

# STRATEGIC PLAN - KEMPTVILLE CAMPUS EDUCATION AND COMMUNITY HUB

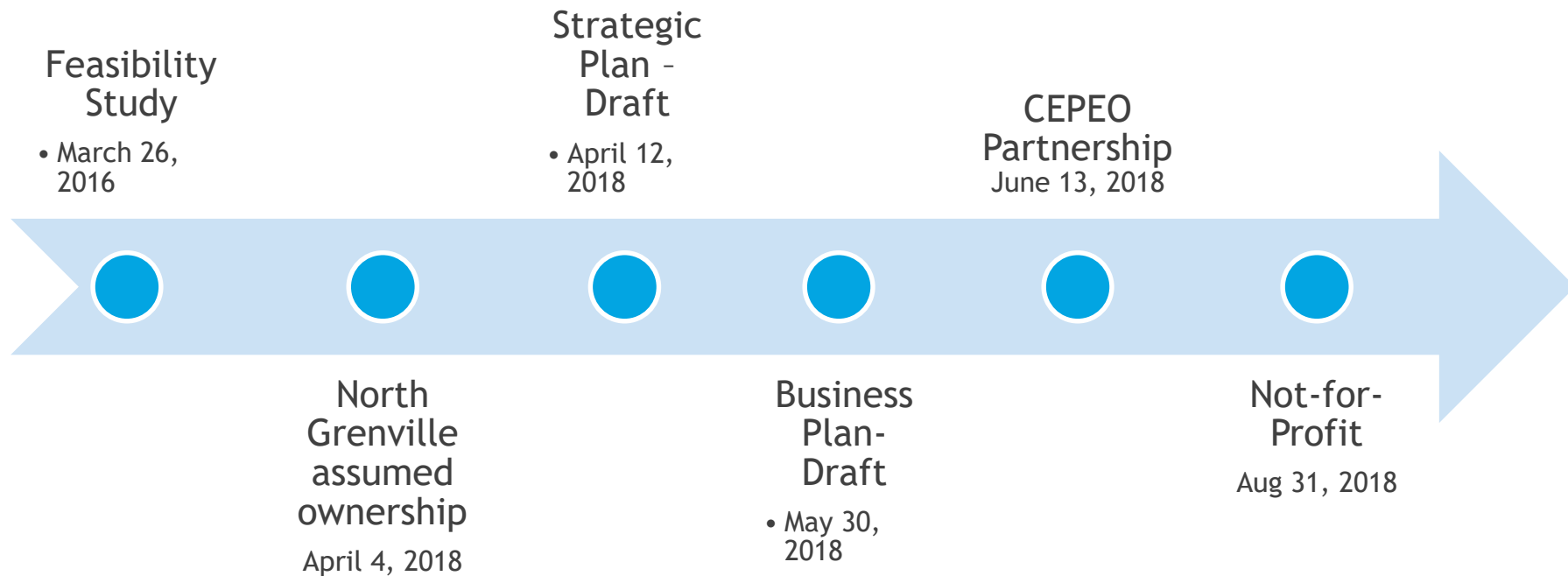


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September 4, 2018

# PRESENTATION OUTLINE

- Project Description - Background
- Strategic Plan
- Business Plan
- Financial Model - Budget
- Not-for- Profit

# TIMELINE



# PROJECT DESCRIPTION - BACKGROUND



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# PROJECT DESCRIPTION - BACKGROUND

- Established in 1917 by the Ontario Government, Kemptville College had a traditional role in the agricultural sector and training in the region and has long been a defining element of the local community and its economy
- Municipality of North Grenville commissioned a BDO feasibility study to determine sustainability of the renewal of Kemptville Campus. The feasibility study found that the renewal of the campus would be financially viable as a mixed use Education and Community Hub
- The acquisition of the campus became official on Wednesday April 4, 2018
- The Hub is focusing on three pillars: Education and Training, Health and Wellness, and Economic Development

# BDO AND PLANNING FOR THE NEXT CHAPTER

## Strategic Plan:

- The Strategic Plan provides the strategic directions and core values which are the founding principles to build the community hub

## Business Plan:

- The Business Plan focuses on balancing the societal benefits of the venture and revenue optimization for financial feasibility for the first seven years of operation

# STRATEGIC PLAN



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# STRATEGIC PLAN:

- The Strategic Plan provides the strategic directions and core values which are the founding principles to build the community hub
- The plan was created by BDO with input from the key partners, and that included the Municipality of North Grenville, the Conseil des écoles publiques de l'Est de l'Ontario, and staff with the Kemptville Campus Education and Community Hub.
- The core values provide a framework for how we work with each other and with partners to deliver climate change resiliency, as well as contribute to low-carbon innovation.
- The commitment is to advancing the community mindset according to these principles, as the foundation for the first phase of the hub's development.
- This plan is iterative as we approach the next seven years, with leadership from the Board of Directors being an integral factor in executing the strategy



# STRATEGIC PLAN

## Aspirational Vision and the Six Strategic Directions

### Strategic Direction 1

Focus on financial sustainability through revenue generation and lean operational principles

### Strategic Direction 2

Encourage resiliency in the areas of agriculture, forestry, and water resources, by leading low-carbon innovation in the local industry

### Strategic Direction 3

Implement low-carbon innovations on campus property to reduce the carbon footprint of the hub

### Strategic Direction 4

Achieve a societal impact by advancing community attitudes and behavior on climate change resiliency

### Strategic Direction 5

Foster a culture of collaboration on campus, creating a dynamic and action-oriented hub

### Strategic Direction 6

Market the vision and successes of the hub to develop a brand that is recognized locally, provincially, nationally, and globally

# BUSINESS PLAN

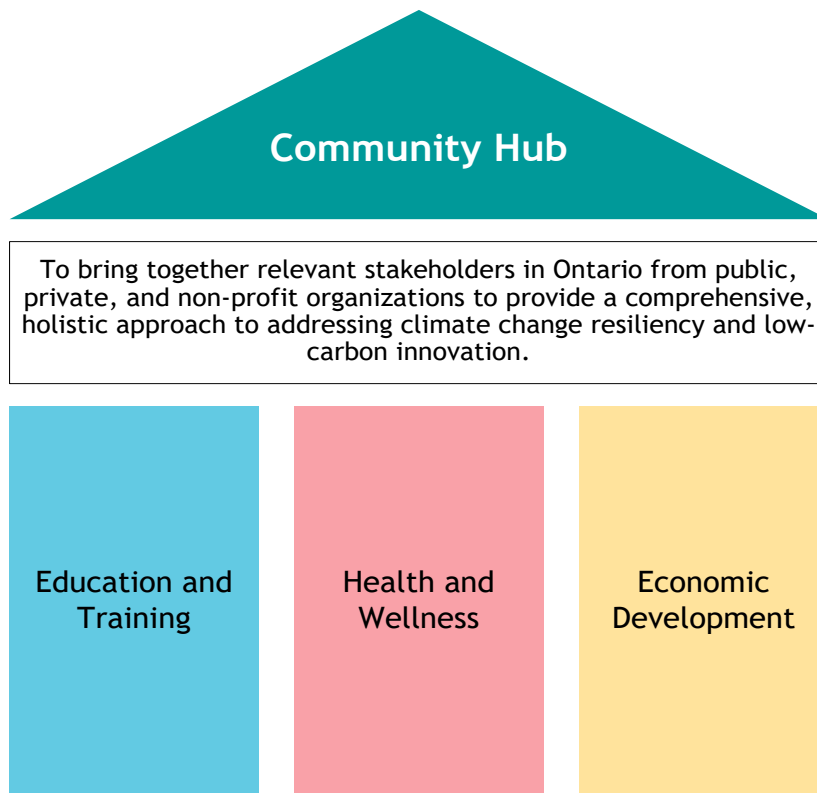


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# BUSINESS PLAN

- The Hub will focus on three main pillars:
  - Education and Training
  - Health and Wellness
  - Economic Development



# BUSINESS PLAN

## Education and Training

- The hub will represent the entire continuum of education, from early years, elementary, secondary, to adult education
- Primary and secondary schools located on the campus will be able to promote an understanding of climate change and the internalization of low-carbon practices from a young age
- The intent is for education to leverage and contribute to the collective environmental mindset
- K-12 schools will be encouraged to incorporate climate change resilience and low-carbon innovation initiatives in their curricula, promoting healthy and sustainable consumption of food, energy and water
- Students will act as a conduit to transfer knowledge learned on campus into the community, ensure the success of the climate change resiliency movement, and promote the hub as a leader in low-carbon innovation.
- All of the school boards have an Adult Education mandate -Adult education on campus will focus on new technologies and emerging trends and adopting low-carbon innovations.
- Much like the expectations of youth education, adults will be able to promote the knowledge they gain through certificate programs, benefiting their communities and respective industries.

# BUSINESS PLAN

## Health and Wellness

- In addition to a geographic impact, climate change has a very real impact on human health and wellness
- Low-carbon innovations that mitigate climate change can enhance personal health and wellness and ensure the future health of communities and the region.
- Under this pillar, the enhancement of greenspace on campus will also have a beneficial impact on the health and wellness of the community.
- Building on our capacity in plant horticulture, it is expected that the increased use of botanicals or horticulture will create a campus space that promotes outdoor activities and interactions with nature. Campus tenants and residents will have opportunities to engage in physical activities through walking trails. Social services provided within the hub will focus on youth and family wellbeing, including programs focusing on Arts & Culture, Leisure and Recreation. In addition, developing these shared green spaces, such as a community garden with a focus on local foods, can have a positive impact on mental health and stress levels.

# BUSINESS PLAN

## Economic Development

- The hub will contribute to the community's development by leading in low-carbon innovation
- Economic growth opportunities relating to climate change innovation are projected to evolve from a changing political climate and priorities at the provincial, federal, and international levels
- New opportunities for the region's businesses and an increase in economic activity are anticipated due to a first-mover advantage
- The hub model is positioned to attract businesses from the surrounding regions by making the hub the centre of low-carbon innovation in local economic sectors
- The renewal of Kemptville Campus will offer demonstration opportunities for best practices in net zero building retrofits, and waste water re-use, and energy conservation
- Co-working/maker spaces and a dedication to innovation can also promote and entrepreneurialism and new business ventures
- Social enterprise and student-run enterprises can also be incubated in the co-operative education programming and co-working spaces on campus until such time they are viable as local small businesses.

# BUSINESS PLAN

## Findings: SWOT

### STRENGTHS

- Comprehensive facilities
- Historic reputation
- Agricultural expertise / location

### WEAKNESSES

- Capital investment required
- Rural campus setting
- Low tenancy
- Conflict amongst tenants

### OPPORTUNITIES

- Demand for applied education
- Provincial and federal funding
- Green retrofitting expertise
- Green agriculture
- Health and wellness
- Partnerships with First Nations
- Campus greenspace
- Climate change
- 

### THREATS

- Political change

# BUSINESS PLAN

## Findings: Products and Services

### Long-Term Tenancy

- Any group leasing facilities from Kemptville Campus on an annual basis
- Must have a direct focus on climate change resiliency and low-carbon innovation
- Access to greenhouses, foot paths, office locations, auditoriums, grass fields, cultivable land, and gardens
- Close proximity to Kemptville District Hospital

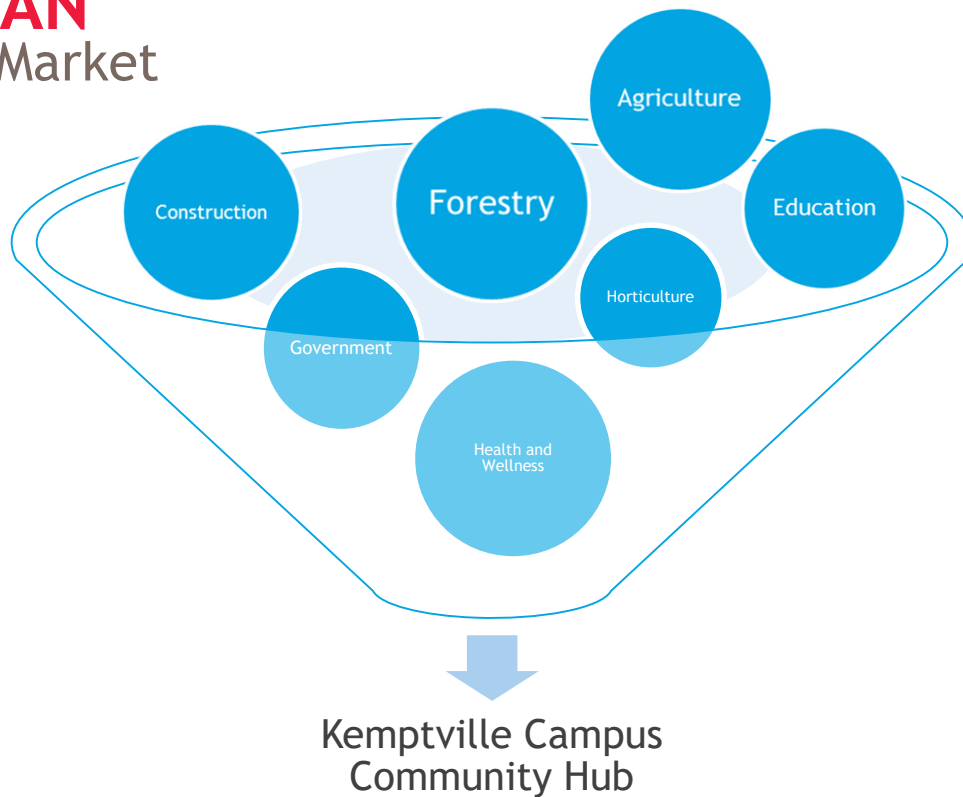
### Short-Term Rentals

- Any individual or group renting facilities from the Kemptville Campus on a one-time or limited re-occurring basis
- Includes special events considered to align with the campus' three pillars



# BUSINESS PLAN

## Findings: Target Market



# FINANCIAL MODEL AND PRELIMINARY BUDGET



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# BUSINESS PLAN

## Financial model and Budget

Summary		Budget	Projections					
		2018	2019	2020	2021	2022	2023	2024
Yearly Cash Flows								
Rental Revenues	261,389 \$f	1,293,434	1,513,313	1,720,437	1,793,640	1,793,640	1,964,395	1,964,395
Short Term Rentals (Current)		153,434	153,434	153,434	153,434	153,434	153,434	153,434
Community Hub Fees		55,614	55,614	55,614	55,614	55,614	55,614	55,614
Recoverable Costs		324,706	332,824	341,144	349,673	358,415	367,375	376,559
Gross Revenues		1,827,188	2,055,185	2,270,629	2,352,361	2,361,102	2,540,818	2,550,003
(-) OPEX		(645,373)	(661,507)	(678,045)	(694,996)	(712,371)	(730,180)	(748,435)
(-) Administrative		(1,215,331)	(1,138,000)	(1,166,450)	(1,195,611)	(1,225,502)	(1,256,139)	(1,287,543)
Net Operating Income		(33,516)	255,677	426,134	461,753	423,230	554,499	514,025
(-) Interests		(75,746)	(149,363)	(146,438)	(143,404)	(140,259)	(136,999)	(133,617)
(-) Debt Service(Principal)		(38,650)	(79,428)	(82,354)	(85,387)	(88,532)	(91,793)	(95,174)
Financing Cash Flows		(114,396)	(228,791)	(228,791)	(228,791)	(228,791)	(228,791)	(228,791)
CF before CAPEX and Reserve Fund		(147,912)	26,886	197,343	232,962	194,438	325,707	285,234
(-) CAPEX		(208,000)	(557,348)	(557,348)	(557,348)	(557,348)	(557,348)	(557,348)
(+) Draw from reserve Fund Financing		355,912	557,348	557,348	557,348	557,348	557,348	557,348
(+) Transfert to operating surplus Fund (Campus)			(26,886)	(197,343)	(232,962)	(194,438)	(325,707)	(285,234)
Yearly Net Cash Flows		-	(0)	-	-	-	-	-
Reserve & Operating Fund Balances								
Reserve Fund		3,344,088	2,786,740	2,229,392	1,672,044	1,114,696	557,348	0
Operating surplus Fund (Campus)		-	26,886	224,228	457,190	651,629	977,336	1,262,570
Debt Schedule								
Term Loan								
Amount Outstanding - Beginning		4,150,475	4,111,825	4,032,397	3,950,044	3,864,657	3,776,125	3,684,332
Additions / (Repayments)		(38,650)	(79,428)	(82,354)	(85,387)	(88,532)	(91,793)	(95,174)
Amount Outstanding - Ending		4,111,825	4,032,397	3,950,044	3,864,657	3,776,125	3,684,332	3,589,158
Annual Interest Expense		75,746	149,363	146,438	143,404	140,259	136,999	133,617
Reserve Fund								
Amount Outstanding - Beginning		3,700,000	3,344,088	2,786,740	2,229,392	1,672,044	1,114,696	557,348
Additions / (Expenses)		(355,912)	(557,348)	(557,348)	(557,348)	(557,348)	(557,348)	(557,348)
Amount Outstanding - Ending		3,344,088	2,786,740	2,229,392	1,672,044	1,114,696	557,348	0

# NOT-FOR-PROFIT



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# NOT-FOR-PROFIT

- Federal Not-for-profit application has been made and its Registration is confirmed
- We are now in the process of creating the post-incorporation documents
- They include a membership agreement, the bylaws, and resolutions
- Director recruitment (individuals with varied experience in each of the three pillars - administration, education, finance, climate change resiliency and low carbon innovation, entrepreneurship...)
- Exec Director Recruitment

# GOVERNANCE

- The governance model will likely consist of the following
- The NFP corporation legislation identifies its owners the MNG and the CEPEO as members
- A Board of Directors with a Chair and or an Executive group (TBD) - operate and manage the hub
- With Sub-committees for Education and Training, Health and Wellness, and Economic Development, and Facilities (tenants)
- A Director will be asked to Chair each of the sub-committees
- The post-incorporation documentation are in progress

# THANK YOU



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