



Working together with our community

Council-In-Committee Meeting – April 14, 2026

Subject: Lynnwood Arts Centre Agreement: More Options
Report Number: CDS-26-063
Division: Community and Development Services
Department: Parks, Recreation, and Culture
Ward: All Wards
Purpose: For Decision

Recommendation(s):

That report CDS-26-063 “Lynnwood Arts Centre Agreement: More Options” be received as information; and

That Council directs staff to issue a Notice of Default to Lynnwood Arts Centre to provide the charitable board the final opportunity to review their opportunities and challenges and respond with formal solutions; and

That, if the lease default cannot be remedied, Council supports Option 2 outlined in report CDS-25-087 regarding the move of the Lynnwood Arts Centre services to the vacant space at The Archives, and

That, if the lease default cannot be remedied, Council declare 21 Lynnwood Avenue, Simcoe, surplus to municipal needs and proceed with surplus disposition to its highest and best use,

That Council directs staff to complete any emergency capital repairs (only if required) to maintain 21 Lynnwood’s structural and functional integrity in the short-term, to ensure its heritage features are reasonably preserved.

Executive Summary:

Norfolk County’s relationship with community charities illustrates how municipal partnerships can support service delivery without undermining charitable independence. Charitable organizations retain authority over their mission, governance, strategy, and programming through an independent board, even when municipal priorities influence shared goals. Partnerships are structured through contracts that define roles, service standards, reporting, and remedies, while keeping artistic and organizational decision-making autonomous. Risk management is shared but distinct: formal agreements outline responsibilities tied to public assets.

This report summarizes the current lease and funding arrangements with Lynnwood Arts Centre. Lynnwood operates as an independent charity with control over daily operations, programming, and strategic direction, while Norfolk County acts as building owner, partial funder, and oversight body through performance expectations and accountability requirements. Staff consultation for the report included the Norfolk Historical Society, Heritage Committee, Lynnwood board members, Norfolk Arts Council representation, Facilities, and Museum/Archives staff.

A central issue is inadequate museum and archives storage capacity. Multiple sites are exceeding capacity (often using display areas for storage), creating an overall deficiency of roughly 8,000 sq. ft. The new Cultural Artifact Storage Area at the Gilbertson Administration Building will add 5,145 sq. ft., reducing and possibly eliminating the shortfall, and could also absorb the relatively small Lynnwood collection storage footprint if required.

The report emphasizes the collection's intrinsic public value and stewardship obligations, noting insured holdings totaling about \$9.93M.

Historically, Lynnwood's facility and collection governance shifted in 2003 when title to the art collection transferred to Norfolk County with safeguards restricting disposal and requiring reconveyance if arts centre operations cease. The 2024 lease governs funding and performance but is largely silent on collection title, creating potential ambiguity. Given urgent capital funding gaps at 21 Lynnwood, staff outline several options and recommend issuing a formal notice of default to trigger resolution or alternative service models.

Discussions:

Background and Previous Report Summary

This report follows Report CDS-25-087 regarding capital funding financial challenges faced by Lynnwood Arts Centre based on their responsibilities outlined in their lease and assistance agreement with Norfolk County.

As 21 Lynnwood is a historic building, it needs significant investment to continue operations both in annual operating and capital costs. Public art galleries' focus, in contrast to private galleries, is to provide artistic experiences and education to the public and typically generate low revenue. Public galleries often rely on external funding to support programs and services.

The previous report outlined that the Lynnwood Arts Centre would prefer to take back control & ownership of 21 Lynnwood Ave to determine their own financial operating plan, capital plan, and fundraising strategy, while maintaining operational subsidies from the County. The County wishes to maintain accessible and affordable art experiences for the public, as part of the cultural services provided for residents, with low operational and financial risks as possible.

Either option provided by Lynnwood Arts Centre removes one building from the County's facility inventory, reducing operating and capital costs for the County.

Option 1, transferring 21 Lynnwood Ave to the Lynnwood Arts Centre, allows Lynnwood Arts Centre to determine their own destiny and level of service. This option includes significant risk that the public art collection could be lost or used to fund operating or capital expenses. A more conservative approach that maintains public art access would include transferring ownership of 21 Lynnwood Ave but storing the \$3,100,000 art collection in a well-maintained county facility with a loan program to the gallery for public display.

Option 2, moving the Lynnwood Arts Centre operation to the Norfolk Archives facility, allows the Lynnwood Board to focus on art and art programming in a secure facility that the County has determined to maintain as described in the Facilities Master Plan. 21 Lynnwood Ave is a significant historical and architectural building with a heritage designation protecting its value. As the art collection has a significantly higher value than the 21 Lynnwood property, inventory, care, and maintenance of the public art is a significant decision factor in Lynnwood Arts Centre's proposal.

Following presentation of these options to Committee and Council in March of 2026, staff were directed to come back with a follow-up report in April 2026 outlining more options for consideration.

Context and Base Considerations

Charities and Municipal Partnerships

Any community charitable organization maintains operational independence even when delivering services in partnership with a local municipality. While municipal priorities may inform shared goals, the charity retains authority over its own strategy, governance, and mission alignment through an independent board. Service delivery is coordinated but contract-based, with clear roles, performance expectations, and accountability measures. Risk management responsibilities are shared but distinct, with each party managing legal, financial, and reputational risks within its mandate. Decision-making remains autonomous for the charity, ensuring flexibility, community responsiveness, and integrity, while enabling effective collaboration that leverages municipal support without compromising independence.

The current lease and funding agreement works with Lynnwood Arts Centre as an independent charitable organization operating within a structured service delivery partnership with Norfolk County. Lynnwood retains control over its governance, programming, strategic direction, and day-to-day operations, while the County acts as property owner, partial funder, and oversight body through a lease and assistance framework. Service delivery expectations (public hours, programs, attendance targets) are clearly defined contractually but do not direct artistic or organizational strategy. Risk management is delineated: Lynnwood assumes operational, liability, and insurance

risks, while the County manages building ownership, major maintenance, and capital oversight. Decision-making authority remains separate, with accountability enforced through financial reporting, performance metrics, and defined remedies rather than direct municipal control.

Municipalities can deliver services through a mix of ownership, regulation, and education strategies to balance control, flexibility, and community impact. Direct ‘ownership’ allows municipalities to ensure stability, public accountability, and alignment with policy objectives, particularly for essential infrastructure and cultural assets. Regulatory approaches enable municipalities to set standards, manage risk, and protect public interests while allowing independent or private organizations to deliver services. Education and capacity-building strategies—such as funding support, guidance, and partnerships—empower community organizations and residents to deliver services collaboratively. Together, these strategies allow municipalities to tailor service delivery, leverage external expertise, and respond effectively to evolving community needs.

Summaries of Meetings

To prepare for this report, staff met with the Norfolk Historical Society, the Heritage Committee, members of the Lynnwood Arts Centre board, Les Anderson of the Norfolk Arts Council, Facilities staff, and Museum and Archives staff of Norfolk County.

Norfolk Historical Society – March 31, 2026

- Discussed the opportunities and challenges related to the March 2026 staff report.
- Discussed the importance of the preservation of Norfolk County’s current collection, and the importance of not removing or displacing any current collection items if there is a significant operational change or storage change.
- Discussed the importance of quality and professionally managed storage, and the importance of continued volunteer and community involvement and oversight.

Heritage Committee – March 30, 2026

- Staff provided a verbal summary of the March 2026 staff report, and showed a series of current photos of storage areas and display areas at The Archives.
- Committee minutes will flow to Council through the standard process.

Les Anderson of the Norfolk Arts Council – March 16, 2026

- Staff met with Mr. Anderson to discuss ideas he had to address Lynnwood Arts Centre funding and services. Mr. Anderson requested that his ideas not be included in this report, and shared that he would address them directly with Lynnwood Arts Centre.

Norfolk Arts Council – Report/Proposal Hand-delivered April 7, 2026

- The unsolicited report proposes its own “Option #3” as an alternative to relocating Lynnwood Arts or maintaining the status quo. It argues that current operations at the Lynnwood building are financially unsustainable and that moving Lynnwood Arts to the Norfolk Archives offers little net savings once required capital upgrades are considered. Option #3 recommends transferring (Read: Lease “Assignment”) the existing agreement to the Norfolk Arts Council, creating a multi-tenant Norfolk Arts and Cultural Centre governed by a

management board. This shared-cost, tenant-based model claims it would increase building utilization, reduce County subsidies, retain Lynnwood Arts Centre on site, and support downtown Simcoe revitalization. The proposal is silent on the current capital funding challenge.

- A lease assignment transfers a tenant's rights and duties to another party, usually requiring landlord consent; the original tenant may remain liable unless the landlord releases them in the contract.

Museum and Culture Staff – March 25, 30, 31, and April 1, 2

- Staff met with staff on five dates to brainstorm other options, refine the museums' and archives' spatial service descriptions for this report, evaluate the current storage/display plan, and to refine the scope and construction specifications for the new Cultural Artifact Storage Area at the Gilbertson Administration Building.

Making History Every Day in Norfolk County – and Storing It

To preserve Norfolk's valuable history, the County provides important cultural services and experiences to the community through the museums and archives. Storage is a key component of this service.

From a customer experience perspective, Norfolk County's museums are designed to be interpretive, welcoming, and narrative-driven. Visitors encounter curated exhibitions, clear storytelling, and staff interaction focused on learning and discovery. Spaces encourage browsing, reflection, and casual engagement, often supported by visuals, hands-on elements, and community programming.

By contrast, the archives prioritize access for local researchers rather than general walk-in visitors. The experience is generally appointment-based, quieter, and task-oriented, with staff facilitating targeted requests rather than interpretive story-driven journeys.

In terms of artifact display and storage, museums select items for public viewing, emphasizing aesthetics, context, and educational value, while storing remaining collections with conservation balanced against access needs. Archives focus almost entirely on preservation and provenance while maintaining access to the public and researchers. Materials are stored in controlled environments, minimally handled, and rarely displayed, with emphasis on long-term stewardship and research over interpretation.

Both the museums and archives benefit from on-site and off-site professional-quality storage to maintain sensitive artifacts, all created by the people of Norfolk County who make new history every day.

The following table summarizes the spaces currently used by the Culture division for the provision of museum and archives services for the public:

Table 1 – Culture Spaces

Site	Active Display (sq.ft.)	Storage (sq.ft.)	Storage (cu. ft.)	Current Storage Utilization Estimate (%)
Archives*	7,636	3,636	37,087	140%
DTMHC**	5,613	680	5,440	180%
PDHM	2,639	1,357	9,463	120%
WHAM***	9,012	10,276	121,450	155%
GAB	0	5,145	61,740	10% (still moving in)
Teeterville	0	2,000		Moving to GAB
Off-site private		180		Eg: firetruck in barn
Off-site other				None
Third Party:				
Lynnwood Arts Storage Room		527	4,216	

* Archives uses 696 sq.ft. of active display space for temporary storage.

** DTMHC uses 540 sq.ft. of display space on the mezzanine for storage.

*** WHAM uses 456 sq.ft. of active display space for storing recently acquired farm implement collection

Museum and Archives storage is currently over capacity by 8,000 square feet or 88,000 cubic feet of space. The new storage area currently in development at the Gilbertson Administration Building at 12 Gilbertson St, adds 5,145 square feet, or 61,740 cubic feet, reducing the current storage deficiency to 2,700 square feet, or 26,100 cubic feet.

As needed, more space can be used for storage at the Gilbertson Administration Building warehouse to reduce the storage deficiency to 0%. If needed, 527 square feet of storage for the Lynnwood Arts Collection could be easily accommodated within the total allocation; it is the smallest storage space of any of the current artifact storage spaces in municipal buildings.

Current Collection and Value

Norfolk County’s museum, culture, and arts collection represent a diverse and irreplaceable body of material that documents the social, economic, artistic, and environmental history of the community. The collection includes artifacts, archival materials, fine and decorative arts, agricultural equipment, community records, and locally significant cultural works gathered through donation, stewardship, and long-term public investment. Together, these holdings form a collective narrative that connects residents to place, identity, and shared memory. Their primary value is intrinsic: they support education, research, reconciliation, and community pride, and they enable storytelling that cannot be replicated through digital or secondary sources.

While some objects may also carry market value, this dimension is nuanced and constrained. Certain items—such as works of art, rare artifacts, or historically significant objects—could theoretically be assigned a monetary value based on comparable sales, rarity, condition, and provenance. **However, most items in Norfolk’s collection are held in public trust and are legally, ethically, or institutionally restricted from sale. Museum standards, donor agreements, and public stewardship obligations limit**

deaccessioning for financial gain, meaning that assigned market values are largely theoretical rather than realizable.

Furthermore, market value often fails to reflect an object’s cultural, educational, or contextual significance. An artifact with little resale value may be central to interpreting local history, while a high-value object may be inseparable from its public role and therefore unsellable. **As a result, the collection’s overall worth is best understood as a blend of stewardship responsibility and public benefit rather than a liquid asset.** This distinction is critical when assessing the collection’s role within municipal governance: it underscores why preservation, appropriate care, and strategic investment are essential, not because the collection can be monetized, but because its true value lies in its continued accessibility, integrity, and relevance to current and future generations.

Insuring Norfolk County’s museum, culture, and arts collection provides practical protection against loss, damage, or catastrophic events while supporting responsible public stewardship. Insurance values establish a defensible financial baseline that enables recovery, conservation, or replacement following an incident, even when objects cannot be sold. These values are typically attained through professional appraisals, comparative market analysis, and curatorial assessment, reflecting replacement or restoration cost rather than resale potential. Regular valuation reviews also improve risk planning, inform storage and display decisions, and demonstrate due diligence, ensuring the collection can continue to serve the public even in the face of unforeseen events.

The following summary table includes individual and grouped items currently insured by Norfolk County, with values based on professional judgement and appraisals, ranging from 5-15 years old.

Table 2 – Summary of Insured Artifacts

Stored by	Description	Replacement Cost
LAC	Artifacts, Lynnwood Centre (Limit \$5,000. any one item)	\$1,500,000
LAC	Fraser Sculpture (owned by Garry Walker)	\$1,000
LAC	Five (5) Jonas Stonkus Sculptures donated by Ann Ackroyd (as per list on 18,500 file)	\$18,500
LAC	Three (3) Paintings, donated by Robert Cadotte (as per list on file)	\$7,150
LAC	1970 MAY DAY (acrylic polymer emulsion on board, by Alex Colville (17 x 17 inc) As Per Appraisal on file dated August 7, 2013	\$875,000
LAC	Lynnwood Collection - As Per Appraisal List on file Completed January 25, 2014	\$448,450
LAC	Tom Hodgson Artworks - As Per Appraisal on File dated December 21, 2013	\$191,100
LAC	Seated Figure Photogram #5	\$28,000

LAC	Bird on Stump Stainless Steel Sculpture, 1999 by Artist Alaistar John Godden donated by Gordon Maskell	\$2,000
LAC	Song Bird on Perch Stainless Steel Sculpture, 1996 by Artist Alaistar John Godden donated by Gordon Maskell	\$2,200
LAC	Owl in Tree Hollow (2 Pieces) Stainless Steel Sculpture, 1999 by Artist Alaistar John Godden donated by Gordon Maskell	\$2,900
LAC	Curlew Stainless Steel Sculpture, by Artist Alaistar John Godden donated by Ellen McIntosh-Green	\$1,100
LAC	Sundial Stainless Steel Sculpture, by Artist Alaistar John Godden donated by Ellen McIntosh-Green	\$3,700
LAC	The Beauty of the Tomato Patch Collage, 2016 by Artist Ellen McIntosh-Green donated by Ellen McIntosh-Green	\$1,000
LAC	Rhythm of Bessy Picking, Etching - 1976 by Artist Dirk Vermeulen	\$125
LAC	It Rained When They Took Opa Sloitjjs, Etching - 1976 by Artist Dirk Vermeulen	\$165
LAC	Home, Reproduction Woodcut, Edition 3/7 - 2006 by Artist Rose Hirano	\$600
DTM	Artifacts at Tobacco Museum (as per list on file)	\$257,800
DTM	All Other Artifacts at Tobacco Museum (Limit of \$250. any one item)	\$15,000
DTM	Fibreglass Horse and Tobacco Boat	\$7,500
DTM	Artwork by John A. Schweitzer, Rainbow Rebus Collage	\$271,203
DTM	Artwork by John A. Schweitzer, Delhi Gym Kana Club Collage	\$56,140
TEET	Artifacts at Teeterville Museum (Limit of \$250. any one item)	\$25,000
TEET	Two (2) Antique Table Chairs (equal amount on each)	\$60,000
LIB	Quilted/Embroidered Wall Hanging, Delhi Library	\$3,000
LIB	The Alexandrian Diptych, Acrylic, collage, graphite, pastel on St. Armond Paper (2 panels each 23 1/2" x 34")	\$395,000
ARCH	Eva Brook Donly Art Collection	\$65,000
ARCH	William Pope Art Collection	\$750,000
ARCH	William Edgar Cantelon Art Collection	\$280,000
ARCH	Captain Alexander McNeilledge Collection	\$120,000
ARCH	Norfolk County Archives Collection	\$1,000,000
ARCH	Norfolk County Archives Artifact Collection (former Eva Brook Donly Museum Collection)	\$2,000,000
PDHM	Museum Artifact Collection (Limit \$250.00 any one article)	\$200,000

PDHM	Captain Alexander McNeilledge Collection	\$20,000
PDHM	Metal Entrance fish - Denizen of The Deep by Alex Godden	\$10,000
PDHM	Shipwreck Atlantic Artifacts	\$40,000
VAR	Non-Owned Fine Arts on Exhibition as arranged for by the Insured	\$1,044,100
LYN PK	Sign including Emblem, Lynnwood Park	\$1,000
WHAM	Museum Artifact Collection (Limit \$250.00 any one article)	\$200,000
WHAM	Cockshutt Archival Collection	\$25,000
TOTAL		\$9,928,733

Collection Ownership and Management

Museum artifacts are managed under clearly defined ownership and stewardship frameworks to ensure ethical care, legal compliance, and public trust. Most items within public museum and gallery collections are acquired through donations, where legal title is formally transferred to the institution. Once accepted, donated artifacts become the permanent property of the museum, subject to its collections policy, and are managed for public benefit rather than private interest.

Donations may include restricted gifts, where donors place conditions on use, display, interpretation, or deaccessioning. While museums strive to honor donor intent, restrictions must be carefully evaluated before acceptance, as they can limit future curatorial decisions, conservation options, or capacity to manage the object responsibly over time. Clear documentation and legal agreements are essential to ensure restrictions are understood, reasonable, and enforceable.

Some items are held on behalf of an external owner, commonly through long-term loans or custodial agreements. In these cases, ownership does not transfer to the museum, but the institution assumes defined responsibilities for care, security, insurance, and display. Such arrangements are governed by written agreements that specify duration, use, valuation, and termination conditions, protecting both the lender and the institution.

Anonymous donations are also common, particularly for culturally sensitive or high-value objects. While donor identity may remain confidential, museums must still document provenance, legal title, and any conditions attached to the gift. Anonymity does not exempt the museum from due diligence, ethical scrutiny, or collections standards.

Across all acquisition types, museums act as stewards rather than owners in a commercial sense. Artifacts are held in trust for the public, meaning decisions prioritize long-term preservation, access, cultural significance, and ethical responsibility over monetization or private benefit.

Summary of the Lynnwood Arts Centre – Municipal Relationship

Lynnwood Arts Centre's relationship with Norfolk County has evolved from community-led stewardship to a structured municipal partnership centered on a municipally owned heritage facility and a public art collection. Lynnwood has operated at 21 Lynnwood Avenue since 1974, after the building became the gallery's home, and it has grown a permanent collection of 800+ works of Canadian art.

In its early decades, the gallery was community-operated; roughly 30 years later, the Lynnwood board sought financial support and Norfolk County agreed to take over the facility, including management responsibilities tied to an art collection then estimated at about \$2 million. During the period of municipal operation, the gallery was publicly branded and run as the Norfolk Arts Centre, reflecting a shift toward direct municipal management of staffing and operations. In January 2019, Norfolk County closed and mothballed the facility as part of broader municipal budget decisions, creating uncertainty for both programming and collection access. By 2021, the County and the reactivated Lynnwood board reached an agreement aimed at reopening, with the County retaining ownership of the property and providing operating support while the board focused on fundraising and community-responsive programming.

Following amalgamation, ownership of the property ultimately rested with Norfolk County (noted as occurring after 2003), reinforcing the County's role as long-term asset owner while Lynnwood's role remained programmatic and curatorial. Current discussions continue to connect governance and facilities decisions to collection stewardship, with County staff highlighting an insured collection value of roughly \$3.1 million and the potential benefits of improved storage, documentation, and preservation if co-located with the Archives. The 2024 executed lease and assistance agreement formalizes this shared model—County as lessor/owner and funder, Lynnwood as operator—while setting capital cost-sharing expectations and performance/accountability requirements that shape how the collection is housed, protected, and made accessible to the public.

In 2003, Lynnwood Arts Centre Corporation and Norfolk County formalized a major governance shift for the gallery at 21 Lynnwood Avenue: effective June 30, 2003, Norfolk assumed responsibility for all operations of the arts centre, and Lynnwood agreed to convey title to Norfolk for key assets—most importantly “the entire art collection” (as well as office equipment and other contents, including a piano). This made the public art collection a municipal asset in law, while also positioning the County as the accountable operator and steward of the collection and facility.

Critically, the 2003 transfer of ownership came with binding safeguards that preserved Lynnwood's ongoing influence over collection outcomes. Norfolk undertook not to dispose of the collection, in whole or in part, without Lynnwood's consent, effectively limiting the County's unilateral ability to sell, transfer, or otherwise alienate artworks. The agreement also established a clear exit/reversion mechanism: if County Council ever decides to cease operating an arts centre, Norfolk must reconvey the collection without charge back to Lynnwood (or to another Norfolk County body that Lynnwood

directs). To make that exit pathway feasible, Lynnwood agreed to continue as a dormant corporation for defined purposes, including the potential to resume rent-free operation of the arts centre and collection should the County withdraw from service delivery, with facilities at Lynnwood (or another mutually approved site) provided on revived lease-style terms.

The 2024 Lease and Schedule B Assistance Agreement connect to this historical framework by re-establishing (and modernizing) the County–Lynnwood partnership around premises control, operating funding, and performance expectations—a five-year term beginning January 1, 2024, nominal rent, defined County financial assistance for utilities/maintenance and an operating grant schedule, and measurable public service requirements. However, the 2024 agreement is largely silent on collection title and disposal controls, even as it contains an “entire agreement” clause that can create interpretive uncertainty about earlier arrangements. Practically, because the 2003 document clearly transferred title to the collection and the 2024 lease does not explicitly reverse that transfer, one position is that Norfolk continues to own the collection, while Lynnwood’s role remains curatorial/programmatic stewardship within the lease structure—subject to the continuing relevance of the 2003 disposal and reconveyance commitments unless expressly superseded.

In summary, in 2003, Lynnwood Arts Centre conveyed legal title to the entire art collection to Norfolk County, making the collection a municipal asset. That ownership is subject to important conditions: Norfolk agreed not to dispose of the collection without Lynnwood’s consent and to reconvey the collection without charge to Lynnwood (or a body it directs) if Norfolk ceases operating an arts centre. The 2024 Lease/Assistance Agreement governs facility use, funding, and performance expectations but does not expressly reassign collection ownership, creating a potential ambiguity given the lease’s “entire agreement” wording.

Further Options for Consideration

Important Caveats

In the following sections, the terms “options” and “recommendations” will be used. In this report, “options” are possible choices that **could** be considered but not necessarily recommended. “Recommendations” will describe choices that are deemed to be the most feasible or beneficial to the community.

The key issue that has brought these discussions forward is the significant cost of required capital maintenance and improvements to 21 Lynnwood under the existing lease and contribution agreement. Options in the list below are geared to addressing the key capital financing issue. Analysis and recommendations will follow the Options section.

Range of Options

1. Options already reviewed in previous report:

- a. Transfer ownership of 21 Lynnwood to Lynnwood Arts Centre, renegotiate funding support (if any).
 - b. Offer space at The Archives for storage and gallery space as Landlord-Tenant relationship with incremental rent.
2. “Do Nothing” option: due to the current inability to finance capital projects, Norfolk County may issue a Notice of Default and work through the termination sections of the current agreement, as required. Provide no substitute location; relationship with Lynnwood Arts Centre ends.
 - a. Lynnwood’s inability to pay its required share of capital costs constitutes a default under Schedule B, Section 11, triggering the County’s remedies, including withholding payments and potential lease termination after providing 30 days’ written notice to cure the default. The County should formally notify Lynnwood of the breach, request financial documentation (Schedule B, Section 12), and assess whether project scope adjustments (Schedule B, Section 7) are feasible (complete: they are not). If compliance remains unattainable, the County may terminate the lease per Section 14 or pursue re-entry under Section 10, consistent with Ontario landlord-tenant principles and practices for leases.
3. County works through default and termination process for 21 Lynnwood, but develops new agreement for rotating exhibits at various municipal buildings with Lynnwood Arts Centre, with these sub-options:
 - a. Lynnwood Arts Centre finds own storage location.
 - b. County agrees to store Lynnwood’s art collection in the new storage area at Gilbertson Administration Building
 - c. 21 Lynnwood could be reactivated with:
 - i. a new tenant that would be able to fund required maintenance and repairs through market rents, using the facility in a heritage-appropriate way.
 - ii. Be declared surplus. If so, heritage considerations are key to maintain the building’s character and contribution to the County: Selling 21 Lynnwood Avenue requires careful adherence to the Ontario Heritage Act, as the property is municipally designated under By-law 78-36 and also recognized as a National Historic Site of Canada. While national designation is honorific and does not impose federal restrictions on sale or alterations, provincial designation legally binds the municipality to preserve identified heritage attributes. Prior to sale, the County must provide notice, ensure proposed buyers understand heritage obligations, to maintain protection of the building’s character-defining elements. Marketing, valuation, and due-diligence processes must reflect these heritage constraints.

4. Recommend to Lynnwood Arts Centre that they search for a new location within their financial means. Give notice that they are in default of current lease agreement.
 - a. This option could include the purchase of a different building declared surplus by the County.
 - b. This option could include Lynnwood finding new charitable or business partnerships.
 - c. This option could include renting a facility, instead of bearing the burdens of ownership.
 - d. All of these options and decisions rest with the Lynnwood Arts Centre board.

5. Renegotiate Existing Lease:
 - a. Extend current lease and assistance agreement to allow for more grant applications in the future. Keep other agreement terms as-is.
 - i. Lengthen term to 10+ years
 - b. This option does not address the urgent capital funding gap.

6. County offers to take over operations and capital and add the site to the funded museum & culture facilities; Lynnwood Arts Centre board could remain and focus on events and curation, or choose to wind-up.

7. County offers to take over 100% of capital and extend term of current lease and funding agreement, day-to-day operations continue as-is run by Lynnwood Arts Centre.

Recommendations

As noted in the previous sections, the current situation is challenging and complex. Staff recommend considering foundational issues before addressing technical issues outlined in this report.

Staff fundamentally recommend:

- Continued operational and financial support of the arts, *to the degree assessed through the budget process*, that celebrates the rich history and deep well of creativity in Norfolk County.
- Recognizing 21 Lynnwood as a locally and nationally recognized historic site, and one that adds significant value to the cultural fabric of the County.
- Continuation of delivery of arts and cultural services through a variety of direct-delivery and partnership models.
- Making careful decisions about the provenance, management, display, and storage of current and future collections to ensure that current and future generations can experience and appreciate the County's diverse and complex history.

The *options* outlined in the previous section are broad and could have many different impacts, both positive and negative in many facets. While it may be challenging to find a perfect model that solves most or all of the challenges, *at this time all that needs to be decided is the next best step to take.*

Staff recommend issuing notice of default to Lynnwood Arts Centre to trigger the formal process that will develop a cure to the current challenges, or formally develop the alternative pathways.

Lynnwood Arts Centre’s inability to pay its required share of capital costs constitutes a default under Schedule B, Section 11, triggering the County’s remedies, including withholding payments and potential lease termination after providing 30 days’ written notice to cure the default. The County should formally notify Lynnwood of the breach, request financial documentation (Schedule B, Section 12), and assess whether project scope adjustments (Schedule B, Section 7) are feasible (complete: they are not). If compliance remains unattainable, the County may terminate the lease per Section 14 or pursue re-entry under Section 10, consistent with Ontario landlord-tenant principles for leases.

Finance Comments:

Lynnwood Art Centre – Status Quo

As covered in CDS-25-087, presented at the March 10th, Council-in-Committee meeting, Table 3 presents the costs to Norfolk County under the current 2024 lease agreement.

Table 3 – Status Quo Costs to Norfolk County

	2024	2025	2026	2027	2028	Total
<u>Operating Levy</u>						
Operating Grant	\$50,000	\$40,000	\$30,000	\$20,000	\$10,000	\$150,000
Utilities	9,100	9,300	9,500	9,700	9,900	47,500
Building Maintenance	37,400	38,400	39,200	40,000	40,800	195,800
Snow Removal	5,100	3,100	3,300	3,500	3,700	18,700
Max. Operating Levy	101,600	90,800	82,000	73,200	64,400	412,000
<u>Lost Tax Rev (Min.)</u>						
Tax Levy (excl. education)	14,965	15,682	16,309	16,962	17,640	81,558
Rebate (incl. rebate for education)	(5,986)	(6,273)	(6,524)	(6,785)	(7,056)	(32,623)
Net Increase in Tax Revenue (rounded)	9,000	9,400	9,800	10,200	10,600	49,000
Max. Levy (incl. tax revenue losses)	110,600	100,200	91,800	83,400	75,000	461,000
<u>Capital Levy</u>						
NC Portion of Capital	-	98,000	-	427,200	-	525,200
Total Maximum Subsidy	\$110,600	\$198,200	\$91,800	\$510,600	\$75,000	\$986,200

A detailed financial analysis of Options 1a & 1b was provided [in the previous report](#). Option 1a was anticipated to save the County approximately \$246,800 from 2026 to 2028. Option 1b was anticipated to save the County between \$633,400 and \$733,400 from 2026 to 2028.

At a high level, both options would dispose of the building, resulting in savings from reduced operating costs, avoidance of capital costs, potential one-time proceeds from disposition, and removal of subsidized tax revenues, all of which would be reduced by ongoing financial agreements / commitments that would continue under those options.

The Approved Capital Budget includes two capital projects scheduled at the Lynnwood Arts Centre. If either Option 1a or 1b were approved, one could be cancelled (Project 5332420 Design of Porch Restoration), and one may still need to occur (Project 5332457 Foundation Repairs) depending on how quickly the disposition is actioned and/or the terms of sale, which Norfolk County may need to undertake independently. Depending on the resolution of this report and any follow-ups, staff will action these projects accordingly on future Capital Status Reports, which will likely result in reductions to the Approved Capital Budget and may free up funding in the Facilities Reserve for other priorities.

The Adopted 2026-2035 Levy Capital Plan also included six projects scheduled at the Lynnwood Arts Centre, all of which are listed in Table 4 below. If either Option 1a or 1b were approved, the six projects could be cancelled, resulting in capital avoidance of \$1,214,000, of which 40% (\$484,000) is currently recommended to be funded from the Facilities Reserve and the remaining amount is currently recommended to be funded from External Recoveries (i.e., Lynnwood’s contribution). This would free up funding for other priorities in the Facilities Master Plan or asset replacement needs.

Table 4 – 10-Year Capital Plan Projects to be Removed Under Option 1a or 1b

Lynnwood Arts Centre Projects	Start Year	Budget
5332420 Construction of Porch Restoration	2027	\$341,000
8332308 Elevator Replacement	2027	\$267,000
5332419 HVAC Replacement	2027	\$144,000
5332528 Roof Replacement	2027	\$316,000
5333119 Plaster Repairs	2031	\$81,000
5333313 Brick Repointing	2033	\$65,000
Total		\$1,214,000

Norfolk currently doesn’t allocate reserve contributions from individual facilities into its Facilities Reserve, however another benefit of divestment in addition to the immediate capital avoided would be relate to the County’s infrastructure funding shortfall. If the property were to be divested, it would decrease the County’s lifecycle costs, as Norfolk would no longer be responsible for maintaining the infrastructure in a state of good repair in perpetuity.

Under Option 1b, there would also be additional costs of disposition. To fulfill the practical needs of offering gallery services at the Archives building, updates to the facility would be required to maintain Archives services, add gallery services, and update art and archive storage areas. In this case, staff would recommend an amendment (increase) of \$602,000 to the Approved Capital Budget to add a new project to relocate Arts Centre to the Norfolk County Archives, with funding to be provided from the Facilities Reserve.

Table 5 breaks down the incremental updates, to carry forward the intent of the initial Campbell-Reid family investment in public gallery services.

Table 5 – Incremental Upgrades at the Archives

Project Components	Budget
Lighting Improvements (above Capital Project)	\$26,000
Wallpaper Removal	20,000
Ceiling Repair	10,000
Electrical Outlets	10,000
Removal of Carpet & Floor Refinishing	50,000
Alarm System Installation	4,000
Access Control	7,000
Signage	15,000
Art Hangers & Displays	50,000
Structural Review	5,000
Reorganization of Main Floor / Signage	20,000
Reception / Greeting Space	15,000
Painting at Lynnwood	30,000
High-density Storage at Archives	85,000
Moving Costs to Archives	35,000
Temp Staffing / Contract: moving, inventory, transport	100,000
Storage at GAB (storage rack / shelf / holders)	20,000
Contingency	100,000
Total	\$602,000

Finance staff have not costed options 2 through 7, at this point, as such a big change would need to go through the budget process for thorough review.

Interdepartmental Implications:

N/A

Consultation(s):

The Norfolk Heritage Committee, the Norfolk Historical Society, Lynnwood Arts Centre, and staff were consulted in the development of this report.

Strategic Plan Linkage:

Building Norfolk - Develop the infrastructure and supports needed to ensure complete communities

Attachment(s):

- 2003 Agreement
- 2024 Agreement
- Proposal "Option #3" from the Norfolk Arts Council April 7, 2026

Approval:

Approved By:
Al Meneses, Chief Administrative Officer

Reviewed By:
Bill Cridland, General Manager Community and Development Services.

Prepared By:
Brian Geerts, Director of Parks, Recreation, and Culture.

References:

Fink, Stephen: Crisis Management
Gill, Mel D.: Governing for Results
Kinney, Anne Spray; State and Local Government Performance Management

Parts of this report were developed using AI to enhance clarity and efficiency. Human oversight ensured accuracy and policy compliance.