Project Pre-Planning – Notes from Toronto Artscape Presentation*

OVERVIEW

Why Invest in Pre-Project Planning?
- Helps make informed decisions
- Cultivates support
- Saves money
- Increases chance of long-term success
- Helps balance program with financial and organizational capacity

Risks in Cutting Corners in Pre-Project Planning
- Lack of compelling vision
- Lack of stakeholder buy-in
- Little or no momentum in support and investment
- Lack of framework for key decisions
- Conflicting ideas among development team members
- Potential for major mistakes and miscalculations

Most Common Failures in Pre-Project Planning
- Failure to take into account mission and market
- Narrow focus on site and real estate
- Underestimation of time and sophistication required
- Proponents plans are greater than their organizational capacity
- Inadequate use of qualified planning professionals

Elements of Pre-Project Planning
- Vision Development
- Stakeholder Engagement and Partnership Development
- Development Team Assembly
- Analysis and Planning

VISION

Developing Project Vision Should be a Process of Discovery
How can your project:
- Serve your internal needs and aspirations?
- Build on the cultural assets and creative resources of your community
- Serve a broader range of needs, constituencies and interests?
- Be an example to other projects?
- Have multi-dimensional impact?

A Strong Shared Vision is Key to Attracting Interest and Investment
- Engage project leadership
- Foster a sense of collective ownership
- Create a reason for donors and sponsors to participate
- Garner community support
- Build project momentum

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Start with an Understanding of the Imperatives Driving the Project
- A building in search of a home
- An organization in search of a building
- Tenants interested in co-location and incubation
- A space crisis in the arts community
- A development in need of an arts component

Develop a Clear Consensus of Your Internal Goals
- Needs
- Strengths
- Weaknesses
- Opportunities
- Threats
- Aspirations
- Relationship to capacity

Develop a Deep Understanding of the Cultural Assets and Creative Resources You Can Build On
- Who are the creative people, organizations, companies and other resources in the neighbourhood?
- How do they connect with each other?
- What are the creative space issues, challenges and opportunities?
- How can your project engage the creative assets and cultural resources already embedded in the community?

Figure Out Where Your Interests Intersect with Others
- Creative economy development
- Neighbourhood improvement
- Cultural tourism promotion
- Community economic development
- Employment growth strategies
- Real estate development

Define the Principles and Values that Will Guide the Project
- Project will operate on a cost-recovery basis once operational
- Project will be developed in an environmentally friendly way
- Project will be a model of heritage preservation
- Project will be a new model of multi-tenant centre development
- Project will be sensitive to neighbourhood concerns about parking, traffic and noise

Weave these elements together into a project vision and narrative
- What are the imperatives driving the project?
- How can the project address your needs and aspirations?
- How will the project leverage local assets and resources?
- What are the needs and interests the project will serve and what impact will it have?
- What are the principles and values that will guide the project?

STAKEHOLDER ENGAGEMENT

Why Engage Stakeholders?
- You are building the project with other people's money
- Create shared vision
- Add dimension and dynamism to your project
- Build support and momentum
- Find solutions to challenges
- Set the stage for broader and deeper engagement

Who Are the Stakeholders?
- Your city
- Audience members
- Local residents
- Business Improvement Areas
- Neighbourhood associations
- Area schools
- Funders, donors, and sponsors
- Development partners
- Tenants

What Questions does a Stakeholder Relations Strategy Address?
- What are your objectives in managing relations with stakeholders?
- How and when you plan to communicate with each stakeholder group?
- Who will coordinate this activity?
- How will community stewardship be built into your project governance?

Why Enter into Partnerships?
- Sharing risk and responsibility
- Building confidence
- Creating a sense of ownership
- Brokering diverse interests
- Attracting resources
- Building capacity

Types of Partnerships
- Capital project consortia and joint ventures
- Public/private partnerships
- Partnerships with private developers
- Partnerships with sub-tenants
- Partnerships with others who deliver programming
- Partnerships with community associations
- Partnerships with funders, donors and sponsors

Nature of Partnerships
- Formal
  - Shared risk and responsibility

- - - o Funders
- Informal
  - o Supporters and enablers

Meeting and Managing Expectations
- Clarity of vision, mission, and values is key
- Define roles and responsibilities
- Put it on paper
- Communicate regularly
- Build care and development of partnerships into governance

THE DEVELOPMENT TEAM

Who's on the Development Team?
- Champions: community leaders, people with influence
- Visionaries: dreamers and risk-takers
- Activists: people with energy and enthusiasm
- Enablers: developers, administrators, bean counters
- Facilitators: mediators and helpers

Role of the Development Team
Oversight of:
- Pre-project planning
- Design
- Stakeholder relations
- Budget
- Schedule
- Consultants and sub-consultants
- Contractor
- Transition to operations

PLANNING AND ANALYSIS

Purpose of Feasibility Studies
- Provide a planning process to articulate project vision
- Articulate the project context
- Test project assumptions
- Identify the scope of work
- Estimate capital and operating budgets
- Outline planning framework
- Determine whether project is feasible
- Build confidence in the project internally and externally

Types of Feasibility Studies
- Preliminary feasibility study
- Architectural feasibility study

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- Project feasibility analysis
- Fund raising feasibility study

When are Feasibility Studies Not Required?
- Funders do not require them
- Projects are small and straightforward
- Detailed business plans can serve as a substitute
- Proponent has the internal capacity to analyze feasibility

What is Included in a Feasibility Study?
- Project background
- Market needs analysis
- Program analysis
- Design analysis
- Resource analysis
- Implementation
- Statement of viability

Budgeting Tip: Plan for Escalation in Expenses
- Budgets rise as planning becomes more detailed
- Prices usually go up over time
- Project scope usually goes up rather than down
- Renovation projects are full of unpredictable surprises
- Grant requests are usually submitted at an early stage of planning

Budget Tip: Create Multiple Contingencies and Back-Up Plans
- Construction contingency
- Design contingency
- Soft cost contingency
- Possible reductions in scope or finishes
- Ability to carry more financing if required
- Conservative fund raising targets

Budget Tip: Build Organizational Costs into Capital Budgets
- Project management
- Stakeholder relations
- Fund raising
- Communications
- Project management fee
- Administrative overhead
- Costs associated with transition to operations

What is the Purpose of a Business Plan?
- Creates a framework for project implementation
- Synthesizes all elements of project planning
- Sets objectives, targets, budgets, and timelines
- Defines roles and responsibilities
- Outlines risk mitigation strategies

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- Keeps development team on the same page and builds confidence in project among external stakeholders

What should a Business Plan Include?
- Project description and background
- Goals, assumptions, and principles
- Building program, design, and scope of work
- Capital and operating budgets
- Analysis of funding sources
- Cash-flow and sensitivity analysis
- Project impact analysis
- Project schedule

Time Required for Pre-Project Planning
- Vision development process: 3 – 6 mo.
- Preliminary feasibility study: 3 – 6 mo.
- Architectural feasibility study   :   3 – 6 mo.
- Project feasibility study: 6 – 9 mo.
- Business plan development: 3 – 6 mo.
- Overall   6 mo – 2 years

Resources Required for Pre-Project Planning
- Vision development process $15 – 30K
- Preliminary feasibility study $30 – 60K
- Project feasibility study $60 – 90K
- Business plan development $25 – 50K
- Transition Planning $25 – 50K
- Overall $110 – 250K

THE KEYS TO SUCCESS

Vision
Engagement
Collaboration
Development Team
Planning and Analysis
UNSTOPPABLE MOMENTUM