



ADMINISTRATIVE REPORT

Report Date: August 20, 2017
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Meeting Date: October 18, 2017

TO: Standing Committee on City Finance and Services

FROM: General Manager of Community Services in consultation with the General Manager of Real Estate and Facilities Management

SUBJECT: Cultural Services - 1265 Howe Street Artist Studios Cultural Amenity - Tenant Selection and Lease Terms

RECOMMENDATION

- A. THAT Council approve 221A Artist Run Centre Society ("221A") as the not-for-profit tenant (the "Tenant") of the future City-owned air space parcel at 1265 Howe Street, Vancouver, which will contain approximately 10,872 square feet of artist production space, and currently legally described as: *Parcel Identifier 029-098-041; Lot K Block 101 District Lot 541 Group 1 New Westminster District Plan EPP30416* (the "Premises").
- B. THAT Council authorize the Director of Real Estate Services, upon the City obtaining ownership of the Premises, to negotiate and execute a lease (the "Lease") with 221A Artist Run Centre Society as set out in the basic lease terms attached as Appendix A. The Lease is to be based on the City's Precedent Lease For Non-Profit Entities (Nominal Rent), drawn to the satisfaction of the Director of Real Estate Services, the Director of Legal Services and the Managing Director of Cultural Services.

As the rent under the Lease for the Premises will be below the applicable market rate and includes rent-in-lieu of property taxes, Recommendation B constitutes a grant valued at approximately \$271,800 per annum based on the first year of the term and requires an affirmative vote of two-thirds of all Council members, per *Vancouver Charter* S. 206(1).

- C. THAT no legal rights or obligations will arise or be created by Council's adoption of Recommendations A or B above unless and until all legal documentation has been executed and delivered by the respective parties.

REPORT SUMMARY

This report recommends that Council authorise staff to enter into a lease with 221A Artist Run Centre Society as head tenant of a new cultural amenity space currently under construction at 1265 Howe Street to be developed as artist production studios, as per the terms provided in this report.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

Pursuant to Section 206(1) (a) of the *Vancouver Charter*, not less than two-thirds of all members of Council must approve a resolution for a grant to a charitable institution. A lease of City-owned property at less than market rent is considered to be a grant.

In March 2012, Council approved (RTS 9501) a cultural amenity bonus for a rezoning at 1265-1281 Howe Street for the design and construction by Howe Street Developments Limited Partnership, for a 10,872 sq. ft. space designed (fully fit and finished) shared multi-tenant artist studio space to be transferred to the City in the form of an air space parcel.

Vancouver's Culture Plan: Strategic Directions 2013-2018 (RTS 10309) provides the City's strategic framework to support a diverse, thriving cultural ecology. A key objective is to partner to retain, as well as to develop arts and culture spaces.

GENERAL MANAGER'S COMMENTS

Enabling partnerships to build affordable, sustainable long-term arts and cultural spaces is one of Vancouver's key cultural priorities. This new downtown cultural space offers a rare opportunity to provide much needed studio and art production space that will include vibrant community programming.

REPORT

Background/Context

Cultural facilities are essential to every community. Ensuring access to appropriate and affordable facilities in Vancouver's rapidly developing real estate market is a challenge, particularly for artists and the non-profit sector. To support our arts and cultural community, the City actively seeks opportunities to develop facility space by partnering with private development on major rezoning projects through the use of community amenity contributions to create affordable arts and cultural facilities.

Cultural Amenity Space - 1265 Howe Street

In 2012, the City secured the development of a cultural amenity space at 1265 Howe Street (see Appendix D), located at the base of a tower development that includes approximately 348 residential units at 1265-1281 Howe Street and 803-821 Drake Street. The developer, Howe Street Developments Ltd., is currently constructing, fully fitting and finishing the amenity space, which, when completed, will be owned by the City. Located at the north end of the development, the Premises encompasses over-height ceilings, a large glass double-height store front, a double-height atrium, two levels and includes approximately

8,697 square feet (808 m²) net dedicated to 16 large artist production studios, a shared creative area (designed to function as a space for collaborative work, programming, presentation and short-term rentals), and an artwork display area fronting Howe Street.

The Howe Street Studios facility is the first multi-tenant production space negotiated through the Community Amenity Contribution process. Located in the downtown core, this important amenity will join other cultural venues in Downtown South including The Pacific Cine Centre, The Dance Centre, Vancouver International Film Centre/Vancity Theatre, the future Cultural Hub at 801 Pacific and connect with the adjacent downtown entertainment district and Granville Island.

In an area of rapid growth, the studios will provide a creation/production anchor in this core cultural neighbourhood, and assist in animating the local area. The studios are expected to sustainably provide immediate relief for artists or arts organizations, securing tenure and cultural influence for the arts community through reintroducing materially-intensive work back into the centre of the city.

Public Art

As part of the City's Private Sector Public Art Program an art work designed by Vancouver artist Germaine Koh will also be installed in the large second storey vitrine facing Howe Street. The work will be a curtain-like public art installation, designed to be mechanically interactive and functionally utilized in part as a projection and green screen for use by the artist tenants. Annual maintenance, and major maintenance, repair or replacement will be the responsibility of the City.

Tenant Selection Process

In the spring of 2017 staff conducted an open tenant selection process for the cultural amenity space. An RFP (see <http://vancouver.ca/parks-recreation-culture/lease-opportunity-for-artist-production-studios.aspx> for more information as well as Appendix B) was issued May 15, 2017 (the "RFP"), as well a tour and information session of the space (under construction) was conducted to allow applicants to see the space and ask questions of staff, the developer and the architect.

Established Vancouver-based arts and culture non-profit organizations, co-ops and First Nations Band Councils were eligible and submissions were reviewed by a Selection Committee consisting of community peers and staff.

Submissions were evaluated against specific assessment criteria, including a strong vision supporting Vancouver's cultural ecology, with the intention of creating a vibrant artist production space that supports:

- i. the development of co-location facilities that are accessible, safe, sustainable and affordable; and
- ii. the development of multi-tenant, artist workspaces that provide supportive opportunities for cross-fertilization, collaboration and incubation through a mix of cultural, civic, and entrepreneurial uses and tenures.

Proposals were also required to demonstrate strong organizational capacity as well as operational and financial sustainability (see Appendix B page 5 for more information).

Strategic Analysis

221A Selected

The Selection Committee was unanimous in recommending 221A Artist Run Centre Society to operate the Premises with Malaspina Printmakers Society (Malaspina Printmakers) as an anchor subtenant.

221A works with artists and designers to research/develop social, cultural and ecological infrastructure and space as well as collaborating with contemporary artists to present talks, exhibitions, publications and special projects that work beyond existing modes of cultural production.

Established in 2005, 221A has a strategic planning objective "to expand the development and operation of safe, affordable and functional spaces for cultural use". Currently the 221A operates four cultural facilities in Vancouver with a combined square footage of 43,515 square feet serving over 100 artists. These facilities serve artists and residents of Chinatown, the Downtown Eastside, Strathcona and Mount Pleasant as well as the broader community.

221A's vision for the Premises is "a civic and nationally recognized centre for material art practice that provides an exceptional multi-tenant community on a cost-recovery basis".

Malaspina Printmakers

The Selection Committee was highly supportive of 221A's proposal to name Malaspina Printmakers, a non-profit artist-run centre that supports the development of printmaking, as their anchor subtenant.

Recognized as an outstanding print resource centre, the 40-year old artist-run centre supports and promotes the contemporary visual arts through technical and critical exploration of print media, whose mandate "...advances education, promotes excellence in the art form, and increases the public's understanding and appreciation of contemporary art and print media".

Their 2,500 square foot current space on Granville Island has become inadequate for housing their members, exhibitions, residencies, workshops, rentals, mentorships, print sales, offices, and archives. The society is planning to occupy 6 of the 16 artist studios at the Howe Street studios as well as operate an office and public exhibition space in the atrium. With a current membership of 317, the potential for significant usage and programming of the facility is very high. Prior to occupancy the organizations will develop a Memorandum of Understanding to outline their respective responsibilities.

Artist Selection

The remaining 10 studios will be subleased to other artists (or artist groups) for production purposes through an application process. Artist eligibility will be based on the demonstration of professional practice and will be determined by an independent selection panel that will

include artists or art professionals. Selection criteria, to be developed by 221A, in consultation with Cultural Services, will be determined by quality of artistic work and suitability of practice with added equity measures to promote the inclusion of disabled and those who self-identify as traditionally disadvantaged, particularly women and transgendered, people with disabilities, visible minorities and indigenous artists.

Based on their arts production-based programming, reputation in the artistic community, financial capacity and their interest in bringing artists and audiences to this new downtown shared multi-tenant space, 221A and Malaspina Printmakers together have the potential to create a vibrant and successful artist production hub. Staff therefore recommends entering into a lease for nominal rent (\$10 per term) with 221A Artist Run Centre Society for the Premises.

Terms of the Lease

Once the City owns the Premises, and should Council approve Recommendation B, the City will enter into a nominal lease with 221A for the Premises, for an initial term of 10 (ten) years, with a conditional option to renew for a further 10 (ten) years. The basic terms for the Lease are set out in Appendix A, based on the basic terms outlined in the RFP.

Financial Implications

Staff are recommending that basic rent be set at a nominal rate of \$10 per term inclusive of an amount in lieu of property taxes. Nominal rent is considered a grant based on the fair market value (FMV) of the Lease. The FMV results in a grant of approximately \$271,800 per annum for 221A based on the first year of the lease term.

Facility Operating Costs

The Premises will be leased to the Tenants at a nominal rent (\$10 per term or any renewal term), inclusive of payment in lieu of property taxes. The Tenant will be required to pay their proportionate share of common area/shared facility costs (currently estimated at approximately \$3 to \$5/sq. ft. per annum).

Upon completion of the space the City will take ownership of the Premises (anticipated in March 2018), and will then be responsible for all facility operating costs for the Premises to be fully transferred to the Tenant once the Premises are occupied by the Tenant.

Once operational, the Premises will sustainably operate through self-generated revenues from the anchor subtenant and the ten individual studios. These revenues will be tied to costs of the facility and recalculated annually, therefore ensuring directed cost-recovery.

Capital Life Cycle Replacement Costs

The City will maintain responsibility for the life cycle replacement and capital maintenance of major structural components and base building systems, which will be prioritized as part of the City capital planning and budgeting process. The responsibility for all capital costs associated with the mechanical, electrical and plumbing systems and other capital costs including those associated with the building envelope and any structural components of the building will be as set out in a Service Level Agreement, a draft of which (see Appendix C) was

included in the RFP, to be attached to and forming part of the Lease and otherwise as specifically provided for in the Lease, all on terms and conditions satisfactory to the City.

Facility Reserve Fund

In addition to providing the artist studio space, the developer is providing a cash contribution of \$850,000 to the City, which is intended to ensure the building is appropriately maintained for as long as possible. The cash contribution will be used to fund future life cycle replacement and capital maintenance work, at the City's discretion.

CONCLUSION

221A Artist Run Centre Society and its anchor subtenant Malaspina Printmakers Society are both important established artist run centres that have the capacity to sustainably operate and program this new collaborative "artist production hub" providing a significant community benefit.

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**Basic Lease Terms For The Cultural Amenity Space
At
1265 Howe Street (The "Premises")
Between
The City of Vancouver (The "Landlord")
And
221A Artist Run Centre Society (The "Tenant")**

Lease Term and Renewal Options

Initial term of ten (10) years.

A conditional renewal term of a further ten (10) years, conditional upon the Landlord being satisfied that the Tenant has the capacity to operate, maintain and program the Premises in accordance with the lease terms and the stated public service objectives for the duration of the renewal term.

Intended Use

The Tenant is to operate the multi-tenant artist studios (the "Premises") for the benefit of the citizens of Vancouver. It is anticipated that the Operator will sublease the studios to individual artists and artist organizations in a form approved by the City on a cost recovery basis. The Tenant shall make the Premises accessible to the public for a minimum of ten (10) days per year, with additional days at the option of the Tenant and artists.

Total Rent

Nominal rent of Ten Dollars (\$10.00) for each term inclusive of payment in lieu of property taxes, plus applicable taxes.

Facility Operating and Capital Costs

While the rent to be paid by the Tenant will be nominal (\$10 per term or any renewal term), the Tenant will be required to pay all costs and expenses as set out in a Service Level Agreement with the Landlord, which will be attached to the Lease, including:

- proportionate share of common area/shared facility costs (currently estimated at approximately \$3 to \$5/sq. ft. per annum);
- facility utility costs (e.g. heat, hydro, water/sewer, internet), any applicable taxes, insurance and all facility operating expenses (e.g. janitorial, security) associated with the Premises;
- facility maintenance including regular maintenance and repair, and preventative maintenance associated with the Premises; and
- organizational operating, programming and administration costs.

The Landlord's level of support will generally include major structural and system repairs and capital replacement.

Facility Reserve Fund

In addition to providing the artist studio space, the developer is providing a cash contribution of \$850,000 to the City intended to ensure the building is appropriately maintained for as long as possible.

Insurance

The Tenant will be required to maintain Commercial General Liability (CGL) and Tenants' Legal Liability (TLL) insurance, and insure any leasehold improvements, equipment, trade fixtures, furniture and all other contents, all in the amounts and types to the satisfaction of the Landlord. The Landlord will be named as additional insured in each and every policy.

Public Art

Installed in the second storey vitrine facing Howe Street will be a curtain-like public art installation by Vancouver artist Germaine Koh, designed to be mechanically interactive and functionally utilized in part as a projection and green screen for use by the artist tenants. Annual maintenance and major maintenance, repair or replacement associated with the Public Art installation will be the responsibility of the Landlord.

Subleasing

The Tenant will be responsible for subleasing the studios to organizations or individual Vancouver-based artists on a cost recovery basis, inclusive of all costs including utilities. The Tenant will be required to utilize a selection process for the artist studio tenancies, to the satisfaction of the Managing Director of Cultural Services.

Assignment, Mortgage, Naming Rights

Except with the prior written consent of the Landlord, the Tenant will not be able to assign, mortgage or license all or part of the Premises or its interest therein. The Tenant will not have the right to name the Premises or any portion thereof without the Landlord's prior written consent. The Tenant shall follow the City of Vancouver's Naming Rights policy including potential restrictions on the right to name the Premises (including any portion of the Premises).

Additional Lease Terms

All additional terms and conditions and any variations of the foregoing as required by the Director of Legal Services and the Director of Real Estate Services in consultation with the Managing Director of Cultural Services.

APPENDIX B - RFP SECTIONS 1 and 2 ONLY (excluding appendices)

1.0 Information and Background

1.1 Overview

This Request for Proposals (the “RFP”) is being issued by the City of Vancouver (the “City”) to seek proposals from established Vancouver-based arts and cultural non-profit organizations (the “Proponents”) who may be interested in engaging with the City for a long term lease for nominal rent as the lead tenant and operator (the “Operator”) of an approximately 10,872 square foot cultural amenity space currently under construction and located at 1265 Howe Street, Vancouver, British Columbia (the “Premises”). The intended use for the space is to provide affordable, shared artist production space (suitable for both Class A and Class B¹ activities) for multiple artists. Please note this RFP is for non-profit operators only, not for individual artists.

1.2 Context

Cultural Services (vancouver.ca/culture) part of Community Services, provides arts and cultural programs and services on behalf of the City. [*Vancouver's Culture Plan: Strategic Directions 2013-2018*](#) provides the City's strategic framework to support a diverse, thriving cultural ecology. A key objective is to partner to retain and develop arts and culture spaces, including artist production spaces, as well as supporting:

- a. the development of co-location facilities that are accessible, safe, sustainable and affordable; and
- b. the development of multi-tenant, artist workspaces that provide supportive opportunities for cross-fertilization, collaboration and incubation through a mix of cultural, civic, and entrepreneurial uses and tenures.

Cultural facilities are essential to every community. Ensuring access to appropriate and affordable facilities in Vancouver's rapidly-developing real estate market is a challenge particularly for arts production and the non-profit sector. To support our arts and cultural community, the City actively seeks opportunities to develop facility space by partnering with private development on major rezoning projects through the use of community amenity contributions to create affordable arts and cultural facilities.

¹**Artist Studio - Class A:** means the use of premises for the production of dance, live music, creative writing, painting, drawings, pottery or sculpture, video, moving or still photography, none of which involves amplified sound or one or more of the materials or processes specified under Artist Studio - Class B.

Artist Studio - Class B: means the use of premises for the production of (a) dance or live music involving electronically amplified sound, (b) moving or still photography (excluding video) involving on-site film processing, (c) paintings, drawings, pottery or sculpture involving the use of fibreglass, epoxy and other toxic or hazardous materials or one or more of the following processes: welding, woodworking, spray painting, silk screening or fired ceramics.

1.3 Opportunity

In 2012, the City secured the development of a cultural amenity space at 1265 Howe Street (the “Premises”). The developer, Howe Street Developments Ltd., is currently constructing, fully fitting and finishing the Premises, which when completed will be owned by the City. It will consist of 10,872 square feet of space to be used as a shared multi-tenant artist studio space that would support the art production activities of 20 or more Vancouver-based artists.

The City’s intention is to provide a long-term lease for the Premises to a Vancouver based non-profit organization (the “Operator”), for nominal rent (\$10 for the term or any renewal term). The Operator will be responsible for the day-to-day operations and subleasing of the studios on a cost-recovery basis to individual artists.

Located in the downtown core, the amenity space will join other cultural venues in Downtown South including The Cinematheque, The Dance Centre and Vancouver International Film Centre/Vancity Theatre and connect with the adjacent downtown entertainment district and Granville Island. In an area of rapid growth, the studios will provide a creation/production anchor in this core cultural neighbourhood, and assist in animating the local area.

1.4 Details

The Premises are located at the base of a tower development that includes approximately 348 residential units at 1265-1281 Howe Street and 803-821 Drake Street. Located at the north end of the development at Howe and Drake Streets, the Premises encompasses two levels and includes:

- approximately 8,697 sq. ft. (808 m²) or 80%, dedicated to studios, shared creative area (designed to function as a space for collaborative work, additional programming, and for short-term rentals) and a display area fronting Howe Street (to show the works of the artists producing in the studios);
- approximately 2,175 sq. ft. (202 m²) or 20%, for building requirements including corridors, elevators, stairwells, washrooms, and demising walls;
- two dedicated parking spaces;
- parking for ten bicycles in a separately secured bike cage; and
- an exclusive loading area directly accessible from the lane adjacent to the rear of the amenity space.

For more details, refer to Appendix A as well as the linked reference drawings below.

The successful Proponent will be required to pay common area costs (proportionate share of maintenance costs associated with common areas such as the parking lot and other shared spaces within the whole development) as well as all facility operating costs (including regular maintenance and repair, preventative maintenance and minor capital maintenance) within the studio space, in addition to any organizational, programming and administration costs. In addition to the studios being rented by the Operator to individual artists on a cost recovery basis, it is anticipated that other programming and rental revenue generated by the Operator will also contribute to operational costs. The targeted tenancy date is spring 2018.

The Operator will be required to, in consultation with the City, implement and provide a rationale for the artist selection process for the studio tenancies for Vancouver-based artists. In consultation with the studio artists, the Operator will have an opportunity to enhance the space with programming and art presentation as appropriate to the operation of the studios.

There is also a desire by the City for the studio spaces to be accessible to the public a minimum of 10 days a year, with additional days at the option of the Operator and artists.

1.5 Reference Drawings

- c. [1265 Howe St Site plans](#) (PDF)
- d. [1265 Howe St Site plans high resolution](#) (PDF)

1.6 Outline of Basic Lease Terms

In order to assist Proponents with the Proposal, the following is a list of some of the basic terms that will be included in the City's form of a lease (the "Lease"), which may be subject to change.

Intended Use

The Operator is to operate the multi-tenant artist studios for the benefit of the citizens of Vancouver. It is anticipated that the Operator will sublease the studios to individual artists and artist organizations in a form approved by the City on a cost recovery basis. The City will also require the Operator to make the Premises accessible to the public for a minimum of ten (10) days per year, with additional days at the option of the Operator and artists.

Facility Operating and Capital Costs

While the rent to be paid by the Operator will be nominal (\$10 per term or any renewal term), the Operator will be required to pay all costs and expenses as set out in a Service Level Agreement with the City, which will be attached to the Lease, including:

- proportionate share of common area/shared facility costs (currently estimated at approximately \$3 to \$5/sq. ft. per annum);
- facility utility costs (e.g. heat, hydro, water/sewer, internet), any applicable taxes, insurance and all facility operating expenses (e.g. janitorial, security) associated with the studio space;
- facility maintenance including regular maintenance and repair, preventative and capital maintenance associated with the studio space; and
- organizational operating, programming and administration costs.

The City's level of support will generally include major structural and system repairs and replacement. See Appendix D for a sample Service Level Agreement which outlines City/Tenant responsibilities.

Facility Reserve Fund

In addition to providing the artist studio space, the developer is providing a cash contribution of \$850,000 to the City intended to ensure the building is appropriately maintained for as long as possible.

Some of the facility maintenance costs may be eligible for reimbursement subject to the availability of funds.

Insurance

The Operator will be required to maintain Commercial General Liability (CGL) and Tenants' Legal Liability (TLL) insurance as required by the City, and insure any improvements.

Public Art

Installed in the second storey vitrine will be a public art installation by Vancouver artist Germaine Koh, designed to be mechanically interactive and functionally utilized in part as a projection and green screen for use by the artist tenants. Major and annual maintenance, replacement or repair will be the responsibility of the City.

Term

The intent is to provide a secure long term lease. The minimum length of the initial term of the Lease may be ten (10) years and may be negotiated, with further options to renew, to be agreed upon by the parties.

Subleasing

The Operator will be responsible for subleasing the studios to individual Vancouver-based artists on a cost recovery basis, inclusive of all costs including utilities. The Operator will be required to utilize a selection process for the artist studio tenancies, to the satisfaction of the Managing Director of Cultural Services.

Assignment, Mortgage, Naming Rights

Except with the prior written consent of the City, the Operator will not be able to assign, mortgage or license all or part of the Premises or its interest therein. The Operator will not have the right to name the Premises or any portion thereof without the City's prior written consent.

All other terms and conditions of the Lease will be as required by the City.

1.7 Eligibility

At minimum, all Proponents must meet the following criteria:

The organization:

- e. is registered as a non-profit society or a community service co-op in good standing with B.C. Registry Services at the Province of British Columbia or as a federal charity with the Canada Revenue Agency, or a First Nations Band Council
- f. has been established legally and in operation for at least 3 years prior to the application deadline
- g. is located in Vancouver, is well-established, and has a history of providing ongoing quality arts and cultural programming and services to Vancouver residents without

exclusion to anyone by reason of religion, ethnicity, gender, age, sexual orientation, language, disability or income.

Who Is Not Eligible?

Organizations that are not based in Vancouver and whose primary purpose or activity is the provision of health care, educational, sport, recreational, or religious programs and services are not eligible. As a lease by the City for nominal rent constitutes a grant by the City which requires City Council approval, the City requires that Proponents be non-profit organizations. For-profit organizations are therefore not eligible.

1.8 Assessment Criteria

Project Vision

- h. The Proponent's proposal for the Premises (the "Project") is rooted in a strong organizational vision and a larger shared vision that contributes to Vancouver's arts and culture community.
- i. The Project fits with Vancouver's Culture Plan and ideally addresses a cultural space need including: Development of co-location facilities that are accessible, safe, and sustainable for artist production activities; Development of multi-tenant, artist workspaces that provide supportive opportunities for cross-fertilization, collaboration and incubation through a mix of cultural, civic, and entrepreneurial uses and tenures
- j. The Project makes a contribution to increasing access to and participation in arts and culture at all levels and across all areas of practice for Vancouver's diverse communities. The Proponent demonstrates support from the arts and cultural community it is intended to serve.

Organizational Capacity

- k. The Project is being developed by an established, stable and sustainable organization with active involvement of a relevant board and staff.
- l. The Project should be consistent with organization(s) mission and strategic plan.
- m. Partnership and collaboration play a role in the development, funding and/or ongoing operations of the Project.
- n. The Proponent demonstrates evidence of a detailed, effective and realistic project plan and management for the Project.

Sustainability

- o. The Proponent sets out realistic projections of the Project capital costs and operating revenues and expenses and is viable in relation to the organization's financial capacity and sustainability.
- p. The Project has the capacity to adapt to changing audience/cultural needs and changing practice.
- q. The Project makes a positive contribution to environmental sustainability.

- r. The Project addresses public health and safety issues, including adherence to federal, provincial and local legislation including but not limited to City of Vancouver Zoning and Development By-law, fire and building codes, and provincial guidelines for safety (WorkSafe BC requirements).

1.9 Partnerships and Collaborations

Non-profit cultural organizations applying in partnership or collaborating with other non-profits should designate one organization as the lead applicant. A memorandum of understanding (MOU) between the non-profit organizations with clearly defined roles, responsibilities and relationships must be provided with the application.

2.0 Proposal Submission Instructions

The City of Vancouver is committed to an open and transparent Operator selection process. The process is described below.

2.1 Key Dates

Potential Proponents should note the following key dates:

Event	Time and Date
Issue date of RFP	May 15, 2017
Intent to Submit Form Deadline	May 31, 2017
Information Meeting and Site Tour	TBD
Questions Deadline	June 14, 2017
Closing Time for Proposal Submissions	July 5, 2017
City Council Approval	Anticipated October 2017
Occupancy of Premises	Anticipated Spring 2018

2.2 Step 1 - Intent to Submit Form

Proponents applying to be considered for these Premises must complete the online Intent to Submit Form at <http://fluidsurveys.com/s/vancouver-cultural-spaces-opportunity/> by May 31, 2017. The intention of the form is to assist with any eligibility questions and to explore if there are potential partnerships. (See Appendix B)

2.3 Step 2 - Site Tour and Information Meeting

Potential Proponents will be contacted by Cultural Services with instructions on how to register to attend the Site Tour and Information Meeting to enable Proponents to seek clarification with respect to any aspect of the RFP in a group forum.

2.4 Step 3 - Questions

Potential Proponents should review the RFP with their board and submit any questions relating to the RFP prior to June 14, 2017, via email to culture@vancouver.ca or mail to:

RFP: Cultural Space Lease Opportunity for Artists Production Studios
Cultural Services, City of Vancouver
5th Floor, Woodward's Heritage Building
501-111 West Hastings Street
Vancouver, BC
V6B 1H4

Answers to questions received before June 7, 2017 will be provided and posted at:

<http://vancouver.ca/parks-recreation-culture/lease-opportunity-for-artist-production-studios.aspx>

2.4.1 Changes to the RFP

The City may amend the RFP or make additions to it at any time. It is the sole responsibility of Proponents to check the City's website regularly for amendments, addenda, and questions and answers in relation to the RFP at:

<http://vancouver.ca/parks-recreation-culture/lease-opportunity-for-artist-production-studios.aspx>

2.5 Step 4 - Proposal Submission

Eligible Proponents who have completed the Intent to Submit Form, if meeting the eligibility requirements, will be provided a link to an online application form (the "Online Proposal Form").

To be considered by the City, the Online Proposal Form must be completed and duly executed by the relevant Proponent on or before 4:00 p.m. on July 5, 2017 (the "Closing Time").

Amendments to the Online Proposal Form may be submitted via the same methods, at any time prior to the Closing Time. Proposals are revocable and may be withdrawn at any time before or after the Closing Time.

Proposals that are submitted after the Closing Time or that otherwise do not comply in full with the terms hereof may or may not be considered by the City.

2.6 Step 5 - Summary of Proposal Requirements

The Online Proposal Form specifies all proposal requirements. Below is a summary of some of the key requirements:

- s. Organization Form (See Appendix C)
- t. Application Form (See Appendix D)
 - Project Vision
 - Organizational Capacity
 - Sustainability
- u. Board of Directors List
- v. Staff List
- w. Financial Statements
- x. Operating Budget
- y. Five-Year Operating Pro Forma
- z. Memorandum of Understanding (if partnership)
- aa. Certificate of Incorporation (for new applicants)
- bb. Legal Terms and Conditions (See Appendix F)

2.7 Step 6 - Legal Terms and Conditions

The Proponent will be required to acknowledge that it has agreed to the Legal Terms and Conditions attached as Appendix F hereto, and has attached and executed such Appendix F as required in the Online Proposal Form.

2.8 Step 7 - Evaluation Process and Assessment Criteria

Eligible Proposals will undergo an evaluation process that includes assessment (based on the Assessment Criteria) by a committee composed of cultural community peers and City staff (the "Committee"). The Committee may elect to short list Proponents in stages as deemed necessary. Proponents may be asked to provide additional information or details for clarification.

2.9 Step 8 - Council Report and Lease Negotiations

The successful Proponent will be required to work with the City to further develop the Proposal into a detailed Project Plan that would include, among other things, final project and operating budget confirmation, scheduling, the process for artist access/tenant selection and final plans for any further tenant improvements.

Committee recommendations and lease terms require City Council approval and will be put forward in a public report to City Council.

If the successful Proponent(s) meets the City's requirements after Council approval of the lease terms an offer to lease may be made, resulting in a full lease after the Premises is completed by the developer and ownership is transferred to the City.

2.10 Confidentiality

The information in the Proposals will be disclosed as necessary to carry out the tenant selection process or as required by law, including the *Freedom of Information and Protection of Privacy Act*.

Proponents should note that upon submitting their Proposal, they will be legally bound to certain confidentiality obligations not to disclose any City information without the City's prior written consent.

2.11 City's Discretion

The City is not under any obligation to approve any Proposal and may elect to terminate this tenant selection process at any time and notwithstanding any other provision in this document, the City has in its sole discretion the unfettered right to:

- cc. accept any Proposal
- dd. reject any Proposal
- ee. reject all Proposals
- ff. reject a Proposal even if it is the only Proposal received by the City
- gg. accept all or any part of a Proposal
- hh. split the Requirements between one or more Proponents
- ii. enter into one or more agreements respecting the subject matter of the RFP with any entity or entities at any time.

The City may negotiate Proposals with one or more a Proponents or revoke an offer to lease to a successful Proponent if that Proponent undergoes any changes that would materially affect the Proponent's ability to undertake the design, construction, financing and operation of the Cultural Space in accordance with its Proposal.

The City may waive any non-compliance with this tenant selection process and may at its sole discretion elect to retain for consideration Proposals which are non-conforming because they do not contain the content or form required by this document or because they have not complied with the process for submission set out in this document.

Nothing in this document will operate, if the City so elects, to affect or derogate from the City's powers, rights, duties and obligations under the *Vancouver Charter* as amended from time to time, and the City may, if the City so elects, exercise and carry out any and all of its powers, rights, duties and obligations under the *Vancouver Charter* as though any agreement resulting from this document has never been made.

2.12 Legal Terms and Conditions

The legal obligations of a Proponent that will arise upon the submission of its Proposal are stated in Appendix F. Except where expressly stated in these Legal Terms and Conditions: no part of the RFP consists of an offer by the City to enter into any contractual relationship; and no part of the RFP is legally binding on the City.

APPENDIX C - DRAFT SERVICE LEVEL AGREEMENT (Appendix E of the RFP)

Appendix E - Sample Service Level Agreement

For purposes of this document, the parties are identified as follows:

Other ASP Owner and/or Strata Corporation:	Other ASP
City of Vancouver	CoV
Non-Profit Operator	NPO

For the purpose of this agreement, this Service Level Agreement (the "SLA") is intended to reflect the proposed delineation of repair, maintenance and replacement responsibilities between the parties as currently anticipated. The City reserves the right to revise the SLA as necessary and deemed appropriate.

The costs for some items below may be eligible for reimbursement by the anticipated facility reserve to be held by the City for the purpose of paying for major maintenance and capital replacement costs, subject to the availability of sufficient funds.

Annual Maintenance Plan

The Operator must prepare and submit an Annual Maintenance Plan at the beginning of each year including both the Routine and Preventative Maintenance Plan, which the City reserves the right to validate. At the end of each year, the Operator will submit a report/reports summarizing the Routine and Preventative Maintenance that has been performed and costs, and the Capital Maintenance and Improvements performed and costs.

Item	Description	Party to Perform the Work	Party Responsible to Pay for Work
1.1	Heating, Ventilation and Air Conditioning exclusive to or within the Leased Premises (excluding common equipment/systems)		
a	- annual inspection	NPO	NPO
b	- routine maintenance and repair	NPO	NPO
c	- provision & replacement of filter material	NPO	NPO
d	- cleaning of ducts	NPO	NPO

Item	Description	Party to Perform the Work	Party Responsible to Pay for Work
e	-preventive maintenance and repairs to hot water heating systems (ie, boiler, hot water tank)	NPO	NPO
f	- major repairs and replacement of hot water heating systems	CoV	CoV
g	- life cycle replacement (Capital Maintenance)	CoV	CoV
1.2	Common Heating, Ventilation and Air Conditioning (systems serving more than the Leased Premises)		
a	- annual inspection, maintenance and repair	Other ASP	NPO (proportionate share)
b	- life cycle replacement	Other ASP	NPO (proportionate share)
2.1	Plumbing Systems exclusive to or within the Leased Premises (excluding common systems/equipment)		
a	-preventive maintenance and repairs to domestic water systems, and piping	NPO	NPO
b	- major repairs of domestic water systems, and piping	CoV	CoV
c	- repairs to all fixtures including faucets, unplugging toilets and all other routine repairs	NPO	NPO
d	- life cycle replacement of domestic water systems, and piping	CoV	CoV
e	- life cycle replacement of fixtures (ie, faucets, toilets, urinals, water closets, drinking fountains, etc.)	NPO	NPO

Item	Description	Party to Perform the Work	Party Responsible to Pay for Work
2.2	Common Plumbing Systems (systems serving more than the Leased Premises)		
a	- annual inspection, maintenance and repair	Other ASP	NPO (proportionate share)
b	- life cycle replacement	Other ASP	NPO (proportionate share)
3.1	Mechanical Systems exclusive to or within the Leased Premises (excluding common systems/equipment)		
a	- preventive maintenance and repairs	NPO	NPO
b	- life cycle replacement	CoV	CoV
c	- installation, maintenance and replacement of additional equipment provided and installed by the occupant	NPO	NPO
d	elevators - maintenance and repair	NPO	NPO
e	elevators - lifecycle replacement	CoV	CoV
3.2	Common Mechanical Systems (systems serving more than the Leased Premises)		
a	- annual inspection, maintenance and repair	Other ASP	NPO (proportionate share)
b	- life cycle replacement	Other ASP	NPO (proportionate share)
4.1	Fire Protection & Suppression exclusive to the Leased Premises		
a	- monthly inspection of fire extinguishers and smoke detectors within the Leased Premises	NPO	NPO

Item	Description	Party to Perform the Work	Party Responsible to Pay for Work
b	- annual inspection of fire extinguishers within premises	NPO	NPO
c	- repairs/recharging of fire extinguishers within premises	NPO	NPO
d	- annual inspection, maintenance and repair of fire sprinkler system	NPO	NPO
e	- life cycle replacement of fire sprinkler system	CoV	CoV
4.2	Common Fire Protection & Suppression (systems serving more than the Leased Premises)		
a	- annual inspection, maintenance and repairs of the fire alarm system including interior emergency/exit lighting	Other ASP	NPO (proportionate share)
b	- life cycle replacement of fire alarm system	Other ASP	NPO (proportionate share)
c	- annual inspection, maintenance and repair of fire sprinkler system	Other ASP	NPO (proportionate share)
d	- life cycle replacement of fire sprinkler system	Other ASP	NPO (proportionate share)
5.1	Security Systems dedicated to or within the Leased Premises		
a	- system monitoring, inspection, maintenance and repair	NPO	NPO
b	- life cycle replacement	NPO	NPO
c	- repair, replacement, re-keying of all locks, fobs and access devices	NPO	NPO
5.2	Common Security Systems (systems serving more than the Leased Premises)		

Item	Description	Party to Perform the Work	Party Responsible to Pay for Work
a	- system monitoring, inspection, maintenance and repair	Other ASP	NPO (proportionate share)
b	- life cycle replacement	Other ASP	NPO (proportionate share)
6.1	Electrical Distribution Systems exclusive to or within the Leased Premises (excluding common systems/equipment)		
a	- repairs and upgrades required by Code or initiated by the Landlord	CoV	CoV
b	- inspection, maintenance and repair of wiring, breakers and electrical panels	NPO	NPO
c	- life cycle replacement of wiring, breakers and panels	CoV	CoV
d	- repair or replacement of switches, receptacles, cover plates	NPO	NPO
e	- extensions, increases, or enhancements to meet occupant's needs including ongoing maintenance	NPO	NPO
6.2	Common Electrical Distribution Systems (systems serving more than the Leased Premises)		
a	- inspection, maintenance and repair of electrical distribution systems	Other ASP	NPO (proportionate share)
b	- life cycle replacement of electrical distribution systems to the Leased Premises	Other ASP	NPO (proportionate share)
c	- maintenance, repair and replacement of auxiliary power generating systems	Other ASP	NPO (proportionate share)

Item	Description	Party to Perform the Work	Party Responsible to Pay for Work
7.1	Lighting Systems within the Leased Premises		
a	- bulb/tube replacement for interior lighting	NPO	NPO
b	- interior lighting ballast replacement	NPO	NPO
c	- life cycle replacement of lighting fixtures	NPO	NPO
d	- cleaning of interior lighting fixtures	NPO	NPO
e	- provision, maintenance, repair and replacement of portable lighting fixtures	NPO	NPO
f	- annual inspection and maintenance of interior emergency/exit lighting	NPO	NPO
7.2	Common Lighting Systems (systems serving more than the Leased Premises)		
a	- inspection, maintenance, repair, and cleaning	Other ASP	NPO (proportionate share)
b	- life cycle replacement	Other ASP	NPO (proportionate share)
8.1	Interior Windows (interior to the Leased Premises)		
a	- breakage and routine repair	NPO	NPO
b	- cleaning	NPO	NPO
c	- life-cycle replacement	NPO	NPO
8.2	Exterior Windows of the Leased Premises or common area windows		

Item	Description	Party to Perform the Work	Party Responsible to Pay for Work
a	- breakage and routine repair	Other ASP	NPO (proportionate share)
b	- cleaning (of exterior surfaces)	Other ASP	NPO (proportionate share)
c	- cleaning (of interior surfaces within the Leased Premises , excluding common area windows)	NPO	NPO
d	- life cycle replacement	Other ASP	NPO (proportionate share)
8.3	Interior Doors (interior to the Leased Premises)		
a	- maintenance and repair	NPO	NPO
b	- life cycle replacement	NPO	NPO
8.4	Exterior Doors of the Leased Premises		
a	- maintenance and repair including hardware	NPO	NPO (proportionate share)
b	- life cycle replacement	CoV	CoV
8.5	Common Area Exterior Doors		
a	- maintenance and repair including hardware	Other ASP	NPO (proportionate share)
b	- life cycle replacement	Other ASP	NPO (proportionate share)
9.1	Interior Surfaces within the Leased Premises		
a	- interior life cycle repainting	NPO	NPO

Item	Description	Party to Perform the Work	Party Responsible to Pay for Work
b	- maintenance and cleaning of window applications including, but not limited to blinds and curtains	NPO	NPO
c	- repairs to interior walls and ceilings, including minor painting	NPO	NPO
d	- life cycle replacement of ceiling tiles	NPO	NPO
e	- interior repairs due to building system failures such as roof leaks, exterior walls and foundation leaks not caused by the occupant or operations	Other ASP	Other ASP
f	- maintenance and repairs of floor coverings, including carpet and tile	NPO	NPO
g	- life cycle replacement of flooring	NPO	NPO
h	- maintenance, repair, and replacement of millwork	NPO	NPO
9.2	Interior Surfaces within Common Areas		
a	- all maintenance and repairs	Other ASP	NPO (proportionate share)
b	- all capital maintenance or replacements	Other ASP	NPO (proportionate share)
10.1	Major Structural Systems		

Item	Description	Party to Perform the Work	Party Responsible to Pay for Work
a	- repairs or replacements of foundations, flooring sub-structure, building envelope including bearing walls and roofing, and parking lots due to damage not related to the tenancy	Other ASP	Other ASP/ CoV
b	- repairs and painting of exterior surfaces including windows, trim, fascia and soffits	Other ASP	NPO (proportionate share)
c	- cleaning of eaves troughs, gutters, roof drains and roof areas	Other ASP	NPO (proportionate share)
11.1	Site Services		
a	- landscaping repairs and maintenance	Other ASP	NPO (proportionate share)
b	- grass cutting	Other ASP	NPO (proportionate share)
c	- general cleaning of grounds, litter disposal	Other ASP	NPO (proportionate share)
d	- snow and ice removal from steps, walkways, entrances including provision of de-icing materials	Other ASP	NPO (proportionate share)
e	- removal of snow from entrance to parking areas	Other ASP	NPO (proportionate share)
f	- removal of snow and ice from roof areas	Other ASP	NPO (proportionate share)
g	- repairs of water and sewage systems (beyond the building perimeter)	Other ASP	CoV
h	- maintenance, repair and replacement of gates and fences (excluding tenant specific gates and fences)	Other ASP	NPO (proportionate share)
i	- maintenance and repair of parking and loading areas	Other ASP	NPO (proportionate share)

Item	Description	Party to Perform the Work	Party Responsible to Pay for Work
12.1	Signage exterior to the Leased Premises		
a	- maintenance, repair and replacement (subject to prior approval of CoV and Other ASP)	NPO	NPO
12.2	Interior Signage within the Leased Premises		
a	- installation, maintenance, repair and replacement	NPO	NPO
13.1	Janitorial Services within the Leased Premises		
a	- routine janitorial/custodial services	NPO	NPO
b	- pest control services (interior)	NPO	NPO
c	- provision of all washroom supplies	NPO	NPO
13.2	Janitorial Services within the common areas		
a	- routine janitorial/custodial services	Other ASP	NPO (proportionate share)
b	- pest control services	Other ASP	NPO (proportionate share)
d	- garbage and recycling removal services	Other ASP	NPO (proportionate share)
14.1	Public Art within the Leased Premises		
a	- routine (annual) maintenance and repair	CoV	CoV
b	- capital maintenance/replacement	CoV	CoV
c	- operation / minor maintenance	NPO/TBD	NPO/TBD

Item	Description	Party to Perform the Work	Party Responsible to Pay for Work
15.1	Appliances, Program and Other Non-Installed Equipment within the Leased Premises		
a	- inspection, maintenance and repair of all non-building equipment including stoves, refrigerators, microwaves, coolers, free standing cabinets, track lighting	NPO	NPO
b	- replacement of all appliances, program and non-installed equipment	NPO	NPO
c	- maintenance, repair and replacement of furniture	NPO	NPO
16.1	Renovations and Upgrades to the Leased Premises (following completion of initial tenant improvements)		
a	- any upgrades, additions, enhancements or improvements initiated by the Tenant (subject to prior approval by CoV), including Contaminants remediation as required	NPO	NPO
b	- any upgrades, additions, enhancements or improvements initiated by the Landlord (subject to prior approval by CoV), including Contaminants remediation as required	CoV	CoV
17.1	Utilities provided to or directly serving the Leased Premises		
a	- electricity	NPO	NPO
b	- gas	NPO	NPO
c	- all other municipal utility charges which appear on the property tax notice	Other ASP	NPO (proportionate share)

Item	Description	Party to Perform the Work	Party Responsible to Pay for Work
17.2	Common Area Utilities		
a	- electricity	Other ASP	NPO (proportionate share)
b	- gas	Other ASP	NPO (proportionate share)
c	- water and sewer	Other ASP	NPO (proportionate share)
18.1	Business Operations		
a	- staff costs	NPO	NPO
b	- telephone, internet & cable services	NPO	NPO
c	- insurance (building shell)	Other ASP	CoV
d	- insurance (CGL, TLL, business interruption, contents, etc.)	NPO	NPO
e	- supplies and equipment, including for bathroom and kitchen	NPO	NPO
f	- security services	NPO	NPO

Lifecycle Replacement

Lifecycle replacement is based on fair wear and tear. The need of such replacement is at the Landlord's sole discretion.

Damage

Notwithstanding the foregoing, but except in the case of emergency, it is a condition hereof that the Landlord's obligation to maintain, repair, and replace parts of the Premises as indicated above is always subject to the availability of funds currently budgeted by the Landlord for such purposes at the Premises.



