



ADMINISTRATIVE REPORT

Report Date: December 4, 2013
Contact: Richard Newirth
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Meeting Date: July 23, 2014

TO: Standing Committee on Planning, Transportation and Environment
FROM: General Manager of Community Services
SUBJECT: Maximizing Investment in the Public Art Program

RECOMMENDATION

- A. THAT City Council strengthen the Public Art Program (as outlined in its motion of February 28th 2012, in Appendix A of the Administrative Report dated December 4, 2013, entitled "Maximizing Investment in the Public Art Program") by identifying new sources of revenue, employing best practices, and proposing other measures to maintain Vancouver's global leadership in public art through the recommendations in "B", which are to be applied to all rezoning applications referred to public hearing by Council after the last day of the month in which the recommendations in this report are approved.
- B. THAT Council approve the following changes to the requirements for rezoned developments as well as the updated document *Public Art Policy for Rezoned Developments* (set out in Appendix B of the Administrative Report dated December 4, 2013, entitled "Maximizing Investment in the Public Art Program") that incorporates these changes:
 - i. Revise the public art Option A process to eliminate the 2% administration fee and instead require that 10% of public art contributions be paid to the City to supplement City Public Art Capital funds to commission artworks city-wide;
 - ii. Revise the public art Option B process to promote cash-in-lieu of public art by providing a 20% cash discount to developers who elect to make a payment in lieu to the Signature Projects Fund Reserve (defined in Recommendation C of the Administrative Report dated December 4, 2013, entitled "Maximizing Investment in the Public Art Program");

- iii. Eliminate public art Option C, which provides 60% of the public art budget for on-site artwork and 40% to the City for artwork on City lands;
 - iv. Encourage opportunities for developers to pool their budgets (both single developers with multiple projects or two or more developers with separate projects) to commission more significant artwork either on development lands or public lands;
 - v. Ensure appropriate long-term maintenance of public art installations through the development and implementation of viable maintenance plans for development-site artworks.
- C. THAT Council establish a Signature Projects Fund Reserve (funded by Option B and the \$1 million referenced below) to commission public artworks of international significance from the best local, national and international artists for installation at key destination sites, by combining contributions from the City, developers, philanthropists, foundations, and other agencies; and:
- i. THAT the \$1M currently in the Public Art Reserve not dedicated to other projects be allocated to the Signature Projects Fund Reserve to stimulate developer and philanthropic contributions;
 - ii. THAT the Managing Director of Cultural Services consult the Arts and Culture Policy Council (ACPC) and Public Art Committee to develop terms of reference for artworks to be commissioned through the Signature Projects Fund Reserve.
- D. THAT Council approve in principle \$700,000 annually in new capital funds in the 2015 - 2018 Capital Plan, which funds will be combined with the 10% contribution from developers who elect Option A (as set out in Recommendation B.i.) and which will maximize public art opportunities city wide on civic buildings, infrastructure, and public places as detailed in this report.
- E. THAT funds be allocated to undertake public and stake-holder consultations and report back on the potential of key sites for Signature Projects Fund artworks, including Queen Elizabeth Park or other civic sites having the potential to become a major public art tourist destination, with source of funds to be the 2014 Capital Public Art budget.
- F. That staff report back on destination art sites by June 2015 and, by December 2016, on the findings, effectiveness and implementation of other actions recommended above.

REPORT SUMMARY

The recommendations in this report respond to Council's motion asking staff to find new opportunities for investment and to expand the scope and scale of Public Art Program activity across the city. Inspired by public response to the 2010 Olympic and Paralympic Public Art Program, these recommendations will:

- revise the options available on rezonings in ways attractive to developers and the City;
- create a Signature Projects Fund Reserve (SPFR) to commission artworks of exceptional calibre by local, national and international artists at key destinations;
- provide a combination of City capital funds and developer contributions to support key program components not covered by major rezonings, ensuring public art is distributed, and maintained, across the city;
- identify site(s) for Signature Projects Fund artworks having the potential to engage local audiences and confirm Vancouver's reputation as an international centre for contemporary art.

The changes to the Public Art Program will be achieved in two ways: (1) through revised developer options; and (2) through City capital contributions that enable the creation and maintenance of artworks citywide. These recommendations will result in a financially viable program that provides art throughout the city, and a concentrated experience of extraordinary art at a destination site(s) attractive to residents and to international travellers increasingly drawn to significant art destinations.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

Since 1990 City Council has adopted public art policies and provided funds as follows:

- A Public Art Program for Civic and Private Development (1990)
- Capital Plan allocations starting with \$1M (1994-1996)
- Public Art Reserves for Projects and for Maintenance (1994)
- A Public Art Program Review and Plan (2008)
- Olympic and Paralympic Public Art program (2009 - 2010)
- Motion directing staff to report back on ways "to structure the Public Art Program to stimulate additional investment" (2012; Appendix A)

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

The City Manager and General Manager RECOMMEND approval of Recommendations A through F.

The recommendations in this report update a Public Art Program that will celebrate its 25th anniversary in 2015 and one which has made Vancouver a North American leader in commissioning art for public places. The report responds to Council's motion of February 2012 asking staff to explore new opportunities and funding for the Public Art Program. Since then, significant progress has been made on City support to arts and culture with the launch of the City's *Culture Plan: Strategic Directions for the Next 5 Years* (October 23, 2013, RTS 10309) providing a renewed policy framework in support

of Vancouver's diverse and thriving cultural ecology. The changes open the door to artworks of a new level of excellence, engagement and creativity through both new private development opportunities and a strong City commitment to commissioning public art for both destination sites and local neighbourhoods. Taken together, the recommendations confirm public art as a central component of Vancouver's *Culture Plan* through recognition of artists as key players in creating an enriched public realm and a more vital and exciting city.

BACKGROUND/CONTEXT

The Public Art Program incorporates contemporary art in public spaces through Capital Plan allocations and on development sites through requirements to deliver public art or a payment in lieu on rezonings of 100,000 sq ft or more. The Program supports art making of many kinds and provides experiences of art that encompass the diversity, values, visions, and spirit of place that inspire and define Vancouver.

The Public Art Program has two primary facets, both of which are administered by staff in the City's Cultural Services Department: (1) planning, programming, commissioning and maintaining artworks through civic funding for public property, and (2) overseeing the rezoning development public art requirements and process. The goal is to ensure top quality public art in both public and private projects.

It is a testament to the quality of art production and the success of our creative economy in Vancouver that since 1990, when the Public Art Program began, 88% of civic commissions, 100% of neighbourhood grant projects and 75% of private development commissions have been awarded to local artists.

The exuberance and scale of public artworks at Expo 86 (1986) demonstrated the power of art to transform public space, and Expo art had a lasting influence on the development of Vancouver's public realm. The Public Art Program for Civic and Private Development, adopted post-Expo in 1990, addressed private-sector opportunities at former Expo lands and at four other large developments. City capital funding for art on City lands followed in 1994, fulfilling a City commitment to maintain parity with the private-sector requirement.

Twenty-four years after Expo 86, the 2010 Olympics reaffirmed the unique ways in which artists define successful cities. The city supported transformative public artworks that added to the euphoria of the Games. What staff learned from 2010 is that the key to engagement with the broader public is artwork of excellence, diversity, and scale.

In 2008, a six-month city-wide consultation with artists, developers, and the public generated a new vision for public art within Vancouver's overall Cultural Plan. The Public Art Review and Plan recommended annual City capital investments of \$1M to bring Vancouver into line with other cities in the international creative city movement. In response, Council increased three-year Program funding from \$1M to \$2M in the 2009-2011 Capital Plan and increased the private development public art rate from \$.95 to \$1.81 per square foot, based on increases to the Vancouver Construction Price Index. These 2008 increases were the first to Public Art Program budgets since its adoption in 1990.

Since 2010, the Program has focussed on completing legacy projects, facilitating gifts and maintaining older artworks. Inspired by the experience of the Games, but prompted also by engaged developers and citizens seeking a stronger program, this period of post-Olympic reflection has provided time to reassess and refocus Public Art Program goals, and to recommend the restructured tools needed to achieve them.

STRATEGIC ANALYSIS

Council Motion

Council's motion "to stimulate additional investment" in public art (Appendix A) was prompted by a recognition that more funds are needed for the Public Art Program to reach its full potential. This report addresses the funding issue and other directives by recommending revisions that will increase contributions from private developments and ensure stable City funding through the Capital Plan. This report does not address the directive to align City and Park Board policies and processes, because such alignment—with respect to gift, loan, and donation policies, commissioning practices and site planning—is in process and will be reported back at a later date.

Current Options for Rezoned Developments

The Public Art Program (first adopted in 1990) applies to rezonings of 100,000 square feet or more, and requires the commission of new artworks in the public realm. Public art budgets for development are based on all areas contributing to the floor space calculation as established for the Development Permit, multiplied by the per-foot rate then in effect. The current (2014) rate is \$1.81 sq ft/19.48 sq m. The rate is indexed to Statistics Canada's Vancouver Construction Price Index.

Developers may currently fulfil the public art requirement by choosing one of three options:

1. **Option A:** provides 98% of the public art budget to on-site artwork with 2% coming to the City as an Administrative Fee. The developer is required to hire a professional public art consultant to manage the process. Private Development art plans are reviewed and approved by staff and the Public Art Committee. Historically, 75% of all development projects (total of 52 projects) have elected Option A.
2. **Option B:** allows developers to pay cash in lieu of the public art requirement by giving 100% of the public art budget to the City's Public Art Reserve. In the Program's first 24 years, only four developers cashed out their obligations rather than provide on-site public art.
3. **Option C:** allows 60% of private development art budgets for on-site artworks, with no requirement for public art plans or public process. The remaining 40% comes to the Public Art Reserve to fund artworks on City lands elsewhere. Nine developers have chosen Option C since 1990.

Revised Options for Rezoned Developments (See Table 1 for a synopsis of proposed changes)

Staff recommend the following changes to the options for rezoned developments, none of which increases the overall cost to developers, and one of which (#2 below) reduces cost:

1. The Option A public art process will remain mostly unchanged. However, in lieu of the 2% of public art budgets currently received by the City as an administrative fee, a 10% allocation will be paid to the City to supplement City Public Art Capital funds to commission local-area artworks, especially in areas where artworks will not be achieved through rezoning opportunities. To secure the development community's acceptance of this change, this report recommends that the City allocate in principle \$700,000 annually in new capital funds in the 2015-2018 Capital Plan to the Public Art Program. Table 2 shows estimated revenues (based on actual public art budgets for 2008-2012) comparing the 2% administration fee and the 10% contributions.
2. The revised Option B process will offer a 20% discount to developers who allocate their public art budgets to the SPFR. Based on reviewing the experience and practices of other jurisdictions, a substantial discount is deemed necessary because developers recognize that public art adds value—in the form of distinction, identity, and a marketing edge—to their sites, and few since 1990 have cashed out their Public Art obligations. Staff estimate that a minimum discount of 20% is needed so that the discount is worth more to the developer than the benefits of having art on site. Table 3 shows potential income (based on the 2008-2012 five-year period) from the restructured Option B, showing, 10, 15, and 20% of developers opting to cash out. Staff postulate that 15% of developers will choose the cash-out option. Actual income will still depend on the number of rezonings in a given year, on the attractiveness of the 20% discount, and on developer interest in the Signature Projects Fund Reserve (SPFR) potential (see below).

To ensure this 20% discount incentive is retained through other City negotiations, developers may hold off on declaring their public art option until the Development Permit stage and after CAC negotiations are concluded. For the purposes of the Public Hearing of the Rezoning Report, the value of the total allocation using the standard methodology will be evident and transparent.

3. Staff recommend eliminating Option C (the 60%/40% split) which over 20 years has resulted in only 9 projects and has not achieved the quality derived through the Option A process which requires review by the Public Art Committee. By eliminating Option C, resources will be focussed on the much stronger Option A process, or on Option B, with funds coming to the City's SPFR for international calibre artworks.

4.

Table 1: Proposed Restructured Private Development Options			
CURRENT OPTIONS		RECOMMENDED OPTIONS	
Option A *39 projects	<ul style="list-style-type: none"> 98% to on-site art 2% City admin fee 	Option A On-site artwork	<ul style="list-style-type: none"> 90% to on-site art 10% Civic Program Contribution
Option B *4 projects	<ul style="list-style-type: none"> 100% cash-in-lieu to City Public Art Reserve 	Option B Cash-in-lieu	<ul style="list-style-type: none"> 80% to Signature Projects Fund Reserve 20% discount to developers
Option C *9 projects	<ul style="list-style-type: none"> 60% to on-site art 40% to City 	Option C ELIMINATE	<ul style="list-style-type: none"> ELIMINATE to encourage better artworks or cash

*Total of 52 projects 1991 - 2013

Table 2: Estimated Annual Income from Change to Option A - 10% Program Contribution Compared to Current 2% Administration Fee			
	Total Private Development Art Budgets*	Current: 2% Admin Fee	Proposed: 10% Civic Program Contribution
2008	\$ 2,368,710	\$ 47,374	\$ 236,871
2009	\$ 0	\$ 0	\$ 0
2010	\$ 3,289,077	\$ 65,782	\$ 328,908
2011	\$ 3,271,411	\$ 65,428	\$ 327,141
2012	\$ 7,123,435	\$ 142,469	\$ 712,344
2013	\$ 1,735,490	\$ 34,710	\$ 173,549
6-year total	\$17,788,123	\$ 355,763 [†]	\$1,778,812
Annual average	\$ 2,964,687	\$ 59,294	\$ 296,469

* Estimates based on approved Public Art Plan budgets, 2008 - 2013

[†] To date \$169,000 of this total amount has been received.

Table 3: Estimated Annual Income from Change to Option B: cash-in-lieu

Average Annual Private Development Art Budget*	Percentage of projects opting for cash-in-lieu	Revenue to Signature Projects Fund Reserve (80% of public art budgets)
\$ 2,964,687	10%	\$ 237,176
	15%	\$ 355,763
	20%	\$ 474,350

*Estimates based on average of approved Public Art Plan budgets, 2008 - 2013

†Staff postulate that 15% of developers will choose the cash-in-lieu option

Development Budget Pooling

Some major rezoning districts, such as Southeast False Creek (owned by multiple developers) and the River District also known as East Fraser Lands (owned by a single developer which often sells off portions to other developers), consist of parcels of varying size, some of which have modest public art budgets. Staff want to enable developers to pool funds from separate parcels so that better artworks can be achieved. Funds might be consolidated at a single private site or, with City input, at an adjacent public site, the aim being in either case to commission artwork of greater impact than is possible with the modest budgets smaller rezonings provide. In consultation with staff, a single developer may choose to pool funds from multiple projects or two or more individual developers may choose to pool funds to achieve stronger public art outcomes.

Participation and Acknowledgement

Developers who contribute to the SPFR will be acknowledged on site and in print and on-line publications. Interested developers may participate via an oversight committee or on selection panels when experience and time commitments allow. Staff propose to meet twice yearly with contributors to the fund to report on and to receive input into Signature Fund processes.

Development Artwork Maintenance

Public artworks created early in the development process or integrated into buildings, are registered on the Development or Building Permit and property owners are obligated to maintain them. Artworks developed later in the process, or artworks separate from buildings, are rarely registered on permits and are at risk if the owners who succeed the developer do not maintain them. Staff will emphasize the need for responsible maintenance planning for artworks, and will work with developers and with Law to ensure that artworks commissioned for private lands include viable

maintenance provisions and future responsibilities for maintenance are contractually defined.

Going forward, public art agreements on rezonings will include ongoing maintenance obligations and provisions to give the City the right to intervene if owners fail to maintain the artwork or concerns arise over safety or impacts on neighbouring properties.

Private Development Budget Formula

On its adoption in 1990, the Public Art rate was set at \$1 per square foot which at the time was roughly equivalent to 1% of gross construction costs. This made Vancouver's program consistent with programs world-wide, which almost all use "percent for art" assessments to determine public art budgets. Staff comparisons of 2013 per-foot based budgets versus budgets calculated at 1% of construction costs indicate that the current \$1.81 equates to an average .8% of construction budgets, generating public art budgets that are effectively 20% less than what was intended when the program was established in 1990. Staff will report back on the effectiveness of the current formula at maintaining value and whether or not to recommend changing to a percentage of construction costs formula.

Signature Projects and the Signature Projects Fund Reserve (SPFR)

Signature Projects are artworks of sufficient scale and/or artistic substance, whether by local or international artists, to make an international-calibre contribution to Vancouver's public art collection. Historic examples are Henry Moore's *Knife Edge* at Queen Elizabeth Park and Bill Reid's *Killer Whale* at Vancouver Aquarium. Recent examples are Liz Magor's *LightShed* at Coal Harbour; Ken Lum's *Monument for East Vancouver*; and Yue Minjun's *A-Maze-ing Laughter* (the laughing men) at Morton Park (see images of these works in Appendix D).

If approved by Council (Recommendation C), the SPFR would be a significant new component of the Public Art Program. It addresses a need identified by developers, philanthropists, and arts organizations whose ambition for art in public places is greater than what can be achieved within the Public Art Program's current capacity. Some developers aspire to see more major artworks in the city than current development budgets allow, and state that they would prefer to contribute to a City pool of funds to commission more significant works. Developers and others also indicate that the calibre of artworks commissioned by the SPFR is the key to its success. A fund dedicated to high-profile artworks is more likely to receive donations, both from developer cash-outs (discussed below) and philanthropists, than a fund with less ambitious aims.

Establishing a SPFR is one of two principal ways in which the aims of Council's Motion can be achieved (the other, City Capital funding, is discussed below). The SPFR will pool monies from all sources (City funds, developer Option B contributions, philanthropic donations, grants, and partnerships) that have a shared interest in commissioning works of major artistic merit. Most SPFR revenue is expected to come from developers electing Option B in response to the incentives discussed above. Others, such as arts agencies, foundations, and philanthropists, will be attracted to a

fund that could (for example) provide matching dollars to commission exceptional major artworks that raise Vancouver's international cultural profile. Partnerships can be pursued and tax receipts issued by the City for philanthropic cash contributions. Signature Project funds will be dedicated to the commission of Signature Projects. This report recommends that the \$1M currently in the Public Art Reserve that is unallocated should seed the SPFR.

A curatorial plan building on Vancouver's artistic strengths will be developed to reflect the best local and international art practices. Council's Arts and Culture Policy Council and the Public Art Committee will provide input to the curatorial plan and its implementation. Staff will report back in memo format on terms of reference for projects commissioned through the SPFR.

City Capital Funding

A review of best practices confirms that consistent municipal funding is the most critical component of public art programs in North America (fewer cities have private development programs). Municipal funding pays for essential program components such as city artwork commissions; artist residencies and mentorships; community engagement; planning, partnerships; maintenance and staffing. (See Appendix C for a comparison of civic investments from other cities, and for a chart showing historical and forecasted level of Vancouver City and private development funding). The \$700,000 allocated annually in new capital funds recommended in principle for the Program in the 2015-2018 Capital Plan represents the City's commitment to partner with the developers' required 10% civic program allocation. Together these funds will support program opportunities and functions as follows:

Civic Artwork Commissions and Donations:

Most artworks produced through Vancouver's private development program are concentrated downtown or in emerging growth areas such as River District and the Cambie Corridor. Civic funding, to be supplemented by the 10% Civic Program Contribution from private developments proposed in this report, ensures that art commissions reflect civic priorities for distribution throughout the city.

The *Community Walls/Community Voices* mosaic project engaged a broad community to animate a retaining wall along Clark Drive. Vanessa Kwan and Erica Stocking's *Geyser for Hillcrest Park* is a unique water feature integrated into the sustainable water system of the adjacent facility. These works (see images in Appendix D) add unique elements to the identities of their neighbourhoods.

The Artist-Initiatives Program adopted by Council in 2008 has resulted in some of Vancouver's most iconic artworks: Ken Lum's *Monument for East Vancouver* and Rhonda Weppeler and Trevor Mahovsky's *A False Creek*. The program attracts some of Vancouver's best artists.

Temporary "platforms" for artists working in two-dimensional formats include banners, a large-scale photo mural, transit shelter posters and video

opportunities. These projects stimulate the public realm with changing imagery and provide opportunities for artists whose practices do not tend toward conventional built form public art.

The Public Art Program works with City and Park planners to develop opportunities such as the three carved gateways by Susan Point representing the three local First Nations at the totem site in Stanley Park. A partnership with Engineering Services resulted in a stock fence being replaced by an extraordinary 200-foot artwork by Haida artist Michael Nichol Yahgulanaas at 33rd and Knight (Kensington Park). Another partnership with Engineering produced artist imagery on manhole covers to raise public awareness about the difference between storm and sanitary sewers.

City and Park staff facilitate artwork donations such as Liz Magor's iconic *LightShed* in Coal Harbour, a gift from the Grosvenor Corporation and *A-Mazing Laughter*, donated by the Wilson Family Foundation. Staff also work with organizations to present artworks in public space such as the Vancouver Biennale, a recurring exhibition that receives major in-kind City support and assistance with installations. The sculpture installation at TED was another major initiative facilitated in part by City in-kind support and cash.

Collaboration and Community Engagement:

Staff engage with stakeholders in planning for local projects through workshops and presentations. New forms of public engagement include artists working with communities on creative problem solving and temporary projects. Design team and artist-in-residence opportunities carry innovative thinking to the heart of civic institutions and promote creative exchanges between artists, staff, design professionals and citizens.

Public presentations, information sharing through web, workshops and professional development are other aspects of maintaining a dynamic Program.

Maintenance:

Artworks installed on City and Park lands since 1990 have contributed 10% of their budgets to the Public Art Maintenance Reserve, and Reserve funds are used to maintain artworks that contributed to the fund. However, the collection is aging and the 94+ historic artworks created before the establishment of the Maintenance Reserve lack dedicated maintenance support. Some works, such as Mungo Martin's Centennial Totem at the Maritime Museum, need major restoration (partial funding for a restoration was provided in the 2014 budget). Consistent funding is needed to ensure preservation of the City's cultural heritage.

Site Planning Needs for a Restructured Program

Determining sites for local area artworks is an ongoing process and will be pursued through neighbourhood planning initiatives in conjunction with Planning and/or Parks. Staff continue to pursue opportunities for infrastructure partnerships with

Engineering, Real Estate and Facilities, and Park Board to create more public art that can also serve purposes such as wayfinding and providing unique bike racks, retaining walls, fountains and gathering places.

A key planning initiative will be undertaken to identify prime destination art sites across the city suitable for international-calibre artworks, including a possible destination art park. Developers have indicated that having a clearly identified plan for Signature Projects will set the SPFR up for success. Various sites for Signature Projects Fund artworks have been proposed: King Edward Avenue or Cambie Boulevard; Queen Elizabeth Park; Fraser View Park; Hastings Park, Robson Street closure and other potential downtown plazas, the seawall and the adjacent foreshore. The scale of the consultation required—with developers, artists, art consultants, city departments, Translink and other organizations, and the public is substantial and requires significant planning and public engagement. Staff recommend that funds be allocated from the 2014 Public Art Capital Budget to engage a consultant to focus on this work and report out by December-2015.

Art-interested citizens and developers note that Vancouver lacks a concentrated international-calibre site for outdoor artworks—a sculpture park that provides an experience of art and leisure for the local public and international travellers. The SPFR planning would address that potential by determining appropriate sites and initiating the commissioning of artworks.

CONSULTATIONS INFORMING THE RECOMMENDATIONS IN THIS REPORT

Following its detailed discussion on 4 May 2013, City Council's Arts and Culture Policy Council unanimously passed the following resolution:

THAT the Art and Culture Policy Council strongly and broadly support staff's recommendations in the report "Stimulating Investment in Public Art", noting its particular support for new investment in the Public Art Program, and notes the following issues for consideration:

- Consider prequalifying artists and compile a list of prequalified artists every three years to be given to developers who are proposing projects;
- Build capacity among emerging artists;
- Developing mentorships between senior and emerging artists on specific projects;
- Include meaningful civic engagement through all public art projects;
- Ensure city-wide dissemination of significant public art;
- Continue to increase per capita investment to mirror other major cities renowned for their public art.

The Public Art Committee reviewed the recommendations in the report at its meeting of September 16th 2013, and passed the following recommendation unanimously:

THAT the Public Art Committee support the directions on the restructuring of public art funding as outlined by staff at its meeting on September 16, 2013.

On May 23, 2014, staff presented the recommended Program changes to Urban Development Institute members who have undertaken significant public art processes.

Developers were gratified the changes did not increase their overall costs, and accepted the 10% allocation to the Public Art Program on the understanding those funds will be used to supplement City funds for the creation of artwork city-wide. At that meeting and at a June 19 meeting with the UDI Liaison Committee, members expressed genuine interest in the potential of the SPFR to create artworks of exceptional quality. All questions and concerns of UDI members have been addressed.

Financial

Capital Funding

This report recommends an annual contribution of \$700,000 (included in the 2015-2018 Capital Plan) to be distributed among the program elements including artwork in infrastructure projects. The annual Capital Budget allocation of \$700,000 would restore Civic Public Art Program funding to its 2009 - 2011 level and affirm the City's commitment to partner with developers in creating great public art all around the city.

An annual City contribution of \$700,000 would create a per capita contribution of \$1.16, restoring Vancouver to a respectable middle range when compared to other Canadian cities. (See Appendix C for a comparison of civic investments from other cities, and for a chart showing historical and forecasted level of Vancouver City and private development funding). An annual allocation of \$700,000 has been built into the 2015 - 2018 Draft Capital Plan.

Tables 4 and 5 below show the estimated overall revenue and expenditures for the proposed restructured program:

<i>Table 4: Estimated Revenue for Restructured Program From Combined Civic and Private Development Contributions</i>		
Funding Source	Estimated Annual Funding (\$M)	5-Year Projection
Developer on-site artworks ¹	2.5	12.25
Developer 10% Allocation to City ²	0.25	1.35
Developer Cash in Lieu ¹	0.35*	1.9
Philanthropy/partnerships	0.20	1.0
Developer/Philanthropic Contributions	3.30	16.5
City Capital Contribution	0.70	3.5
TOTAL PUBLIC ART BUDGET	\$4.00M	\$20.0M

¹Total is \$.1M less than the annual average in Table 2 due to the 20% incentive.

Table 5: Estimated Civic and Private Development Expenditures		
Project/Program Allocations	Estimated Annual Allocations (\$M)	5-Year Projection
Developer on-site artworks	2.5	12.25
Civic Program ^{3*}	0.95	4.85
Signature Projects ^{4*}	0.55	2.9
TOTAL PUBLIC ART EXPENDITURES	\$4.0M	\$20.0M

¹ These amounts are based on 15% of developers selecting Option B.

² This amount is based on 10% of artworks on site.

³ This amount includes estimated 10% developer program allocations plus City Capital funding.

⁴ This amount includes developer cash in lieu and contributions from philanthropists.

**NOTE 1: Consistent with current practice, 10% of all contributions will be placed in the Public Art Maintenance Reserve.*

Public Art Reserve

A Public Art Reserve was adopted in 1994 to hold funds from developer contributions from Option B (payments in lieu of public art) and Option C (60/40 split); and donations from philanthropists. The Public Art Reserve currently holds \$2.29M.

Part of the Reserve total includes \$650,000 from Option B payments in lieu that were contributed by one developer over the past year specifically towards the idea of a SPFR as discussed herein. These non-discounted contributions followed discussions with staff about the possible adoption of the Fund. This developer is profoundly committed to the progress of art in Vancouver and elected to pay cash in hopes Council will adopt the Fund and create the opportunity to commission more substantial artworks.

The Public Art Reserve currently holds \$2.29M, as follows:

Restricted Funds:

Reserved for South East False Creek	570,000
Nike installation completion	50,000
Garde Temps completion (Olympic installation)	20,000
	\$ 640,000

Unrestricted Funds:

City contribution to seed the Signature Projects Fund Reserve	1,000,000
Recent developer contribution to the proposed Fund	650,000
	\$ 1,650,000
TOTAL	\$ 2,290,000

Major public art collections develop over a number of years. The reserve is positioned to encourage developer contributions, funding partnerships, donations of major artworks and to provide a base from which to pursue the goal of being a global leader in public art. The \$1M in seed funds designated from the Public Art Reserve and additional amounts generated annually through Option B would allow for two major artworks to be commissioned in the first few years, clearly establishing the high-profile aspirations of the SPFR.

Legal

If the recommendations in this report are adopted, the rezoning public art agreements will be amended to reflect the revised options and opportunities.

CONCLUSION

The recommendations in this report are intended to achieve the goals of inspiration, functionality, partnership and community involvement envisioned by the Council motion. Staff recommend restructuring the Public Art Program through revised developer options and the creation of a SPFR attractive to developers, philanthropists, and others. The SPFR will establish an enduring legacy of world-class artworks capable of making Vancouver, over time, one of the foremost art destinations in the world. It is expected that revised developer options and City Capital contributions will encourage more payments in lieu of built public art. The report also recommends that Council approve in principle the allocation of \$700,000 annually in new capital funds in the 2015-2018 Capital Plan which, combined with revenues from the revised developer options, will maintain and enhance essential program components. Finally, initiatives are recommended to identify destination sites for Signature Fund Projects.

The recommendations seek to provide a balanced approach, encouraging the interest and commitments of developers that have accrued over the past 24 years, and maintaining the City's commitment to art as an integral part of creating a unique and vital public realm.

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Council Motion adopted 28 February 2012

WHEREAS

1. Public art is a vital part of an animated and exciting public realm in the City of Vancouver.
2. Public art programs provide an important opportunity for local artists.
3. Public art plays an important role in creating an identity for neighbourhoods.
4. Robust public art programs can be a strong draw for tourism.
5. The City of Vancouver's current model for funding public art could do more to encourage investment in public art outside of the developer contribution policy and can result in areas of the city with little public art.

THEREFORE BE IT RESOLVED THAT Council request staff to report back with recommendations for ways to structure the City Public Art Program to stimulate additional investment in public art in Vancouver, including consideration of:

1. Existing best practices in civic public art investment and management;
2. Creating a civic public art fund which
 - a. developers may pay into as part of their public art commitment;
 - b. outside of the developer contribution policy, generates tax receipts for individuals, foundations or corporations who make donations;
3. Working with the Park Board to ensure that Community Art Programs are coordinated with Public Art policies;
4. Working with neighbourhoods to identify potential future sites for public art in neighbourhoods throughout the City;
5. Other measures that can position Vancouver as a global leader in the display of public art;

BE IT FURTHER RESOLVED THAT the Public Art Committee and development community be consulted in the formation of the staff recommendations and that these recommendations be referred to the newly created Arts and Culture Policy Council.

CARRIED

(Councillors Affleck and Ball opposed)

(Councillor Meggs absent for the vote)

Regular Council Meeting

Minutes, Tuesday, February 28, 2012 25

PUBLIC ART POLICY FOR REZONED DEVELOPMENTS

Adopted by City Council on _____, 2014; replaces Public Art Policies and Guidelines, June 23 and November 22, 1994, and draft public Art Guidelines for Rezoned Development, June 26, 2008.

Application and Intent

City Council adopted the Public Art Program for Civic and Private Development on October 4, 1990, with an intent to improve Vancouver's public life through artist contributions to public realm areas of development.

Participating Rezonings

The Public Art Program applies to all rezonings that result, in aggregate, in increased floor space or in a change from agricultural or industrial to commercial or residential use, with program application limited to rezonings of 100,000 sq ft/9,290m sq m or greater, as calculated after exemption of areas specified below. The Program may also apply, at the discretion of the City, to projects where a substantial public benefit is sought. A registered public art agreement is a condition of enactment of the rezoning by-law.

Exempted Development

- CD-1 text amendments providing no increase in floor space
- Floor areas of existing buildings retained in substantially "as is" condition as part of a larger rezoning
- Areas dedicated to Social Housing as defined in the Development Cost Levy By-law

The Program applies to all other uses.

Public Art Budget

The "Public Art Budget" is based on all areas contributing to the floor space calculation as established for the Development Permit, multiplied by the per-foot rate ("Public Art Rate") then in effect. The current (2014) rate is \$1.81 sq ft/19.48 sq m.

The Public Art Rate will be adjusted annually to reflect inflation increases using the Statistics Canada index noted below. If, however, there has been a decrease in the Index over a particular period, then the Public Art Rate will not be adjusted to reflect the decrease in the Index. The Public Art Rate that applies at the time of the public hearing will be specified and the Public Art Rate will be adjusted based on increases in the index between public hearing and the time of application for the Development Permit.

* Index - the all-trades residential, office and retail components of CANSIM table 327-0044 for Vancouver published by Statistics Canada (or by a successor or other governmental agency, including a provincial agency) or if such index is no longer published, an index published in substitution for such index or a replacement index designated by the City or if no comparative calculation can reasonably be made by reference to such replacement index then by reference to such other index or other analysis which, in the City's opinion, most accurately indicates the changes in construction prices in Vancouver during the period in question.

Public Art Program Options

Developers should discuss Program requirements and options with the Program Manager well before zoning application to maximize their fulfilment opportunities.

The public art requirement may be met by electing one of two options, A or B, which must be declared by Development Permit application. Applicants electing Option A must receive approval of a Detailed Public Art Plan before Development Permit issuance.

Option A - Delivery of Public Art

Applicants who select Option A are required to deliver artwork on-site. Developers must hire a public art consultant, submit a checklist prior to zoning enactment, and, with their Development Permit application (DA), submit a Detailed Public Art Plan that defines artist opportunities and selection processes for review and approval by staff and the Public Art Committee.

Ten percent (10%) of the Public Art Budget under Option A is paid to the City to offset costs for local-area artworks around the city, especially in areas where artworks are not achieved through rezoning opportunities. The 10% cash contribution is submitted to the City with the submission of the Detailed Public Art Plan prior to Development Permit issuance. A letter of credit in an amount equal to 90% of the Public Art Budget must be delivered to the City prior to Building Permit (BU) issuance. The letter of credit will be returned to the applicant upon delivery of the public art and completion of all related obligations as determined by the City.

In consultation with the City, developers may pool their budgets (Individual developers with multiple projects or two or more developers from separate projects on adjacent or nearby properties) to commission more significant artwork either on development lands or public lands.

Option B - Payment in Lieu Discount

Applicants who select Option B may make a cash payment equalling 80% of the Public Art Budget in lieu of delivering public art on site. The payment in lieu is due before Building Permit issuance.

To ensure this cash-out incentive is retained through other City negotiations, Option B can be declared after CAC negotiations are concluded.

Option A Budgets

Costs incurred by an applicant under Option A may be classified as either artwork costs or process costs. The types of costs that are permitted under each of these two categories are listed below. Public Art Budgets are submitted as part of the Detailed Public Art Plan and must be approved by the Public Art Committee and by the City's Managing Director of Cultural Services. Applicants should discuss with City staff the percentage of the Public Art Budget that they are proposing to allocate to process costs prior to completing the Detailed Public Art Plan.

Artwork Cost Allowances

Financial records documenting the public art expenditure must be submitted to the City on art project completion. Artwork costs typically include the following:

- Artist fees, travel and accommodation
- Artwork fabrication and installation
- Shipping, storage, insurance
- Site preparation necessary for the artwork
- Funds deposited to the City Public Art Maintenance Reserve

Note 1: If an artist's project makes use of base building components (such as a window, door, architectural or infrastructure feature) then only that cost added to the base cost by the artist's process is an allowable cost. City staff will review base-cost allocations to ensure art budgets are fully available for artwork.

Note 2: Art budgets can only be used for artworks or artists selected through the approved process and not for artwork proposed by project design professionals.

Process (soft) Costs

Process costs may include the following:

- 10% of the Public Art Budget which is paid in cash to the City
- Public art consultant fees
- Public art checklist and Detailed Public Art Plan preparation
- Artist selection costs including panel fees and costs for shortlisted artists

- Community consultation
- Project documentation

Project Documentation

Staff will provide consultants with a checklist of materials and information required to document the completed artwork. This documentation is used to register the artwork in the City Public Art Registry and is part of the Public Art Report filed for project completion. Documentation will include but not be limited to:

- biographical details of the artist(s);
- artist statement about the work;
- specifications of the art work;
- 10 high resolution digital images showing installation shots and the artwork in context and in close-up;
- other materials as needed to reveal the art work and/or artist intentions, e.g., brochure, film or video clips, book works; and
- a copy of the artist's maintenance plan.

Legal Agreement

The public art obligation is secured at the rezoning stage by legal agreement registered against title to the rezoning lands pursuant to Section 219 of the Land Title Act, prior to enactment of the rezoning by-law. The agreement will define the applicant's obligations with respect to the delivery of the artwork and will require the ultimate owner or owners of the site to maintain the artwork for the life of the development or make a payment in lieu. The agreement will include such permit holds as City staff determine are necessary to secure the applicant's obligations at the various stages of the development process.

The agreement will also give the City rights to enter the property should the owner or owners fail to fulfill its obligations under the agreement.

Public Art Maintenance

Art work must remain accessible at no cost to the public and be maintained in good repair for the life of the development. In the event the art work is damaged beyond repair, or becomes ineffective for reasons other than the owner's failure to maintain it, or in the event the work becomes an unreasonable burden to maintain, application to allow its removal or relocation may be made to the Managing Director of Cultural Services.

The City's policies for public art maintenance are as follows:

- THAT privately commissioned public art intended for public lands allocate between 10% and 20% of project budgets to the Public Art Maintenance Reserve, upon Occupancy or prior to installation.
- THAT public art installed on private lands be the responsibility of and at the risk of the owner and be maintained at the owner's sole cost for the life of the development.

Artworks commissioned for private lands must include viable maintenance plans which are approved by the City.

The public art agreement registered against title to the rezoning lands as a condition of rezoning by-law enactment will require the owner at its cost to maintain the artwork for the life of the development. The agreement will also require the owner to take actions should the artwork become a safety hazard or result in unreasonable disturbance to neighbouring properties.

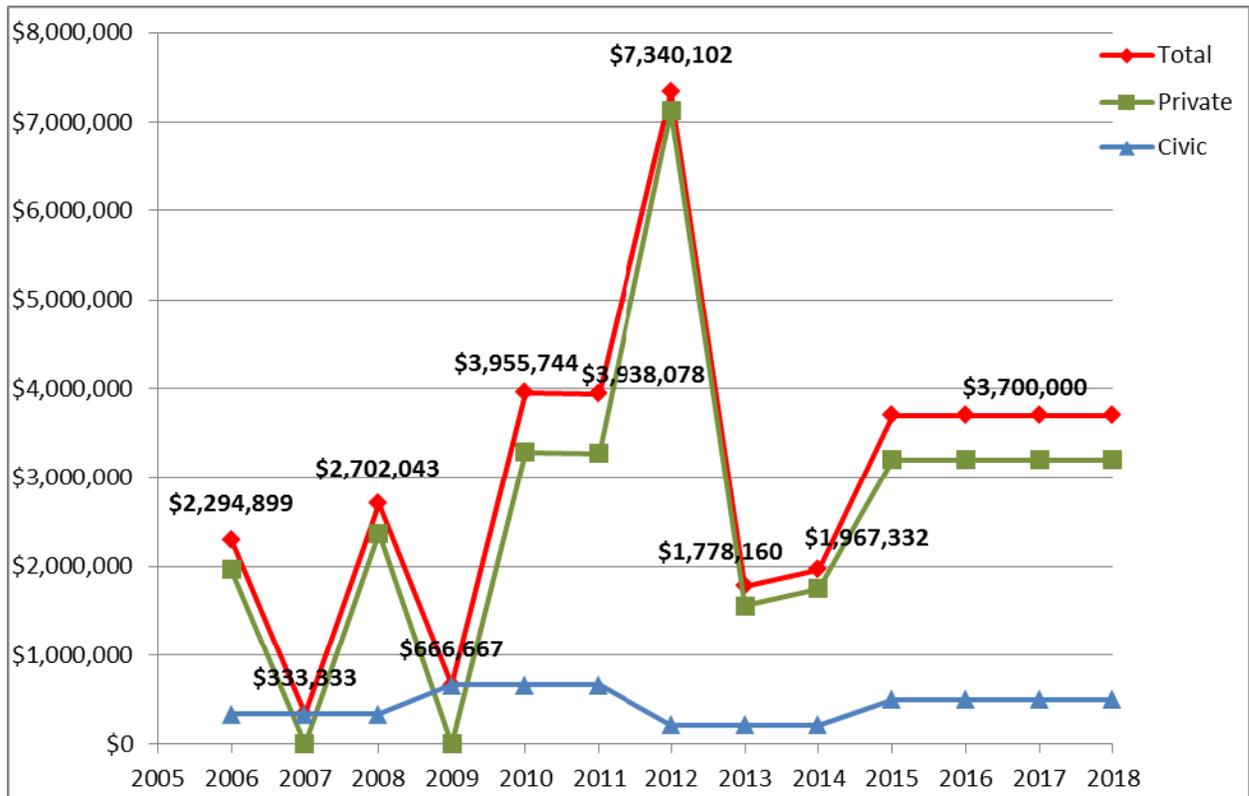
An annual City contribution of \$700,000 would create a per capita contribution of \$1.16, restoring Vancouver to a respectable middle range when compared to other Canadian cities.

The tables below show a comparison of civic investments from other cities, and historical and forecasted level of Vancouver City and private development funding.

Civic Investment Comparisons				
City	Program Funding	Population (000's)	Annual Civic Contribution (\$M)	Contribution per capita
Toronto	1% +	2,615	\$0.65	\$0.25
Montreal	Capital Allocation	1,650	\$1.81	\$1.10
Calgary	1%	1,120	\$2.04	\$1.82
San Francisco	2%	805	\$3.00	\$3.73
Portland/RACC	2%	759	\$2.13	\$2.81
Seattle	1%	608	\$2.51	\$4.13
Vancouver	Capital Allocation	604	\$0.70	\$1.16
Surrey	1.25%	485	\$0.70	\$1.44
Richmond	1% +	191	\$0.22	\$1.15

+ indicates additional maintenance funds from operating not figured in the comparison

City and Private Development Funding 2006-2018



Note 1: 2015 -2018 projected figures are based on the average of 2008-2012 for private development public art budgets and on \$700K in annual City Capital Plan allocations.

Note 2: The \$650,000 2012 - 2014 capital funds were allocated as \$250,000 for new projects and \$400,000 for maintenance (\$300,000 from the Public Art Maintenance Reserve and \$100,000 in new funds for Park Board to maintain Four Host First Nation artworks commissioned by VANOC).

Note 3: This graph does not include the City's one-time injection of \$5.9M for artworks for the Olympic and Paralympic Winter Games.

Images of artworks referenced in the report



LightShed, 2004
By Liz Magor



A-maze-ing Laughter, 2009
By Yue Minjun



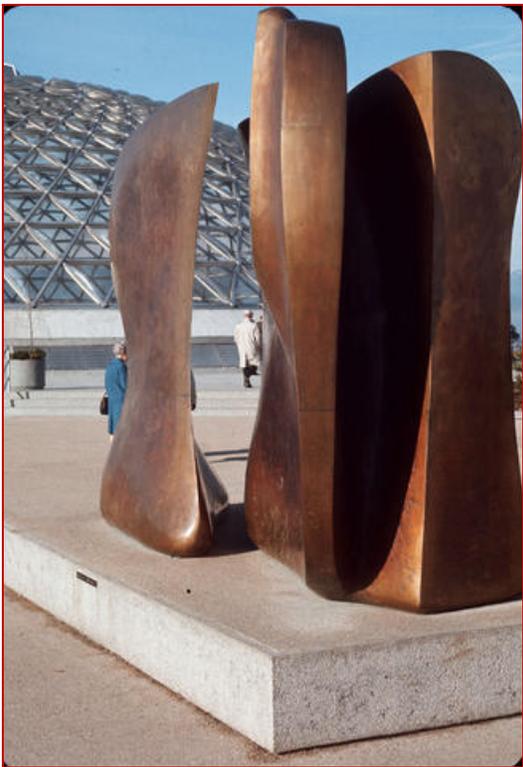
Monument for East Vancouver, 2010
By Ken Lum



Community Walls/Community Voices, 2003
By Richard Tetrault



Geyser for Hillcrest Park, 2012
By Vanessa Kwan & Erica Stocking



Knife Edge Two Piece, 1969
By Henry Moore



Killer Whale / Chief of the Undersea World, 1984
By Bill Reid