



ADMINISTRATIVE REPORT

Report Date: June 3, 2014
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Meeting Date: June 11, 2014

TO: Standing Committee on City Finance and Services
FROM: General Manager of Community Services
SUBJECT: Public Art Programming at the Georgia Street (Shangri-La) Public Art Site

RECOMMENDATION

- A. THAT Council authorize a 5 year renewal (January 1, 2014 to December 31, 2018), of the agreement between the City of Vancouver and the Vancouver Art Gallery (VAG) Association by which the VAG provides curatorial and related services for displays of temporary public artworks within the public space and passageway at or adjacent to the Shangri-La Hotel within the 1100 block of West Georgia and Alberni Streets, on terms and conditions satisfactory to the Director of Legal Services and the Managing Director of Cultural Services.
- B. THAT Council authorize payment of \$160,000 per year during the term of the agreement, to a maximum total amount of \$800,000 over the 5 year renewal term of the agreement; source of funding will be the Georgia Street (Shangri-La) Public Art Reserve.

REPORT SUMMARY

This report seeks Council's authorization to renew the agreement between the City and the Vancouver Art Gallery Association for the provision of curatorial and related services for a program of temporary artworks at the Shangri-La Hotel public art site. The agreement would be funded from the Georgia Street (Shangri-La) Public Art Reserve, which was established for that purpose.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

In 2003, in connection with the rezoning for the Shangri-La Hotel development in the 1100 block of West Georgia and Alberni Streets, City Council approved arrangements for the establishment of a public space and passageway at the proposed Hotel site and for the provision of public art programming for displays of temporary public artworks within that public space, with funding from the development (\$2.4M - now the Georgia Street (Shangri-La) Public Art Reserve (the “Reserve”). Those arrangements were subsequently put in place by way of a statutory right of way and encroachment agreement between the owner and the City and registered on title to development lands, and, in 2008, Council approved, and the City subsequently entered into, an agreement with Vancouver Art Gallery Association for the provision of curatorial and related services for displays of temporary public artworks within that public space, with funding for payment for those services to be provided by the Reserve.

Allocations from City reserves require Council approval.

CITY MANAGER’S/GENERAL MANAGER’S COMMENTS

The General Manager of Community Services RECOMMENDS approval of Recommendations A and B.

“Offsite” - A Program To Exhibit Temporary Public Art

City Council in 2003 approved a rezoning for the Shangri-La Hotel at 1100 West Georgia Street. In lieu of providing permanent public artwork in connection with the development, the developer agreed to provide for continuous displays of temporary public artworks within an established public space and passageway on site. For that purpose, the developer provided \$2.4M for the establishment of the Reserve. This initiative began to address a long-standing need for a site in which to program temporary exhibitions of public art. The public art program in place there now is called “Offsite”.

Offsite is located in a public right-of-way connecting Alberni and Georgia Streets, with a main exhibition space fronting onto Georgia. In addition to the original \$2.4M payment from the development, the encroachment fees which are paid annually to the City pursuant to the statutory right of way and encroachment agreement referred to above also go to the Reserve. The City’s goal in managing the Reserve is to ensure that, while providing funding for public art programming at Offsite, the original investment to the Reserve, taking inflation into account, is preserved. So, the public art programming for Offsite is funded from interest earned on the funds in the Reserve and from the annual encroachment fees (currently \$150,000) paid into it.

In 2008, Council authorized a five year agreement with Vancouver Art Gallery Association to program public artworks at the Offsite space. The Vancouver Art Gallery Association’s knowledge of artists, its expertise in public art, and

its input into the design and setup of the site made them an ideal contractor to launch Offsite.

Between 2008 and the end of 2013, the Vancouver Art Gallery Association commissioned artworks by four local and four international artists. The artists were selected on the basis of artistic quality, innovation, response to the site, and diversity of ideas:

- O Zhang (New York) *Horizon (Sky)*
- Ken Lum (Vancouver/Philadelphia) *from shangri-la to shangri-la*
- Heather and Ivan Morison (Gt. Britain) *Plaza*
- Elspeth Pratt (Vancouver) *Second Date*
- Kota Ezawa (San Francisco) *Hand Vote*
- Damian Moppett (Vancouver) *The Painter's Studio as Sculpture*
- MadIn Company (China) *Calm*
- Mark Lewis (Vancouver/London) *8 Days*

Pamphlets documenting these artworks are on file with the City Clerk.

Strategic Analysis

The Vancouver Art Gallery Association's curatorial expertise has created a high quality program appreciated by Vancouver's increasingly sophisticated audience--of residents and tourists--for contemporary art. Staff recommend renewing the agreement with the Vancouver Art Gallery Association for another five years for the consideration described in Recommendation "B" above. The Georgia Street (Shangri-La) Public Art Reserve (320098) holds \$3,118,900 (as of April 2014). This consists of the original \$2.4M used to establish the Reserve, payments of annual encroachment fees as described above (currently \$150,000) and accrued interest, less expenditures.

Under the previous five-year contract, the Vancouver Art Gallery Association was paid a total of \$788,500, an average of \$157,700 per year. However, near-fifty percent interest rate declines since 2008 have resulted in dramatically reduced proceeds, and to maintain the purchasing power of the Reserve, staff recommend only a marginal increase in the funding provision for the new contract. Accordingly, a maximum of \$800,000 is recommended for the period 2014-2019, an average of \$160,000 per year. With current Reserve income (interest and encroachment fees) approximating \$210,000, this provision provides a very modest balance of \$50,000 per year to retain in the Reserve to cover inflation. Our calculations indicate this draw will retain sufficient funds in the Reserve to sustain Offsite's art programming into the future. To accommodate increases in exhibition production costs, the Vancouver Art Gallery Association may extend the duration of some exhibitions and/or provide supplementary funding from its own resources. City and Vancouver Art Gallery staff worked together to ensure the sufficiency of these amounts and to achieve the mutual goal of increasing the Reserve balance to continue to produce significant works in the future. This

approach will provide for the overall sustainability of this project while maximizing the impact of this important public art site.

Implications/Related Issues/Risk (if applicable)

Financial

The total cost for the curatorial and related services for the displays of temporary public art works provided by the Vancouver Art Gallery Association are approximately \$160,000 per year, to a maximum total amount of \$800,000 over the five year renewal term of the agreement. This represents a slight increase of 1.5% from their current funding level. Source of funding for the services will be the Georgia Street (Shangri-La) Public Art Reserve.

The Reserve had a balance of \$3.1 million as of April 2014, and generates approximately \$210,000 per year through interest and encroachment fees. The annual income is sufficient to fund the proposed annual operating budget of \$160,000 and still retain a small re-investment in the Reserve (\$50,000) to maintain purchasing power.

Legal

If the recommendations in this report are adopted, the legal agreement with Vancouver Art Gallery Association to provide exhibitions will need to be renewed.

CONCLUSION *

This report recommends authorization for renewal of the agreement between the City of Vancouver and the Vancouver Art Gallery Association by which the Vancouver Art Gallery Association provides curatorial and related services for displays of temporary public artworks within the public space at the Shangri-La Hotel in the 1100 Block of West Georgia and Alberni Streets. It also recommends an allocation from the Georgia Street (Shangri-La) Public Art Reserve to fund on-going public art programming at Offsite, the City's public art exhibition site at the Shangri-La Hotel.

The recommendations provide a sustainable approach, using only accrued interest and encroachment fees. This approach maintains good balances in the Reserve, enabling the City to continue its commitment to provide the public with a first-rate experience of public art in the public realm. It is consistent with the overall Public Art Program strategy to maximize the quality and longer-term impact of public art in Vancouver.

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