it is estimated that there were over 9.3 million visitors to the Vancouver metropolitan area.¹² Furthermore, these tourists spend an average of \$37.71 per trip on recreation and entertainment.¹³

An important benefit of tours whether paid, unpaid, or even informal, is that they offer more controlled access to the site. Compared to unfettered access of walk-throughs, or visitors paying for event space or attending special events, tours are much less likely to cause damage to the site's assets.

It also boasts an attractive opportunity from a financial perspective, increasing both the quantity and quality of the visitor experience while decreasing the public subsidy per use. That is potentially the best way to meet the outcome of **Strategic Framework 4.1.1**. The Burnaby Village Museum mixes free access with paid value-add experiences. At the site, entrance is free but value-added experiences such as seasonal/limited exhibits, behind the scenes tours or riding the carousel are part of the paid experiences.¹⁴

"There was no-one in the welcome centre, so we just explored by ourselves."

TripAdvisor comment

By Year 5, it is possible for the site to increase drop-in visits to **120,000 from the current 90,000** and to be well underway in the **transition away from free tours**. With the increase in marketing, branding and awareness of the value add for the paid experience, it is possible that by 2022, 80% of visitors would be paying for a guided tour of Britannia Shipyards.

Recommendations

The first priority in this transition should therefore be to enhance and translate some of the existing free tours into paid tours, such as the case with The Story of Tea, Culture Makes Communities, and Inside the Britannia Shipyards. This will require the site to create a 'brand' or a product offer for the paid tours. Additionally, it is important to focus on enhancing tour offers that hold the greatest opportunity for improving quality of visitor experience – a critical step for encouraging repeat customers. Site staff should promote this through a multi-faceted approach:

- Increased on-site presence and advertising as to the value-add of a paid tour;
- Enhanced product offering;
- Increased investment in offsite advertising/marketing and social media;

¹¹ Statistics Canada: 2016 Census of the Population.

¹² Tourism Vancouver:
https://res.cloudinary.com/simpleview/image/upload/v1/clients/vancouverbc/ytd_visitor_volume_3420d07e-b610-47a1-87a4-57b1a1f9b3e9.pdf.

¹³ https://res.cloudinary.com/simpleview/image/upload/v1/clients/vancouverbc/visitor_profile_47097789-cac9-4ff1-885c-60dbc87ad92d.pdf.

¹⁴ <http://www.burnabyvillagemuseum.ca/EN/main/visit/tours-activities-demos.html>.

- Identification of sponsorship (Section 3.1); and,
- Phasing out accessibility to (or minimizing the appeal of) free tours.

The free tours will remain an important aspect of the site. They are a way to provide public access to buildings that would otherwise be closed, and to engage the staff to keep up their historic knowledge and interpretive skills. For those site tours remaining free, donation boxes should be made available, with visible displays making a compelling case about the importance of such donations. Some potential examples of paid tours collected during the stakeholder consultation are:

- Establishing some of the facilities as an exclusive “behind the scenes” concept which non-paid tour visitors cannot access (e.g. the Chinese Bunkhouse or Parts of the Seine Net Loft);
- Providing costumes for historic photo opportunities;
- Accessing exclusive exhibitions or watching live exhibitions led by mechanics or woodworkers;
- Rowing, sailing or other maritime related skills demonstrations; or,
- Access to interesting boats docked at the site.

The BHSS should be utilized, where possible, to provide the necessary skills and hands-on presence to truly make the enhanced tours worth their fees. As discussed above, less than 1% of visitors were currently paying for tours in 2017, indicating that there is not enough to draw visitors from the free offer to the paid offerings. Furthermore, enhancing paid tours remain very much in line with the vision of the site, allowing for deeper, interactive historical learning.

3.2.2 Paid programming

Current State

A program at Britannia Shipyards can be defined as a scheduled participation opportunity for which people register. Each registration involves from 1 to 5 visits at prearranged times to take part in a specific activity. Fees paid at the time of registration typically cover most or all of the marginal costs of delivering the program (staffing, space allocation, supplies) and contribute minimally to the overall overhead operating costs of the site. In 2017, 2,738 people registered at the site for seasonal programming. This number increased from the previous year as 1,789 participants were registered in 2016.

“There are so many options when it comes to programming at Britannia, we have so much space, both indoors and outdoors”

Stakeholder interviewee

Programming at Britannia Shipyards is diverse, from small free drop-in sessions, to week-long kids camps, to yoga on the dock. These activities make up one of the largest components of revenue for the site. It is important to note that the programs vary in length and costs associated with facilitating the programs such as materials and instructor costs.

Britannia Shipyards also offers a wide array of summer camps to children between the ages of 5 and 12. The half day camp offers include:

- Maritime Treasure Hunt
- Float our Boat
- All Hands-on Deck

- Sailor Knots
- Cultural Celebrations
- Sky Cultures
- Sea Monster Myths

The camps offer hands-on engagement, storytelling and themed games to teach kids what life was like in the past. In 2016, 60 children learned traditional maritime skills in historic buildings at Britannia Shipyards.

In general, visitors have enjoyed the informative and educational aspects of the site with 27% saying they enjoyed this aspect most. At the same time, 21% stated they want to see more educational aspects and 12% wanted specific maritime skill related programming, so there remains room for improvement.¹⁵

While not necessarily a registered program, the Innovation Station (opened May 2016) offers exciting new opportunities for interactivity and learning at the site. It is a great stop for families to spend some time solving problems through creative and innovative thinking.

The site has been successful in aligning its programming with its overall vision, but an opportunity exists to more carefully align additional/enhanced site programming (as evidenced by the statistics above) in more direct relation to wooden boat building, cultural understanding and maritime history. Additionally, the fluid nature of the programming means it is able to respond to changing community needs.

Challenges

- Increased attendance is important to the mission of the institution and for revenue generation, but can be a burden on staff and volunteers and can put some of the buildings and displays at risk.
- Spreading awareness of programming requires additional and different marketing strategies.
- Increasing the diversity of offerings may water down the quality of current programming, emphasizing the need to focus on popular and/or profitable programs.
- There exists a risk of developing partnerships 'too soon', before the site's offer is fully developed.

Market Considerations and Opportunities

Despite the challenges listed above, there are substantial opportunities to significantly expand programming at Britannia Shipyards. Given the nature of the programming on the site, it is likely that most of the participants in paid programming are locals.¹⁶ As seen in the table below, there are some gaps that could be addressed to increase paid program attendance.

¹⁵ Voices of Britannia Survey.

¹⁶ An assumption carried through the market analysis, as well as reflected throughout stakeholder interviews.

Table 3: Programming gap analysis

Consideration	Gaps	Opportunities
Frequency	Few recurring programs. Summer camps through the summer	Offer recurring programs.
Participant Age Range	Low adult and senior programming.	Offer a wider variety of programs for seniors and adults.
Paid or Free	Almost all drop-in programs are free.	Charge for some drop-in programs. Limit the amount of free programming. Schedule free programming and have drop-in paid programming.
Theme	Limited skill-building programs	Increased number of maritime skill building programs ¹⁷ (e.g. woodworking etc.)

Enhancing the paid programming offer is well placed to meet local community needs in the areas of social engagement, education, and skill development. Site programming could also be strategically aligned with the broader intentions of the City. Recurring programs could also be structured to enable progressive skill and/or knowledge development which would build a stronger “following” for the site. In addition to this, recurring programming offers the important benefit of providing much needed revenue in a steadier, reliable form.

As indicated in Table 3, most of the programming at Britannia Shipyards is geared towards children and youth, leaving a gap (and pursuant opportunity) for expanding the target demographics for programming. Additional programming for adults and seniors, or cross-generational participation are key opportunities. An important finding from the stakeholder consultation in development of this plan was the BHSS’s desire to focus more on boat building as the central focus and story of the site, thereby more clearly separating the offer from the Gulf of Georgia Cannery.

A recent example that is beginning to address some of these gaps are the Stories from Things workshops which encouraged attendees (55+) to use personal objects to write their memoirs.

Taking the above into consideration, it is reasonable to believe the site can support **3,000 more registered visitors for a variety of registered programs** annually over a 5-year period. This would mean the site would be accommodating approximately 5,750 visitors for registered programs.

Recommendations

In line with **Strategic Framework 2.1**, the site should continue to enhance programming that tells the story of the site while meeting community needs. Indeed, **programming should remain aligned with the mission** of the site, and if not, be generating revenue that can be used to cross-subsidize less profitable activities on the site. However, as discussed above, paid programming is an important way for the site to generate revenue while still remaining true to the site’s mandate.

The future pricing of programming **should be reviewed to be positioned as close to revenue neutral as possible**. Paid programming, where appropriate, could be used to help reduce the cost per visitor. Attention should be placed on the bolstering of these activities, with the primary aim of serving the

¹⁷ Careful consideration of space and regulatory requirements will be needed to increase this programming effectively. This is explored in Section 3.1.

local Richmond market and wider regional tourism market. Identifying which features of the most successful programs make them profitable will be a crucial task, as this will inform not only which programs to keep, but what characteristics may make future programming successful. Similarly, getting a sense of which programs are important to mission and which are capable of sponsorship will help to identify some programs that might be eliminated (unless sponsored).

Speaking to specifics, some examples of new programming opportunities (some have been done before), that have been discussed in stakeholder engagement, include:

- Maritime/west coast/Japanese art programming or training;
- Boat and river tours¹⁸ and other water based activities (e.g. renting or providing lessons for kayaks or paddle boards);
- Programs that reoccur weekly for an extended period of time (e.g. a workshop a week for 3 months);
- Increased access to new (or changing) interpretive exhibits especially the opportunity to interact deeply or learn more about the exhibit, or to better understand how it was put together, where artifacts came from, etc. (e.g. programs on how different aspects of the site were used historically e.g. the slipway)¹⁹

3.2.3 School visits

Current State

School visits are structured experiences for student groups that are both educational and interpretive. School visits are on the rise at Britannia Shipyards, up to 2,150 in 2017 from 1,346 in 2016 and 1,286 in 2015. These tours offer unique learning opportunities for students from across the region.

Currently, there are 6 programs offered on the site, listed in the table below. All of the programs have been updated to meet BC's Ministry of Education curriculum guidelines which connect the values expressed in the First Peoples Principles of Learning and focus on social studies learning through critical thinking and the analysis of multiple perspectives.

"There is a huge opportunity with school tours but we will need to communicate and work with the schools better."

Stakeholder interviewee

Table 4: School programs offered at Britannia Shipyards

Name	Grade	Price per student
The Promise of Canada: 150 Years	All	\$4
Working on the Waterfront	K-3	\$4

¹⁸ The site would need to explore how the current relationship with Vancouver Whale Watchers would influence this. Perhaps, the Britannia Shipyards could suggest taking a small portion of the current \$12 charge in return for its promotion and free tours offered to participants in the Historic Water Shuttle.

¹⁹ 26% reported increased interpretation as an aspect for improvement (most common response) in the Voices of Britannia Survey.

Britannia Boatbuilders	All	\$5
How We Lived	Grades 4-6	\$4
Life in Sutebusuton	Grades 5-7	\$4
Inside the Britannia Shipyards	All	\$4

Much like paid tours, school visits are central to the vision of the site as they create interest in the site – and maritime history more generally – at a very young age.

Challenges

- Some school groups book a tour at the nearby Gulf of Georgia Cannery and then arrive at Britannia Shipyards unannounced (without paying).
- Current revenue is equal to supplies (e.g. boat builder kits) so profits (if any) are minimal.
- Transport is a key barrier for the school system– it remains costly to get students on-site.
- Difficult for teachers to organize and to access sufficient funding for field trips.

Market Considerations and Opportunities

Each visit is approximately 1.5 hours and 30 minutes of preparation is required before the class arrives and 30 minutes to clean up after the class departs. That said, two timeslots for classes, morning and afternoon, could easily be accommodated. Up to three groups per timeslot could be accommodated with the number of restored buildings on the site. Therefore, six classes per day could be theoretically hosted. Importantly, an increase of this nature will require an increase in volunteer and staff hours, which should be met by staff increase recommendations (Section 3.1).

Table 5: Summary of 2017 school visit attendance at Britannia Shipyards

Current Groups/ Students per Year	Public Elementary Schools in Richmond	Public Secondary Schools in Richmond	Potential Classes per Year ²⁰
Groups: 71 Students: 2,150	38	10	Groups: 96 Students: 2,880

Beyond their educational value, school visits encourage long-term repeat visit potential among families. The first priority should be working with local schools and exploring opportunities. In the longer term, the City could explore opportunities for marketing beyond its borders. As indicated above, there is enough demand to increase by nearly 1,000 visits. Note, as educational offers are important motivators for sponsorship, one spill-over impact of an enhanced school visit offer is the potential to draw new sponsorship opportunities.

In summary, there were 71 school group tours in 2017. If each public school in Richmond sent two groups per year, this total would rise to 96 groups. The City of Delta also has six schools within 20km of the site. Therefore, it is possible to continue increasing the number of school tours given enhanced marketing efforts and possibly cross promotion with the Gulf of Georgia Cannery Site. The total

²⁰ Assuming that two classes per school visited.

number of students visiting the site by Year 5 would be in the order of approximately **2,880 visits (roughly 96 classes)** and would likely be provided on a revenue neutral/slightly profitable basis.

Recommendations

Britannia Shipyards should continue to **enhance and expand promotion of their school programs on the site**. While Britannia Shipyards are certainly not the only site with curriculum-based programming, promotional material should centre on the unique, curriculum-based offerings at Britannia Shipyards. Moreover, these materials should be making clear linkages between programs or exhibits on the site and specific grades, classes and learning outcomes. This kind of promotion will be a critical role of the new staff member and increased marketing budget. The site could also explore sponsorship opportunities to cover travel costs for school groups wanting to visit the site.

It is recommended that an enhanced offer for school visits would go beyond the current break-even cost structure (or loss) and cater to a regional market. As indicated in **Strategic Framework 2.1.5**, specific offers should be developed which cater to growing demographics (e.g. ESL tours, Indigenous/Chinese/Japanese focused tours). Nordicity modelling shows that in order to break even on variable costs, the school programs (based on financials provided to us) need to charge roughly **\$6**.²¹ While there are loose constraints on how much Britannia Shipyards can charge for these programs, it is recommended that the site aims to raise the price of its school programs in the short-term. The agreement that puts loose limits on pricing may mean that it is necessary for other school programs in Richmond to review their cost structures as well. This fee increase becomes even more important if the site can successfully increase the number of school tours visiting the site.

In summary, short-term priorities should remain around enhancing the visitor experience while expanding revenue generating activities in three main areas:

- Site tours
- Paid programming
- School visits

Note, in view of the recent need to remediate the Richmond Boat Builders Building, the short-term phase also includes the development of a program plan for the building so as to allow for programming to continue as soon as possible.

3.3 Medium-term focus areas (2020 through 2022)

In Year 3, gains made in the first three years (e.g. increasing paid tours, enhanced programming and school tours) will be reviewed and additional opportunities will be pursued. Recommended initiatives for medium-term focus are described in the following sections.

²¹ While raising the price may result in an initial decrease in potential uptake of the school tours, the site should continue to work with the group of Lower Mainland Museum Educators (LMME) and other partners to identify possible ways to increase the price. Nordicity analysis shows that school programs operated at a roughly \$12,000 loss for the site in 2017 (see Appendix 3).

3.3.1 Special events

Current State

A special event is a large gathering of people who visit the site to watch or participate in an experience beyond the normal range of everyday activities. In 2017, a total of approximately 66,000 people visited the site during nine special events, as displayed below. This is also an increase from the 62,300 that visited in 2016.

Table 6: Summary of key special events at Britannia Shipyards

Event	Visitors (2017)
Richmond Maritime Festival	40,000
Canada Day Richmond	15,000
Kaiwo Maru	2,400
Family Day	2,250
Doors Open Richmond	2,000
Halloween	1,692
Grand Prix Richmond	1,074
Whale Skeleton Program	750
Culture Days Richmond	582
Total	65,748

"[The event] brings people to this area, to understand the history of this area better. It expands marine knowledge widely."

RMF exit survey respondent

Richmond Maritime Festival is the highlight of the special events at Britannia Shipyards. For two days in August 2017, the festival attracted over 40,000 visitors who participated in a range of activities, from children's boat building to creating a knitting tree, to boarding historic wooden vessels at the dock. The main stage featured a headline performance by the Matinee and the Myrtle Family Band. The Maritime Festival received an honourable mention as the best Cultural Event at the Creative City Network Conference, and the Exit Survey from the festival revealed that 87% of respondents rated their experience at the festival as excellent. In addition to this popular event, the site had 8 other events in 2017.

Current events are aligned with the vision of the site as they increase local awareness and appreciation for the site. Diversified offerings allow the site to increase its appeal to an evolving set of groups and interests. Importantly, any expansion in special events continues to maintain alignment with the vision.

Challenges

- Potential strain on staff and volunteers to accommodate more events. Increased risk to historic artifacts in displays/exhibitions.
- Parking can be a challenge for large events.
- A poorly executed event can reflect poorly on the site.

Market Considerations and Opportunities

There are opportunities to expand the number of large city-wide events at Britannia Shipyards. Since each large event only attracts 14% of the city-wide population, an opportunity exists to host another larger event in order to cater to various interests.

Table 7: Special events at Britannia Shipyards

Event Type	Market Area	Market Population	Number of Events in 2017	Average Attendance per Event ²²	Percentage of Market Area that Attends
Large Events	City-wide (Richmond)	218,307 ²³	2	27,500	14%

However, as mentioned above, special events pose significant challenges for the site and staff to handle. Additionally, special events do not generate revenue. To help reduce the strain on resources, the site may consider opportunities to partner with other community groups. For example, 2018 will see the site host two boat rendezvous, which was the result of partnerships with local boat owners and enthusiasts.

Special events and festivals are great ways for the site to increase awareness and garner further support. As per **Strategic Framework 2.2**, the site should continue offering these programs and explore opportunities to expand the offer. However, as indicated above, events tend to be labour intensive and can lead to volunteer burnout, so it becomes important to focus on fewer events with more appeal. Therefore, **one large event** should be added while maintaining status quo in the diverse offerings of small events.

Recommendations

It is recommended that the staff **focus on creating a new event that continues to be closely aligned with the vision of the site**. Furthermore, this event should be a high-quality offering, considering ways that it **can draw new visitors while remaining aligned with the strategic purpose of the site**.

Additionally, this should happen at a time of the year that **works well in relation to other events occurring in Richmond**, and potentially cater to those not already familiar with the site. A new special event could centre around the following themes:

- National Indigenous People's Day (June)
- Chinese New Year (February)
- World Maritime Day (September)
- Centennial celebration of the site being converted into a shipyard

3.3.2 Space rentals

Current State

²² Rounded to the nearest 1,000.

²³ 2017 City of Richmond Projections (with Urban Futures Inc.).

Rentals are short-term (daily or hourly) uses of certain spaces by an external stakeholder in exchange for a fee. They are typically either for social events or group meetings. Britannia Shipyards leverages its building space for rental facilities to host celebrations of life, birthdays, fundraisers, weddings, meetings as well as promoting the site as a local filming location.

Total attendance associated with those rentals has been estimated by staff to be over 6,000 in 2017 at 167 rentals, roughly a 50% increase compared to 2016. As displayed in the table below, the number of meetings were significantly higher than any other rental type in 2017. However, only 10 of these meetings were chargeable, with a total revenue of \$2115.83. A breakdown of 2017 rental types can be found in the table below.

Table 8: Summary of 2017 rentals at Britannia Shipyards

Type of rental (2017)	# of rentals
Meetings	130
Weddings	11
Folk Guild	11
Photography	8
Birthdays	2
Celebrations of Life	1
Fundraisers	1
Heritage Fair	1
Graduation	1
Retirement	1
Total	167

Rentals are coordinated through Britannia’s Visitor Services Coordinator. Two spaces are available to rent: the Chinese Bunkhouse and the Seine Net Loft. The latter is only available between May and September and is limited to two rentals per month.

Table 9: Rentals options at Britannia Shipyards

Characteristic	The Chinese Bunkhouse	The Seine Net Loft
Pricing	\$500 for up to 4 hours \$100 for each additional hour \$35/hour staffing fee (if outside of regular hours)	\$3,500 for a daily rental \$1,000 for 4 hours \$300 for each additional hour
Capacity	Standing/row seating: 100 Banquet seating: 65	Standing: 300 Banquet seating: 200
Availability	May-September: After 5pm October-April weekdays: Anytime October-April weekends: After 5pm	Daily
Features	Small kitchen, two washrooms, tables and chairs, basic audio/video equipment.	Tables and chairs, 1 to 2 staff. Washroom facilities.
Notes	Music must be turned off by 11pm Events must be finished by 10:30pm on weeknights (Sunday-Thursday) and 11:30pm on weekends (Friday-Saturday)	Events must be finished by 10:30pm (music off by 10 pm) Not climate controlled No kitchen

Additionally, Britannia Shipyards earns revenue by renting different spaces and areas on the site for filming. In 2016, the site was busy with film shoots that included *Supernatural*, *Once upon a Time*, *Legends of Tomorrow* and *The Man in the High Castle*. Revenue from these rentals go directly into a capital account used for future site maintenance and repairs.

Currently, most site rentals do not closely align with the vision of Britannia Shipyards.

Challenges

- Closing buildings for private functions and filming during operational hours result in visitor complaints.
- Rentals such as parties and weddings provide a strain on staff and volunteer resources.
- Mistreatment of the space and artifacts can result in expensive repairs.
- Rentals, especially in the evening, can be a nuisance to the neighbours and put a strain on the current coexistence of Britannia Shipyards within a residential community.
- Safety, security, logistical and operational limitations mean that taking advantage of the site's dock space can be difficult.

"Weddings are very hard on the site and the staff. They were also never part of the plan. "

Stakeholder interviewee

Market Considerations and Opportunities

Britannia Shipyards has a strong opportunity to grow its space rental services. Its unique combination of waterfront buildings, large hall-like spaces, open grass, waterfront areas and dock space mean that opportunities are diverse.

The market analysis also suggests that family-oriented and cross-generational offerings (e.g. programming that would appeal to multiple generations) are in high demand. In addition to these offerings, demand remains high for meetings at the site and these could be a source of rental growth for Britannia Shipyards. In this respect, the Chinese Bunkhouse is well equipped to host private engagements, as are other unique spaces on site.

In summary, by offering rentals for some of these high demand services, combined with more space becoming available on the site (e.g. the completion of the Japanese Duplex or First Nations Bunkhouse), it is possible for the site to grow to **225 rentals per year by Year 5**. Additionally, while it is difficult to accurately predict market demand for **film shoots**, it is likely that demand for this type of site rental will also continue.

Recommendations

As mentioned above, this study's market assessment revealed a potential for a significant increase in rentals for private functions. However, with the site reaching nearly 170 rentals in 2017, it may be near capacity for number of rentals on the site. As such, **the site should continue to offer rentals at a steady rate in the short-term while exploring ways to increase chargeable rentals on the site**. However, in the medium-term, as restoration continues and potentially more space becomes available and more staff members are added, the site should **explore opportunities to increase rentals**.

While weddings are in high demand, **it is not recommended that the site aggressively pursue more wedding rentals**. Not only do these events put a large strain on the site and its staff, they compete with some of the busiest times of the year (summer weekends), often limiting opportunities for others

to visit and enjoy the site. Instead, it is recommended that the site focus on a limited number of weddings, as well as rentals that are more aligned with the vision of the site. Some examples include:

- Evening rentals that do not compete with the site's daytime programming (e.g. private parties, celebrations of life, corporate events/meetings, fundraisers);
- Cross-generational and family events such as family reunions, retirement parties and birthday parties²⁴;
- Cultural events (festivals or holiday celebrations); and,
- Community events.

In order to minimize disturbance of the site, and keep alignment with the site's vision and mission, future expansion in space rentals should consider a **stronger focus on rentals that occur outside the peak hours or summer months.**

Additionally, the site should continue to build on its reputation as a destination for film shoots. The site could consider a focused marketing campaign, promoting the site as a destination for diverse types of filming, with ample space for parking of equipment. These rentals should be prioritized for winter weekdays as closing the site in busy summer months will restrict public access.

To conclude, the site will build on success of special events and high demand for rental space on the site. As such, the site will maintain its already impressive baseline in the short-term and explore options for increasing usage in the medium-term.

3.4 Long-term focus areas (beyond 2022)

After an initial five-year period, it will be time to pause, review ideas/initiatives that have or have not worked and build on areas where success has been achieved. Additionally, it is expected that by this time, most or all of the site restoration will be complete, freeing up capacity and capital investment to invest in some revenue generating opportunities. Furthermore, by this time, drop-in site attendance should be roughly 120,000, resulting in a stronger business case for developing some of the opportunities listed below.

3.4.1 Retail offer

Current State

A retail shop for Britannia Shipyards would be defined as one selling themed souvenirs and small items pertaining to the visitor experience. Britannia Shipyards does not currently have a gift shop. While it is important to recognize the operational capacity that is needed to run a gift shop, the lack of a retail facility is potentially a missed opportunity.

In addition to generating revenue, a gift shop has the added benefit of acting as 'free' advertising. The opportunity to sell branded merchandise in the gift shop presents the potential to spread further awareness of the site around the community and beyond. In addition, it offers a chance to capitalize on the large walk-through crowd that the site enjoys.

²⁴ The price many parents are willing to pay mean that birthday parties are often required to be run at a loss for the site.

Britannia Shipyards would need to consider how the establishment of a retail offer would align with the vision of the site. One potential means of engaging the community within such an initiative would be through ensuring some of the retail is sourced from local artisans and craftspeople, while focusing on a maritime/west coast theme.

Challenges

- Staff capacity to operate and maintain a gift shop is limited.
- The initial capital investment required to set up the shop (e.g. develop space, identify/order merchandise) is considerable.
- A large majority of the visitors to Britannia Shipyards are local (70%).

Market Considerations and Opportunities

With the current number of visitors that the site hosts, there is an opportunity to generate revenue from themed/associated retail sales. It is likely that most of the revenue generated by a gift shop would be from non-local visitors. While the majority of site visitors are local, there still remains a market for tourists outside of a 50-mile radius. The following table estimates the breakdown of visitor residency.

Table 10: Geographical breakdown of visitors

Residency	Estimated Percentage of Visitors	Extrapolated Number of Visitors (based on 2017 visits)
Richmond	35%	58,800
Elsewhere in Lower Mainland	33%	55,800
Elsewhere in BC	5%	8,600
Outside BC in Canada	12%	20,400
International	15%	25,400
Total	100%	169,000

As the above table shows, 54,400 visitors per year are non-local (i.e. reside outside of Metro Vancouver). This is the primary market for selling goods through a gift shop because local visitors typically see less need for a memento associated with a local attraction. This is likely similar to the number of non-local visitors who visit the Gulf of Georgia Cannery which operates a successful gift shop. The Cannery has annual sales in the range of \$220,000 from its gift shop and realizes a net operating surplus of about \$40,000.

While the potential exists to generate revenue and other benefits through a gift shop, this remains a long-term focus for Britannia Shipyards.

Recommendation

While a full retail offer should remain a long-term focus, in the **medium-term**, the site should build on the increase in site attendance as a result of other proposed activity changes on the site. Britannia Shipyards should consider a limited offering of merchandise on the site. This should occur in an existing space and will build on improved branding as part of the increased marketing of the site.

The focus in the medium-term offer should be on **establishing a brand and improving exposure for the site**. Starting with a few branded products will offer a chance to market the site while testing potential demand for a longer term full retail offer. An immediate target 'market' for the new branded merchandise could be BHSS membership. Additionally, the site should explore potential ways to

partner with groups for increased efficiencies in their respective offers (e.g. sharing common supplies such as 'Steveston or Richmond' branded merchandise, offering limited site specific branded merchandise in each other's stores).

While it is unlikely a limited offer will generate substantial revenue for the site, it is recommended the focus of the soft launch be on the following:

- Building a merchandise brand for Britannia Shipyards;
- Testing options for future retail shop;
- Partnership identification and building; and,
- Offering limited high-quality maritime related products.

Potentially building on a soft launch in the medium-term, Britannia Shipyards should undertake steps needed for the launch of a full service retail offering or a gift shop when the necessary capital becomes available. The keys to success for a gift shop at Britannia Shipyards are a) higher attendance so as to expose more visitors to the retail offer and b) potentially integrating the retail with a new welcome centre or point of arrival so as to limit staff costs. Indeed, it is possible that the gift shop be placed in an entry location, where visitors would also register for programs, pay for tours and find out about other events.

Depending on the appetite of the City, and upskilled capacity of the BHSS, the gift shop could either be leased to a commercial service provider (with profit sharing structure) or led by the BHSS. It is in this long-term planning phase that the site should conduct a feasibility study, leveraging the advice of an expert retail consultant. Some financial considerations and projections of different long-term options conducted by Nordicity can be found in Section 4.3.

3.4.2 Food and beverage

Current State

Food and beverage opportunities at Britannia Shipyards entail the provision of food and beverage leasing of a space on the site to a third-party food and beverage operator/provider. There are no food and beverage services currently available at Britannia Shipyards.

Future food and beverage options include a small café/coffee shop that could possibly be combined with a gift shop, a food truck, a full-service restaurant or pub in the Phoenix Net Loft, and a floating restaurant.

While food and beverage does not directly align with the vision or mission of the site, the revenue generated could be used to cross-subsidize other activities on the site more directly aligned with the mission and vision. Furthermore, one consideration could be a restaurant or café that is west coast or maritime themed with historical components to it (e.g. historical narrative on menus or exhibits on walls).

"There is lots of opportunity for a restaurant or food offering on the site, but we need to finish the site first"

Stakeholder interviewee

Challenges

- Lack of staff capacity (e.g. time, skill sets) to effectively supervise a food and beverage operation.
- Increased traffic could be a risk to the site's assets.

- Low quality food and beverage service could reflect poorly on the overall site experience.
- The potential late hours of a restaurant or brewpub could be at odds with local noise bylaws and disturb current coexistence with local residents.
- Transportation and parking may be an issue.
- Generally speaking, restaurants on historic sites are unlikely to bring in significantly increased revenue, especially if the site is unable to drastically increase visitors.

Market Considerations and Opportunities

There is opportunity to lease space to food and beverage operators at Britannia Shipyards. Right now, visitors to the site are not within walking distance of any food and beverage establishments (the closest, The Fisherman’s Boot, is more than 500 metres away).²⁵ A food and beverage offering also offers the opportunity to capitalize on the walk-through crowd, as well as potentially bring newcomers to the site.

There are a number of criteria that potential food and beverage operators would consider when determining if a site is appropriate for a new restaurant or service. Desired site attributes include existing site traffic, accessibility and parking, overall market trading area, proximity of competition, visibility and exposure, site size, lease rates, site visitor profile and neighbourhood demographics, facility readiness, and local zoning regulations among others.

Given the challenges discussed above, this is **not a short-term priority of the site**. However, when the capacity exists, and the number of visitors is sufficient, there is potential reward in establishing a food and beverage offering. Starting with a small offering out of the gift shop or visitor centre may be an effective first step, while licensing space for a food truck remains another option.

Recommendations

While longer term options could include a full-service food and beverage offering, a food truck at Britannia Shipyards may be considered in the **medium-term**. There is currently great demand for food truck licenses, and the City of Vancouver has resorted to a lottery system for the permits that grant the right to park trucks in specified public spaces.²⁶ In this context, it is likely there are operators who would be amenable to an arrangement with Britannia Shipyards during peak periods.

Given the relatively lower revenue generated by food trucks, and the low cost to obtain permits to operate around Vancouver, this is unlikely to generate a material surplus for Britannia Shipyards after considering administrative costs. However, this approach has the advantage of making food services available to visitors with virtually no up-front capital investment from the site.

It is recommended that Britannia Shipyards **explore opportunities to attract an operator to park at the site and provide food offerings to site visitors**. It is possible the site would be able to charge for parking during peak times or during events, but the priority should be on finding a vendor to provide

²⁵ “Walkability” is often defined as within 400 metres of a given location.

²⁶ A \$1200 annual permit extends the ability to park a food truck in a number of locations around Vancouver (with some reasonable limitations) – this gives a good sense of the ‘substitute’ that any rental fee Britannia Shipyards proposes will be compared against.

this service add for site visitors, thereby enhancing the visitor experience and indirectly increasing attendance over time.

The site could build on a shorter-term food offer by leasing of space for a food and beverage operation, as discussed above. While it could potentially bring some revenue to the site, the **main benefit and focus of such an undertaking should be enhancing visitor draw and visitor experience on the site.** Section 4.3 will detail some of the options for food and beverage offerings at Britannia Shipyards, including their financial implications. However, it is recommended that these options be explored in a future feasibility study with a food and beverage consultant, possibly in tandem with the feasibility study for the launch of a more substantial gift shop.

3.4.3 Boat building and repair activities

Current State

Boat building and repair activity would build on the notion of Britannia Shipyards as a working site, leveraging boat building skills and equipment. Visitors have been able to view boatbuilding activities in the the Richmond Boat Builders.. These initiatives have been well received and have strengthened engagement with the BHSS. That said, there is room for many additional programs even more aligned with boat building and repair activity. Note, such proposed boat building and repair activities necessarily builds on the development of the Richmond Boat Builders Building plan in the short-term phase, as described in Sections 3.1 and 3.2.

Offering the opportunity for visitors to watch active boat work (e.g. repair, restoration), or to work on their own projects closely align with the vision of the site in terms of the promotion of maritime heritage.

Challenges

- Environmental regulations limit where/how many of these activities can be done.
- Considerable investment into infrastructure would be needed to make some of these options feasible (and legal).
- Limited population of 'boat builders' could lead to challenges in sustaining demand for using equipment on the site.
- At the moment, the capacity of the BHSS to run significantly expanded boat building and repair operations is uncertain.
- The 'shop,' (Richmond Boatbuilders building) will need to undergo significant cleaning due to recent contamination. Once the building is cleaned, it will need to be outfitted with safe and properly maintained equipment and a new dust extraction system.

"The fact that this is a working site can be a focal point of its offer to the public"

Stakeholder interviewee

Market Considerations and Opportunities

Britannia Shipyards boasts the unique combination of waterfront access, a passionate membership within the BHSS, and access to affiliated communities of boat builders and restoration specialists. The

site is well positioned to provide boat building/restoration activity on the site and the opportunity for visitors to view such activity.

Another important opportunity surrounds the potential partnerships that could be forged with local professional shipwrights who may be able to provide unique training or boat building offers on-site.

Despite the potential market opportunities and alignment with the vision, expanding boat building and repair activity – especially into heavier work or expansion of infrastructure on-site – is unlikely to be a short-term priority. **High upfront costs and high regulatory barriers (Section 3.1) mean many of these options must remain a long-term priority.**

Recommendations

Boat building and repair-related expansion is a long-term opportunity.²⁷ Increasing or expanding this type of activity on the site has the benefit of offering visitors viewing opportunities for this work and enhancing the mandate of the site in terms of telling the story of the province's maritime heritage. Some examples of expanded offerings could include:

- Utilizing slipway equipment on-site.
- Wooden vessel building/restoration – balancing facility use between historic celebration and practical/modern utility.

As per Section 3.1, establishing new (revenue-generating) relationships with external commercial outfits, associations, boat building clubs/professional shipwrights that are in need of space to undertake their activities could be a valuable means of funding any new activity proposed.

While expansion of boat building and repair activities on the site is not recommended in the short-term, the inclusion of viewing, programming and training within the site tours, programs and school visits is highly recommended.

3.5 Looking ahead

The above development plan describes a ten-year vision for the site. In addition to the required attention on each focus area, the site will need to invest in operational precursors for success such as the increased staffing and volunteer hours, marketing and promotional campaigns and improved partnerships and sponsorship activities.

In the even longer-term, consideration may also include shifting to an entire site visit fee model so as to replace some of the "value added" fees recommended above. This shift could happen by focusing attention on establishing a *sense of arrival* through entrance-focused+ landscaping and improved wayfinding. Alternatively, the site could consider the option of fencing the site. Due to the dependent factors such as effectiveness of visitor enhancement activities described herein, as well as obvious capital and staffing investments, a feasibility study on securing the site perimeter would be undertaken before any decision-making process could take place.

²⁷ Note, this is referring to expanded operations (either through new infrastructure or types/quantity of boat building and repair activity on the site) and not to programming related to the current or historical uses of the site.

As a means of summarizing the above plan, the table below graphically displays the timeline and prioritization of each of the eight focus areas. The table is color coded by priority level and includes operational recommendations in the short, medium and long terms.

Table 11: Recommended prioritization of eight focus areas

Focus area	Current Situation	Short-Term 1-2 years	Medium-Term 3-5 years	Long-Term >5 years
<p>Description</p> <p>Site Tours A guided tour is a facilitated visit of the site and buildings. Typically, volunteers are utilized to deliver the tours and ideally participants pay for the experience.</p>	In 2017, over 92,000 visitors experienced free tours at Britannia Shipyards, a significant jump from the 58,000 in 2016.	Enhance paid tours and dedicated focused efforts on promoting and advertising the benefits of the paid experience.	Transition free tours to paid tours.	By this time, 80% of drop-in visitors should be paying for tours.
<p>Programming A program is a scheduled participation opportunity for which people register. Each registration involves from 1 to 5 visits at prearranged times to take part in a specific activity. Fees paid at the time of registration typically cover most or all of the marginal costs of delivering the program (staffing, space allocation, supplies) and contribute minimally to the overall overhead operating costs of the site.</p>	In 2017, 2,738 people registered at the site for seasonal programming. This number increased from the previous year as 1,789 participants were registered in 2016.	Since the paid programs likely cater to the Steveston market, recurring programs should meet local community needs in the areas of social engagement, education, and skill development; site programming could also be strategically aligned with the broader intentions of the City. The site should actively market these programs and encourage the development of recurring programs.	Continue to expand and improve programs offered and monitor ongoing programs. One opportunity to increase revenues would be to eliminate free drop-in programming and charge a fee for it. Free programming could still be offered as an introductory service, but it could be limited through scheduling.	Monitor programs, ensuring focus and resources are spent on most profitable or well-attended programs.

High Priority

Medium Priority

Low Priority

<p>School Visits School visits are structured experiences for student groups that are educational and interpretive.</p>	<p>Nearly 2,000 students visited the site in the past year in the school visit program. Some school groups book a tour for the nearby Gulf Georgia Cannery and then come to the shipyards site unannounced (for free).</p>	<p>Actively promote the specific curriculum-based programs which can also cater to particular demographics and a regional market. The price of these tours should be increased to roughly \$6 which will allow the site to breakeven on school tours.</p>	<p>Continue to maintain up to date curriculum-driven programs and promote these offerings widely around the regional school districts. Explore partnership opportunities with schools to design custom offerings for a fee.</p>	<p>Maintain curriculum-based relevance. Continue promotion and community partnerships.</p>
<p>Special Events A special event is a large gathering of people who visit the site to watch or participate in an experience beyond the normal range of everyday activities.</p>	<p>In 2017, a total of approximately 66,000 people visited the site during nine special events, as displayed below. This is also an increase from the 62,300 that visited in 2016.</p>	<p>Explore options to expand number events by one large while maintaining diverse offer of smaller events.</p>	<p>By this time the site should have added one large event.</p>	<p>Continue to offer high-quality events, closely monitoring and measuring customer experience. Consider ways to generate revenue from special event foot traffic (e.g. retail or food and beverage).</p>
<p>Space Rentals Rentals are short-term (daily or hourly) uses of certain spaces by an external stakeholder in exchange for a fee. They are typically either for social events or group meetings.</p>	<p>Total attendance associated with those rentals has been estimated by staff to be over 6,000 in 2017 individual visits at 167 rentals, roughly a 50% increase compared to 2016.</p>	<p>Continue offering rental space as per base context.</p>	<p>Expand rentals per year and consider target promotion for family rentals (e.g. family reunions, birthdays) and rentals that happen outside of operating hours (e.g. celebrations of life, meetings etc.)</p>	<p>As restoration is completed, target 225 rentals per year and consider optimizing new spaces which could be made available for rentals.</p>
<p>Gift Shop A retail shop that sells themed souvenirs and small items pertaining to the visitor experience.</p>	<p>Britannia Shipyards does not have a gift shop and there are no retail sales on the site.</p>	<p>A gift shop should not be a short-term priority.</p>	<p>Soft launch of a retail offer with limited product and begin planning and weighing structure options for a future gift shop through a soft launch.</p>	<p>Launch gift shop on the foundation of a specialist feasibility study led by a retail consultant to ensure it is fit for market.</p>

<p>Food and Beverage Food and beverage opportunities entail the leasing of a space on the site to a third-party food and beverage operator/provider.</p> <p>Increased Boat Building and Repair Activity These programs would build on the notion of Britannia Shipyards being a working site, leveraging boat building skills and equipment.</p>	<p>There are no food and beverage service available at Britannia Shipyards. There is one establishment (The Fisherman's Boot) within 500 metres off the site but it is not affiliated with the site at all.</p> <p>Currently, visitors can view a working site in the Boathouse and some boat building training.</p>	<p>Food and beverage should not be a short-term priority.</p> <p>Work with the BHSS to professionalize their activities. Also, work closely with environmental/ industrial regulators to draw up plans and ensure planned activities are compliant going forward.</p>	<p>Consider the options for limited on-site offering, focusing on finding an operator that could provide the service to visitors at no cost to the site (i.e. a food truck).</p> <p>Continue to professionalize activities and consider possible expansion of compliant boat building and repair programs.</p>	<p>As restoration is complete and capital potentially becomes available, the site should consider options for leasing a restaurant space.</p> <p>Develop programs that are safe and authentically relay the story of Richmond's maritime history. Programs should also aim to be educational and immersive.</p>
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4. Financial Analysis

This section presents Nordicity's financial modelling. Based on the City of Richmond's financial reporting in 2017, this financial model estimates the financial implication of the proposed development plan for Britannia Shipyards.

4.1 Assumptions

In broad terms, the financial model was developed to address the dual questions of how much revenue the site can generate, and how much it costs to run operations and programming at the scale required to support the proposed improvement to the site. Running between these questions is a consideration of the site's vision, mission and strategic directions.

The main inputs to the model involve estimates about attendance to Britannia Shipyards' various programs and the revenue that can be earned per attendee/group participating in these activities. Depending on the operating activity, these estimates rely on a market analysis (performed by RC Strategies+PERC), the operating capacity available to Britannia Shipyards (through its employees, the City, and the BHSS), and the visitation attributable to current programming offered at the site. These elements were considered at the level of each operating segment and then combined to estimate the full financial outlook (and funding requirements) for Britannia Shipyards' operating activities.

4.1.1 Revenue projections

Britannia Shipyards's 2017 financial indicated a significant funding requirement from the City to support an operating loss of **\$623,860**, based on total expenses of **\$744,392** with revenue of **\$120,532**.

In this context, it is unsurprising that many focal points of this plan have emphasized opportunities to continue improving the site while considering different opportunities to reduce cost (subsidy) per visitor to the site. Naturally, these opportunities remain sensitive to the character and authenticity of the site, respecting 'soft' limits on the appetite to increase commercial (consumer or industrial facing) services (e.g. retail, food and beverage, boat building and repair).

The following points outline the key assumptions underlying revenue projections:

- Regular hour drop-in visitors will increase to 120,000 per year over the five-year forecast horizon.
- Over this period, 80% of regular hour drop-in visitors will be transitioned to a paid tour model (in view of an enhanced visitor experience) at an average price of \$4 per visitor.
- Registered programming will increase from the current 2,738 by 3,000 to nearly 5,750 users of programming by 2022.
- School visits will increase from the current level of 71 groups to 96 per year. The price per student will be increased to \$6.15 to operate this program at a level at which variable costs break even.
- Britannia Shipyards will add one large special event (such as the Canada Day or the Maritime Festival) by year 3. This assumption is conservative relative to the market potential for such events, as outlined in Section 3.3.1.
- Starting in the medium-term, rentals will increase from the current level of 163 rentals per year to 225 per year.

4.1.2 Expense projections

Nordicity relied on the current levels of expenses and interviews with staff members to determine the actual cost of staff time and materials that goes into offering the various types of programming offered at the site.

The significant additions to the expenses at Britannia Shipyards include:

- A new staff member was assumed to earn \$70,000 in salary and benefits.
- The cost of administrative support (e.g. auxiliary staff) and tour preparation/facilitation were linked to the volume of visitors.
- The marketing budget was increased from \$5,000 to \$50,000 per year and held constant through the forecast period.
- Facility-related expenses (maintenance contracts and utilities) were assumed to consist of 25% fixed costs. The remaining (variable) 75% of these costs was assumed to exhibit a direct relationship with total attendance to the facility.
- Telecommunications was treated as an administrative expense and was assumed to consist of 50% fixed costs. The remaining (variable) 50% of these costs was assumed to exhibit a direct relationship with total salaries and benefits.

4.2 Pro forma income statements – five-year forecasts

The following pro forma income statement shows the result of these estimates.

	Base year	Short-term (2018-19)		Medium-term (2019-21)		
	2017	2018	2019	2020	2021	2022
Revenue						
Sponsorships, Grant, Donations	21,698	23,868	26,255	50,000	65,000	84,500
Site tours	21,112	66,156	135,234	211,234	294,156	384,000
Paid programming	17,086	19,361	21,884	24,407	26,930	29,452
School tours	5,046	18,827	20,024	21,222	22,419	23,616
Space rentals	35,610	35,610	35,610	39,171	43,088	47,397
Other (e.g. filming, recovery)	19,980	19,980	19,980	19,980	19,980	19,980
Total revenue	120,532	183,802	258,987	366,014	471,573	588,945
Expenses						
Salaries and Benefits	579,639	648,649	650,198	653,605	657,198	660,996
Contracts	54,351	55,844	57,310	65,856	67,465	69,088
Public Works Expenses	9,439	9,439	9,439	9,439	9,439	9,439
Marketing	5,952	50,000	50,000	50,000	50,000	50,000
Telecommunications	3,620	3,835	3,840	3,851	3,862	3,874
Supplies	21,211	22,432	23,210	23,989	24,768	25,546
Utilities	40,894	42,017	43,120	49,550	50,761	51,982
Other expenses	29,286	29,286	29,286	29,286	29,286	29,286
Total expenses	744,392	861,502	866,404	885,576	892,779	900,212
Net operating surplus (loss)	-623,860	-677,700	-607,416	519,563	-421,207	-311,267

As this projection shows, this plan is expected to generate significant revenue growth over the medium-term with related expense increases. Importantly, this plan will drastically decrease the subsidy per visit, as the site visits are expected to increase significantly, while modestly reducing the operating loss of the site. As such, the City will see meaningful, higher 'returns' on its investment into the operations of Britannia Shipyards.

Overall, this forecast reflects a modest escalation in expenses, which funds the addition of a new staff member as well as any additional administrative support required for the increased level of activity in tours, space rentals and marketing. The key outcome to note over the medium-term is that increased marketing and higher quality tours will help to attract more visitors to the site and increase their likelihood of choosing paid services. This outcome will mainly be driven by professionalizing the site's marketing strategy, which will focus on driving more visitors to the site overall and offering a significantly improved tour and space rental experience to patrons.

4.3 Long-term revenue considerations

As part of the research underlying this plan, Nordicity evaluated some additional opportunities that may be available to Britannia Shipyards through new operations (e.g. food and beverage service, gift shop), or external operators of these services.

The following bullet points summarize these options.

- **Operate restaurant:** The average restaurant in Canada generates a profit margin of 3%, with the top quartile earning a 15% profit margin.²⁸ Assuming 10% of visitors to the site visit a restaurant and spend \$10 each, and that the restaurant caters to 10% of visitors on site for space rentals at a price of \$20 per head, a restaurant would generate a total of \$200,000 in revenue in 2021. While this would not contribute significantly to the operating surplus at a 3% profit margin (i.e., about \$6,000 surplus), Britannia Shipyards would have control over the restaurant's menu offerings, availability of catering for space rentals, and ambiance, all of which could be tailored to align with the character and authenticity and vision of the site.
- **Operate gift shop:** The average gift shop in Canada generates a profit margin of 4%, with the top quartile earning an 18% profit margin.²⁹ Assuming 5% of visitors to the site visit the shop and spend \$10 each, and that the gift shop caters 10% of visitors on site for space rentals at a price of \$20 per head, a gift shop could generate a total of \$95,000 in revenue in 2021. While this would not contribute significantly to the operating surplus at a 4% profit (i.e., about \$4,000 surplus), margin, Britannia Shipyards would have control over the operating segment and potentially use staff to provide better service to visitors.
- **Lease space to third party restaurant or gift shop operator:** If Britannia Shipyards were to build a restaurant facility (or restore an existing building and add a commercial kitchen) and lease this facility to a restaurant operator, restaurant facilities in Steveston currently lease for about \$30 per square foot, dropping to about \$25 per square foot for retail. Assuming that the site leased a small (1,000 square foot) restaurant to a third-party operator, the site could expect about \$30,000 in gross annual rent. A similarly sized retail space (1,000 square feet) would be expected to generate \$25,000 per year. While this could potentially be an easier route than operating a restaurant, finding a willing lease could be difficult as many report difficulties to turn a profit in Steveston restaurants.

4.4 Federal, provincial and private funding options (e.g. sponsorship, grant potential)

The Gulf of Georgia Cannery reported \$95,000 in grant revenue in 2016. Such funding is available through a number of provincial and national government programs. The following subheadings outline some programs with eligibility requirements that are well aligned with the reality of Britannia Shipyards. These funds could be used to help finance restorations and/or new construction of facilities and give the site a boost in its marketing efforts.

²⁸ Industry Canada, Financial performance report for NAICS 7225 - Full-service restaurants and limited-service eating places.

²⁹ Industry Canada, Financial performance report for NAICS 45322 - Gift, Novelty and Souvenir Stores.

4.4.1 Capital grants available for development and restoration

Nordicity identified two government programs at the national and provincial level that could help fund the costs of developing new facilities and restoring heritage buildings on Britannia Shipyards. These programs are outlined below.

- **Canadian Heritage's Legacy Fund – Building Communities Through Arts and Heritage**³⁰ provides fund matching of up to \$500,000 for community-initiated capital projects. This program is available to local incorporated non-profit organizations as well as municipal administrations that demonstrate an active partnership with a community-based group.

Eligible capital projects³¹:

- commemorate a significant local historical event or pay tribute to a significant local historical personality;
- mark a 100th anniversary or greater, in increments of 25 years (e.g., 125th, 150th);
- transform existing buildings or exterior spaces;
- actively involve members of the local community (e.g., volunteering);
- are intended for the general public;
- are barrier-free, easily accessed and appropriately promoted; and,
- present the work of local artists, artisans, heritage specialists or performers.

Although the Legacy Fund is limited to projects that commemorate milestone anniversaries, it is likely that the site's conversion into a shipyard in 1918 (and subsequent events, ship completions, etc. related to this milestone) would provide a variety of centennial events that could be highlighted in an application.

- **British Columbia's Community Gaming Grants Program**³² offers a **Capital Project Grant**, which provides fund matching to not-for-profit organizations embarking on capital projects with a budget over \$20,000. Note that this granting program has specific eligibility criteria for not-for-profit organizations³³ (and specifications for the governance thereof). It also specifically excludes municipal governments as recipients. However, the granting formula recognizes tangible donations of land and/or equipment toward the applicant's contribution of funds. As such, an endowment of land from the City would count toward BHSS's contribution, should BHSS grow the capacity to oversee a major development/restoration project in the mid- to long-term.

³⁰ <https://www.canada.ca/en/canadian-heritage/services/funding/building-communities/legacy-fund.html>.

³¹ <https://www.canada.ca/content/dam/pch/documents/services/funding/building-communities/legacy-guide-2013-eng.pdf>.

³² <https://www2.gov.bc.ca/gov/content/sports-culture/gambling-fundraising/gaming-grants/capital-project-grants>.

³³ https://www2.gov.bc.ca/assets/gov/sports-recreation-arts-and-culture/gambling/grants/capital_projects_sector_guide.pdf.

4.4.2 International marketing support for tourist experiences

More generally, *Destination Canada's Canadian Signature Experiences*³⁴ initiative provides support for international marketing of tourist attractions that deliver a quintessentially Canadian experience. Specifically, the program avails a variety of international marketing and advertising tools as well as co-promotion opportunities. Canadian Signature Experiences are promoted by Destination Canada to "show the world what Canada's tourism brand is all about."

To provide some context, the over 200 current members of the program³⁵ feature experiences such as an underground mine tour in British Columbia, a fossil prospecting hike in the Alberta badlands, and seafood cooking classes in Nova Scotia. At a conceptual level, Britannia Shipyards is well suited for inclusion in the Canadian Signature Experiences program.

Note, however, that the nature of a tourism 'experience' (as defined by Destination Canada) will require some capacity building in the context of Britannia Shipyards' current operations. The most stringent eligibility requirements for Signature Canadian Experiences are the Export Ready Criteria.³⁶ These guidelines amount to a set of best practices for a tourism operator. As such, an effort to meet these criteria is well aligned with improvements that will contribute to a successful future for Britannia Shipyards.

³⁴ <https://www.destinationcanada.com/en/programs#signatureexperiences>.

³⁵ https://www.destinationcanada.com/sites/default/files/archive/525-canadian-signature-experiences-member-list/cse_memberlist_en_full-nov2017.pdf.

³⁶ https://www.destinationcanada.com/sites/default/files/2017-03/Programs_SignatureExperiences_ExportReadyCriteria_Mar2017_EN.pdf.

5. Summary

An incremental and staged approach to growth at Britannia Shipyards will allow restoration to remain the focus in the short-term, enabling incremental change and broad-based stakeholder buy-in in the longer term. The site will continue to offer programming and events that are closely aligned with the vision and mission of the site, while at the same time, pursuing opportunities to generate necessary revenue to decrease the amount of subsidy per visitor to the site. There will be three overarching goals which will shape the next five years at Britannia Shipyards:

- Enhance the **general quality of the visitor experience;**
- Ensure **adequately trained staffing and volunteers are** in place; and,
- Continue **heritage restoration and interpretation.**

The staged approach must consider the following key components:

5.1 Invest in precursors to success

A number of initiatives need to be considered in tandem with the priority areas in order to achieve the highest level of success for the site. They include:

- **Ensure gains are benchmarked and measurable (i.e. quality metrics)**
 - An exit survey or measurement method should be designed to measure customer satisfaction as well as demographics, where possible. Building from these measurements the site should set SMART objectives for progress based on the elements herein (e.g. increase quality of visits by 30%, increase portion of repeat visits by 20%)
- **Expand number of full time staff, auxiliary works and volunteers**
 - The site should add one new permanent full-time position in the short-term and a fifth full-time staff member in the medium to longer term allowing for more targeted and specific roles. Additionally, ensure that adequate staffing hours are allocated for auxiliary and volunteer needs.
- **Invest more operating funds in marketing the site**
 - Ensure everyone in Richmond (and the wider GVRD) knows about Britannia Shipyards, knows how to get there, and what to expect when they do.
- **Reinvest in partnerships with important allies**
 - Especially important will be the Gulf of Georgia Cannery, which has the most potential for cross-branding and marketing initiatives. Additionally, the Cannery is already strong in a few areas that are well positioned for collaboration (e.g. developing an effective volunteer base, gift shop operations).
- **Increase revenue through sponsorship, grants and donations**
 - Continue to expand on recent success acquiring grants and donations. In the short-term, develop an appealing menu of sponsorship opportunities for roll out in the medium-term.

- **Enhance and leverage the BHSS membership**
 - Work together with the BHSS to enhance their membership offer to increase numbers while exploring opportunities to work with the group to benefit the site.
- **Conduct Preparatory work for increased boat building and repair activities.**
 - The site will work with the BHSS and regulators to understand, moving forward, what are the best options for boat building and repair activities on site, and what will require further exploration or investment.

5.2 Pursue low-hanging fruit

The site should invest in attainable 'wins' that align closely with the vision and mission of the site, while growing to reduce the net public subsidy of visitors to the site. As described at length herein, early investment should be focused on the following four priority areas:

- Transition from free to paid site tours;
- Enhance paid programming; and,
- Enhance school tours.

In the medium term, the site will build on success of **special events** and high demand for **rental space on the site**. As such, the site will maintain its already impressive baseline in the short-term and explore options for increasing usage in the medium-term.

These five areas of 'low-hanging fruit' will have the greatest and fastest return on investment, though it is important to note that the type of returns may be different. For example, some will deliver more quantity of visits (e.g. special events) while others (e.g. shifting to paid tours) will help to reduce net subsidy per visitor and increase revenue.

5.3 Regroup, consolidate gains and move forward

After an initial five-year period, it will be time to pause, reconsider progress, throw out ideas that have not worked, and consolidate gains where success has been achieved. By this time, the completion of restoration at Britannia Shipyards will have freed up capital and thereby allow the site to refocus on other, bigger initiatives – such as exploring food and beverage options on site, establishing a new visitor centre/gift shop, and possibly expanding boat building – in order to make further significant gains.

Undoubtedly, the constant factor amidst impending change at Britannia Shipyards is its significant place in British Columbia's maritime heritage and its exemplary ability to tell the stories of Richmond's multicultural community – past, present and future.

6. Appendix 1 – Analysis of Comparable Sites

Heritage Site	City	Overview	Ticketing Structure	Other Revenue Sources	Tour Group Partnerships	School Programs	Food and Beverage Offering	Festivals	Weddings and Event Rentals
Muskoka Heritage Park	Huntsville	The site includes a museum (open year-round), a pioneer village and a train (open seasonally). The pioneer village includes 20 dwellings, costumed narrators, farm animals, gardens.	Full Site Pass (Adult, Senior, Child); Museum (Adult/Senior, Child); Pioneer Village (Adult, Senior, Child); Train (Adult, Senior, Child); For each ticket type, one child under 3 is free with each paid adult admission; Annual Memberships (Individual, Student, Couple, Family, Senior, Senior Couple, Senior and then some).	Gift shop.	Free parking for buses and 10% off admission for groups of 20 or more.	Educational programming from last week of May to beginning of October. 4-hour visit, hands-on activities, new programs to include FN and Metis perspectives per updated curriculum.	Snack Bar (July and August).	Easter Egg Hunt, Strawberry Social, Halloween Pumpkin Trail, Santa Train Ride.	Yes, also available for corporate events and other private functions.
Fort Langley	Langley	National historic site. Hudson's Bay Trading post open year-round with costumed interpreters and audio guides in English and French. Day visits or overnight tent experiences, learn to camp run by Parks Canada.	Free for Canada 150.	Gift shop.	n/a	Curriculum-based programs for primary, intermediate and secondary, English and French. Overnight tent experience for groups of up to 30 people. Also offers Girl Guide Badge and Birthday Parties.	Café (community development initiative led by Kwantlen First Nation), picnic area.	Douglas Day, Musical Christmas, Cranberry Festival, Grave Tales, Halloween.	Site rental: full site; big house and kitchen; theatre; cooperage; visitor centre; orchard. Additional items: tables, chairs, framed tent, pop up tent, stage, sound system, podium, heater.
Gulf of Georgia Cannery	Richmond	National historic site. Former cannery offers educational visitors for children and adults, exhibits, extensive collection of artefacts, seasonal events and venue rental for weddings, event	Tickets: adults, seniors, youth 6-16, children under 6, families, Gulf of Georgia Cannery Society Members. Additional fees for: School Programs, Group Bookings, Private Guided Tours; Holiday Events; Venue Rentals; Birthday Parties.	Gift shop.	Discounts for groups over 10.	Guided visits for children 3-12 in English and French. Teacher resource guides for offsite activities.	Winter Farmers Market Oct-April	Best Catch Sustainable Seafood Festival (coming soon).	Facilities for large indoor events, outdoors and 50 seat theatres.

Heritage Site	City	Overview	Ticketing Structure	Other Revenue Sources	Tour Group Partnerships	School Programs	Food and Beverage Offering	Festivals	Weddings and Event Rentals
Britannia Mines	Britannia Beach	Nonprofit organization animates a national historic site. Formerly the largest copper mine in the British Empire, closed 1974. 10-acre site including underground tour. Resources available in six languages. and film/tv production.	Tickets: adults, seniors, youth 13-17, child 5-12, daily family. Membership: family flex pack, adult, senior, youth, corporate.	Gift shop.	Case by case basis.	Curriculum based programming for all grades, option to add gold panning to an activity.	Café.	n/a	n/a
Burnaby Village Museum	Burnaby	1920s village with restored tram and carousel animated by costumed interpreters. Open seasonally (March Break, May-Sept, Halloween Weekend, Nov 25-Jan6)	Gate admission is free, carousel rides are \$2.65 each. All ages annual membership \$32-34.	Gift shop.	Pre-paid, pre-booked tours. Flat rates for groups of 1-20 and 21-35. Available year round by appointment.	Discovery days fall and spring for students Kindergarten - Grade 9. Field trips with curriculum-based activities for grades 1-6.	Ice cream parlour.	Labour Day Fair, Haunted Village, Heritage Christmas.	Site rental: full site, church, ice cream parlour, carousel, discovery room, meadow.
West Coast Railway Heritage Park	Squamish	12-acre site run by a nonprofit to restore and preserve railway heritage. Includes historic buildings, mini rail, train station.	Tickets: adults, seniors, students, children, family. Additional cost for mini-rail.	n/a	Group tours available on request.	Themed tours for children.	Canteen.	n/a	21,000 sq ft for weddings and conferences
Olde Mistick Village	Mystic, Connecticut	Maritime museum, research centre, boats that you can climb aboard and a reconstructed New England Village.	Tickets: adults, seniors, youth, children.	Commercial marina, gift shop.	Discounts for groups over 15.	Day and overnight programs, online resources and in-school travelling exhibits.	Restaurant, canteen, tavern, café.		Multiple venues available.

Heritage Site	City	Overview	Ticketing Structure	Other Revenue Sources	Tour Group Partnerships	School Programs	Food and Beverage Offering	Festivals	Weddings and Event Rentals
Pier 21	Halifax	Museum of the history of immigration on Halifax's waterfront offer interactive exhibitions, multipurpose performance spaces and a research centre to allow visitors to trace the journey of family members to Canada.	Tickets: adults, seniors, youth, children, family, student. Memberships: adults, seniors, students, family.	Gift shop (including e-commerce), donor wall.	Discount rate available.	French and English tours and workshops for school groups. Online resources for use in classrooms.	n/a	Diversity Spotlight film series.	Venues for groups of 20 to 440.
Black Creek Pioneer Village	Toronto	Preserved and reconstructed heritage buildings allowing visitors to explore a 19th century village. Open April-December.	Tickets: adults, seniors, children, students.	Gift shop, beer tastings, archery workshop, escape games, haunted walks.	Discounted rate available.	Educational programming for elementary and high school students, ESL and adult learning classes.	Café, snack bar.	Holiday programming (Halloween, Christmas etc.).	Indoor and outdoor spaces available, catering on-site.
Wooden Boat Museum	Winterton	Exhibits, collections and oral histories record the stories and skills of wooden boat building across the province. Open June to September.	Tickets: adults, children, family. Memberships: individual, student, family, community, benefactor, lifetime.	Annual conference.	n/a	Children's boat building workshops offered July and August.	n/a	n/a	n/a

Heritage Site	City	Overview	Ticketing Structure	Other Revenue Sources	Tour Group Partnerships	School Programs	Food and Beverage Offering	Festivals	Weddings and Event Rentals
Vancouver Maritime Museum	Vancouver		Tickets: adults, seniors, students, youth, children, family. Separate passes to access Vanier Park. Memberships: family, individual, senior.	Gift shop.	n/a	Programs for school groups grades K-12.	n/a		Venues and AV equipment available.
Barkerville Historic Town	Barkerville	Province of BC owned Heritage Property and Park, Government of Canada National Historic Site. 100+ buildings reconstruct gold rush history, including one of Canada's first China towns. Open May -Sept plus winter outdoor activities.	Two day admission; package including two day admission plus Theatre Royal ticket, stagecoach ride and gold panning, annual pass.	Many stores on-site (jewelers, gift shop, coffee shop). On-site accommo dation: camping and B&Bs.	Discounts for groups over 10.	Day or overnight activities.	Four restaurants.		Range of venues, catering, accommodation and custom interpretation packages for weddings, conferences and events.
Maritime Museum of the Atlantic	Halifax	History of military and civilian vessels, Halifax harbour and other maritime activities. Includes a docked boat that visitors can explore.	Tickets: adults, seniors, youth, children, family. Season pass: adult, senior, youth, family.	Gift shop.	Discounted rates available for: youth/day camps, ESL programs, post-secondary, motor coach groups.	Curriculum-based programs for students grades 3 to 8.	n/a	n/a	Venues available for weddings, film and video production.

Heritage Site	City	Overview	Ticketing Structure	Other Revenue Sources	Tour Group Partnerships	School Programs	Food and Beverage Offering	Festivals	Weddings and Event Rentals
Canadian Canoe Museum	Peterborough	Extensive exhibits of canoes based around a donated private collection. No waterfront access on-site but occasional offsite activities involving paddling etc.	Tickets: adults, seniors, students, family, children, members.	Gift shop.	Discounts for groups over 10.	Curriculum based programs for K-12. March break and PA day activities, summer camps.	n/a		Venue includes tables, chairs, kitchen access, AV and event staff.
North Pacific Cannery Museum	Prince Rupert	Exhibits, tours and local cuisine pays tribute to this history of resource extraction in BC.	Tickets: adults, seniors, youth, family, children under 5 free.	Gift shop.	Groups of ten or more discounted. Guided tours and lunch specials available.	Available upon request.	Mess House 10:30-3:00 July and August.		Venues available, including catering, seating, dishware and overnight accommodations.
London Heritage Farm	Richmond	Farm house with barn, farming equipment and gardens recreates the 1860s.	Entrance by donation.	Gift shop.	Guided tours for groups available upon request.	Structured visits available for students K-12.	Tea room.	Monthly themed teas.	House and grounds available for rental, can also add chairs, tables, tents.
Port Moody Station Museum	Port Moody	Port Moody Heritage Society operates a museum in a 1908 railway station.	Entrance by donation.	Gift shop.	Group rates for Station Tour and Tea on the Train, must reserve in advance.	Half day programs available for students K-12.	Tea on the Train.	Annual events e.g. Family Day Railroad Day, Easter Extravaganza, Holiday Tea.	Only available for wedding photography, not the event. Can be booked for children parties and film shoots.

7. Appendix 2 – Britannia Shipyards Strategic Plan 2014-2018 Strategic Framework

1 – Inspirational Experiences

Outcome 1: Historic structures are preserved and developed to celebrate the site's history and embrace future opportunities.

Action Items	Timeframe
1. Update capital development plan for Britannia Shipyards to identify priorities and future opportunities and prioritize within the five year plan.	2015-2017
2. Create capital development and interpretation plan for the Japanese Duplex and First Nations Bunkhouse	2017-2018
3. Examine the feasibility of making the Shipyard ways and winch operational and explore options for their future use.	2015
4. Complete existing capital projects including wayfinding, Shipyard ways stabilization, Richmond Boat Builders ways, boardwalk replacement and Seine Net Loft dock.	2014

Outcome 2: Engaging exhibits tell the story of our past and meet current community needs.

Action Items	Timeframe
1. Design and produce a plan for the interior of the Seine Net Loft which includes permanent and temporary exhibits as well as flexible program and event space.	2015
2. Update Murakami House exhibits.	2016

Outcome 3: Landscaping and wayfinding create a sense of place and a welcoming visitor experience.

Action Items	Timeframe
1. Update and implement landscape plan for the site.	2015-2018
2. Complete wayfinding and signage program, including the creation of a site "entrance", to create a better sense of place.	2015-2016

2 – Inspirational Experiences

Outcome 1: Site interpretation and programming tells the story of our past and meets current community needs.

Action Items	Timeframe
1. Establish a program committee to ensure programs are meeting community needs.	2014
2. Develop and deliver programs that foster a greater appreciation for maritime heritage.	Ongoing
3. Develop and deliver programs that increase maritime expertise including traditional boat building techniques, heritage vessel restoration and maintenance, and contemporary maritime skills.	Ongoing
4. Develop and deliver sustainable public programs that appeal to a variety of audiences and respond to community needs, including water-based programming and programming with other heritage sites.	Ongoing
5. Develop and deliver curriculum-based educational programs for K-12 and English as a second language students.	Ongoing

Outcome 2: Festivals and special events contribute to site animation and regional tourism.

Action Items	Timeframe
1. Develop and implement a festival and events strategy including criteria to evaluate future opportunities.	2015
2. Host community festivals and events that contribute to site animation and attract new audiences.	Ongoing
3. Develop and produce site-specific festivals and events.	Ongoing

3 – Relationship Based Approach

Outcome 1: Britannia Shipyards is governed effectively using a relationship-based approach.

Action Items	Timeframe
1. Explore and recommend governance options that most effectively allows Britannia to realize its vision.	2014-2016
2. Clarify the relationship, role and function of the Britannia Heritage Shipyard Society.	2014-2016

Outcome 2: Partnerships are valued as a way of doing business

Action Items	Timeframe
1. Build relationships with diverse stakeholder groups.	Ongoing
2. Formalize relationships with community stakeholders when appropriate.	Ongoing
3. Pursue joint programming and marketing opportunities with other Steveston heritage sites.	Ongoing

4 – Effective Management

Outcome 1: Britannia Shipyards is managed effectively and efficiently.

Action Items	Timeframe
1. Pursue sustainable revenue generating and other funding streams that are compatible with the site's vision, mission and values.	Ongoing
2. Review staff positions on a regular basis to ensure they are meeting the needs of the site.	Ongoing
3. Establish a program to monitor visitor and program participant satisfaction and continually refine services to better meet visitor needs.	2015

Outcome 2: Volunteers play an active role at Britannia and contribute to its success.

Action Items	Timeframe
1. Increase volunteer recruitment and participation at the site.	Ongoing
2. Ensure volunteers are properly screened, trained, evaluated, supervised and recognized.	Ongoing
3. Develop and implement policies and procedures that ensure safety for visitors, volunteers and staff.	Ongoing

Outcome 3: The management of the City of Richmond's waterfront heritage resources in Steveston are coordinated.

Action Items	Timeframe
1. Explore and recommend options for the management and operation of Scotch Pond and the Phoenix Gill Net Loft as part of Britannia Shipyards' governance and operations.	2014-2015

5 – Outstanding Communication

Objective 1: Britannia Shipyards has a distinctive brand and visual identity

Action Items	Timeframe
1. Create a logo and visual identity for Britannia Shipyards and apply it to all marketing and communications materials.	2015-2016

Objective 2: Marketing and communications promote the site and foster awareness that Britannia Shipyards is a unique and valuable public asset.

Action Items	Timeframe
1. Develop and implement a marketing and communications plan that addresses improved communication with stakeholders using a variety of traditional and new media tools, and direct marketing to tour operators and schools.	2016-2017

6 – Respect for Historical Integrity and Authenticity

Objective 1: Britannia Shipyards' buildings, landscape, docks and floats are preserved to maintain the historical integrity and authenticity of the site.

Action Items	Timeframe
1. Complete and adopt a conservation plan for the site's buildings.	2015
2. Ensure Standards and Guidelines for the Conservation of Historic Places are followed.	Ongoing
3. Ensure maintenance is completed in a timely and responsive manner.	Ongoing
4. Ensure landscaping is maintained in a manner that compliments the site.	Ongoing

Objective 2: Britannia Shipyards' well-maintained fleet of historic vessels reflects the site's history.

Action Items	Timeframe
1. Develop and implement vessel acquisition plan.	2015-2018
2. Develop and implement annual maintenance plan for vessels.	2015

Objective 3: Britannia Shipyards' is home to a well-preserved artefact collection that is used to interpret the site's history.

Action Items	Timeframe
1. Comply with City of Richmond Collections Policy.	Ongoing
2. Ensure artefacts are properly inventoried, stored and cared for.	Ongoing
3. Inventory and review artefact collection to identify current gaps, accept targeted new acquisitions that fill this gap and deaccession duplicate and irrelevant items.	2016-2018

8. Appendix 3 – Financial Assumptions

Contribution Analysis

The following table presents the estimated contribution surplus/(deficit) associated with each operating segment (i.e., each source of revenue identified on the pro-forma financial statements).

The figures presented in this table are the result of netting each source of revenue with its associated expenses to isolate the contribution of each operating segment to overall profitability. Associated expenses include **variable expenses** and an allocation of **direct overhead expenses**. Variable expenses include expenses such as the cost of auxiliary staff time required to book group tours or space rentals, and the materials associated with school tours. Direct overhead expenses consist of additional contract and utility expenses associated with increased facility usage (using attendance as the driving variable).

Note that no costs were associated with the first two lines (“sponsorships/grant/donations” and “other (filming/recovery)”). Applying for the grants would be a key part of the community programs coordinator and the new manager of the site. The final overhead line includes a \$70K full-time salary for the new hire detailed in the recommendations, as well as any variable maintenance costs associated with increased special event attendance.

Table 12: Contribution surplus/(deficit) by operating segment

Operating segment	Current	Short-term		Medium-term		
	2017E	2018F	2019F	2020F	2021F	2022F
Sponsorships, Grant, Donations	21,698	23,868	26,255	50,000	65,000	84,500
Other (filming, recovery)	19,980	19,980	19,980	19,980	19,980	19,980
Site tours	-17,972	24,758	91,522	165,208	245,816	333,346
School tours	-13,244	-1,220	-1,291	-1,362	-1,434	-1,505
Paid programming	5,777	9,277	10,485	11,694	12,903	14,111
Space rentals	14,743	14,743	14,743	16,218	17,839	19,623
Overhead	-654,842	-769,105	-769,110	-781,300	-781,311	-781,323
Operating surplus (deficit)	-623,860	-677,700	-607,416	-519,563	-421,207	-311,267

The preceding table shows that the largest contribution to overall profitability is projected to be paid site tours. Using the assumptions driving the costs estimated in the financial model (documented below), the contracts/maintenance that are associated with this level of facility utilization (i.e. attendance) currently drive a loss on this activity.

School tours were costed such that the price per student was set to the amount required to break even before accounting for allocated direct overhead expenses. The amount of activity relative to actual revenue in 2017 suggests a lower recovery rate on this activity, which contributes a net deficit in 2017.

Paid programming and space rentals both contribute a modest profit after accounting for their costs.

Overhead consists of fixed costs and any direct overhead that could not be associated with a source of revenue (increases in this line’s deficit contribution is the result of: contracts/maintenance linked to special event attendance; and increased telecommunications costs driven by an increase in salary/payroll due to the new hire).

Assumptions

The following assumptions were used to drive the financial model:

- Paid tours
 - Total number of regular hour drop-ins: Currently, 93K per year, rising to 120K in 2022
 - Percentage of total regular hour drop-ins that attend paid tours: Currently 1.1%, rising linearly to 80% in 2022
 - Price per person per tour: \$4.00
- Special event drop-ins
 - Total number of special event drop-ins: Currently, 66K per year, rising to 95K in 2022
 - No associated revenue
- School groups
 - School group size: 25
 - Number of school groups per visit: 2
 - Number of school visits: Currently, 36 per year, rising linearly to 48 in 2022
 - Revenue per school group: \$246.00
 - Admin cost per visit: \$55.00 (one hour of visitor services associate time @ \$30 per hour and one hour of tour preparation/set-up @ \$25 per hour)
 - Facilitation cost per group visit: \$56.25 (1.5 hours of tour facilitator @ \$37.50 per hour)
 - Cost of materials per student: Between \$2.00 and \$4.00
 - Fixed cost: \$100 annually
- Space rentals
 - Total number of rentals: Currently 169, rising to 225 linearly, starting in 2020 (i.e. rentals only begin to grow in the mid-term)
 - Price per rental: \$210.71, based on current actual revenue divided by number of rentals reported
 - Admin cost per rental: \$110.00 (based on double the amount of staff time cited in the "admin cost per school visit" assumption, as described above)
- Facility overhead
 - Contracts and utilities were assumed to consist of 25% fixed costs, and the remaining 75% was assumed to exhibit a linear relationship with total attendance. Total attendance includes all visitors to the site, as documented in all of the previous assumptions about number of visitors associated with drop-in attendance, rentals, tours, etc.
- Salaries and benefits

- New hire: \$70,000 in salary and benefits per year (to increase per as year as per union contract)
 - Auxiliary staff costs: Outlined separately for school tours and space rentals above
- Administrative overhead
 - Telecommunications costs were assumed to consist of 50% fixed costs, and the remaining 50% was assumed to exhibit a linear relationship with salaries and benefits (after accounting for cost of new hire and auxiliary staff time used to book school groups)
 - Marketing budget: Increased from \$5,952 per year to \$50,000 per year
- Fixed expenses
 - Public works, supplies (less school tour direct material costs), and other expenses (representing a total of \$60K per year) were assumed to remain constant

9. Appendix 4 – List of Interviewees

In addition to focus group and validation session attendees, below is a list of all of the stakeholders who were engaged for interviews.

Table 13: Interviewees

Name	Title and Organization
Ann Phelps	Chair, Britannia Heritage Shipyard Society
Bill McNulty	Councillor, City of Richmond
Brooke Lees	Acting Site Supervisor/Heritage Coordinator, Britannia Shipyards National Historic Site
Bruce Okabe	Chief Executive Officer, Tourism Richmond
Cathy Carlile-Volkering	General Manager, Community Services, City of Richmond
Dee Bowley	Former Supervisor Britannia Shipyards National Historic Site
Harold Steves	Councillor, City of Richmond
Jane Fernyhough	Director, Arts, Culture & Heritage, City of Richmond
Kimberly Baker	Acting Community Facilities Programmer / Program Facilitator, Britannia Shipyards National Historic Site
Linda Barnes	Chair of Steveston 20/20 and Steveston Historical Society.
Loren Slye	Director, Britannia Heritage Shipyard Society
Marie Fenwick	Manager, Museum and Heritage Services
Mike Redpath	Former Senior Manager Parks & Site, City of Richmond
Rebecca Clarke	Executive Director, Gulf of Georgia Cannery
Terry McPhail	Director, Britannia Heritage Shipyard Society