



June 22, 2020

Attn: Provincial Standing Committee on Finance and Economic Affairs

Re: Tourism Impact at THEMUSEUM in Kitchener, Ontario

Dear Committee Members:

Earlier this month David Marskell, THEMUSEUM's CEO, presented as a witness to your committee on the COVID-19 pandemic's impact on our tourism and cultural economy. We as an organization wanted to also submit a written document detailing some of the hardships experienced by THEMUSEUM as a result of the pandemic shutdown.

Like much of Ontario's tourism industry THEMUSEUM was hit hard by the pandemic and the related provincial shutdown. Closing our doors the weekend before March Break was particularly difficult, as our organization is a major draw for families from within and outside of the Region of Waterloo for many different age friendly experiences and exhibitions. Admissions from the beginning of March to the end of May, when compared with 2019, decreased by 86%, with essentially all of these visitor numbers being accounted for at the beginning of March. That is over 25,000 parents, children, seniors and young adults and students who were unable to come to THEMUSEUM to learn and grow, as well as spend visitor dollars throughout downtown Kitchener and the Region of Waterloo. On average approximately 40% of THEMUSEUM's annual visitors come from outside of the Region of Waterloo, bringing on average \$9 million dollars in visitor spending with them. Leading up to the summer this means between \$3 and \$4 million in visitor spending has so far not come to the Region of Waterloo as a result of THEMUSEUM having to close its doors.

A direct impact of the pandemic for THEMUSEUM has been having to lay off most of our staff, and there are still many uncertainties concerning how and when we can safely open, and what type of capacity we will be able to welcome in to our space that allows us to still operate safely. On the financial side THEMUSEUM has currently lost over \$65,000 from cancelled events and rentals, and over \$45,000 in lost event revenue due to rentals that have been moved later into 2020 and/or 2021. In total THEMUSEUM has experienced over \$350,000 in lost non-governmental revenue from March-May, when compared with 2019 revenue numbers. This represents a non-governmental revenue decrease of 66% in March, 88% in April and 89% in May.

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Despite closing our physical location THEMUSEUM has been able to pivot slightly into virtual programming, and we have already engaged with tens of thousands of viewers with our videos and online programs. However this is not a monetized endeavor and it is more about keeping our important cultural programming accessible to people as much as possible and following through with our mandate to bring exceptional cultural content to our visitors that will awe, inspire and enlighten them. We, like many cultural and tourism operators, have spent many years working on improving upon experiential tourism options for our visitors, but with the physical building having to close and strict health and safety guidelines being put in place this will have to continue to be rethought, all while continuing to pursue our important work being done throughout our communities.

THEMUSEUM is dependent on schools being open and local and out of town visitors having the freedom to visit us. We are also highly dependent on events and other forms of group driven revenue generation. The lack of these in-person and hands-on activities means zero revenue from these sources. As in most industries it is difficult to monetize online content, particularly with the development and highlighting of experiential tourism and events over the course of the last 20 years. Despite the popularity of online social media the success of experience creation still involves people going somewhere for these experiences. Coming to terms with this turn of events, as well as what this new hybrid digital/real world reality looks like for the tourism industry moving forward, will be based on the level of support given to the tourism industry as it pivots towards accessible hybrid experiences.

THEMUSEUM is a central part of downtown Kitchener, so there are numerous interdependencies with neighbouring restaurants and hotels for complete visitor experiences, as well as numerous other relationships with other businesses and the BIA, the local neighbourhoods, and parking garages and other municipal revenue generation. We are part of the wider heritage and cultural landscape that contributes to visitorship in the Region and so are part of a collection of unique and interesting experience generators in the form of other museums, galleries and artistic communities that play off one another to create a well-balanced system of cultural opportunities for local and out of Region visitors. And the on average \$9 million dollars alone that THEMUSEUM annually contributes in the form of visitor spending helps speak to the considerable economic and tourism interdependencies that exist around us.

THEMUSEUM will continue to experience hardships well after we are able to reopen, as capacity concerns, increased costs associated with PPE and keeping our space safe, and tourists and other visitors not yet feeling safe to travel far from home and go into museum spaces, will all factor significantly in how we can successfully operate and contribute towards the cultural and economic well-being of the Region of Waterloo and the Province of Ontario. Support measures like the Federal wage subsidy and other economic assistances and payment deferrals

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will need to be extended for tourism and cultural experience providers in order for these important organizations to continue to be able to survive into 2021 and contribute towards Ontario's "Marquee Year" of local and provincial tourism experiences.

For THEMUSEUM specifically a reworking of the provincial community museum policy and access to the annual CMOG grant would open significant doors to future community impact. Currently THEMUSEUM, which is a museum of ideas and experiences and brings in world-class exhibitions for the Region of Waterloo, is ineligible for the annual CMOG grant due to the lack of a large enough physical collection. The larger international museum world is experimenting with changing the definition of what comprises a museum and the Province would see expanded community cultural impact by revising and reworking eligibility requirements for what is considered a community museum in Ontario.

Many tourism and attraction operators are natural sales people. They sell experiences and create memories. And for many people throughout the province this is what they are longing for, particularly as they continue to isolate and/or physically distance themselves for the benefit of our communities as a whole. There is an opportunity to leverage this salesmanship, and the availability of experiential tourism. When it is safe to do so encourage people to get out, to see what there is to do locally and provincially, and to get them supporting the industry by spending those tourism dollars. We can drive it home that these experiential tourism opportunities can be leveraged to create and promote strong communities and strong relationships between Ontarians and their province. And they can have these experiences with their family and friends, making it particularly important.

Thank you for taking the time and for allowing THEMUSEUM to contribute to the future well-being of the Province. Good luck with your Committee work and we look forward to seeing the results.

Sincerely,

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