



Committee of the Whole Report

For the Meeting of April 5, 2018

To: Committee of the Whole
From: Jocelyn Jenkyns, Acting City Manager
Subject: 28 Bastion Square: A Shared Arts Hub

Date: March 26, 2018

RECOMMENDATION

That Council receive this report for information.

EXECUTIVE SUMMARY

28 Bastion Square is in the heart of Old Town District in Victoria's downtown core. Previously the Provincial Courthouse (1889), and until 2014, home of the Maritime Museum, the three storey National Historic Site is valued as a significant and formidable landmark in the Capital City and is the oldest post-Confederation courthouse in the province. The building is owned by the Province of British Columbia since 1977 through an agreement with the City of Victoria in a land transfer agreement.

Downtown Victoria Business Association (DVBA) initiated discussion about the potential use of the former Provincial Courthouse at 28 Bastion Square in fall of 2017 and retained Arts Consultant Group (ACG) to examine the viability of the building as a downtown arts hub. Based on research and data gathered during Create Victoria engagement and additional engagement undertaken by the ACG Group, the ACG report recommends moving ahead with a project plan to envision 28 Bastion Square as a self-funded, shared arts space for the arts, culture and creative sector.

The current real estate market has caused an increase in rent for arts organizations throughout the city which has caused many artists and arts organizations considering a move from the downtown core and outside South Vancouver Island. The need for affordable and accessible arts space was a major concern and priority for the community through the Create Victoria project.

The emerging vision is to create a dynamic, flexible and affordable creative hub to serve a diverse community of artists, performers, and creative entrepreneurs working in Victoria. Emerging creative and cultural workers place increased emphasis on collaborative, cross-sector and multi-platform approaches to creation, production, distribution and consumption of cultural goods. Creative and cultural sector workers place a high value on the face-to-face networking and social exchange found in these shared space projects.

28 Bastion Square Arts Hub will enable a cross pollination of ideas, sectors and projects to spur further collaboration and innovation in the culture sector. The aim is to create a meeting place for ideas and inspiration to happen.

The Shared Arts Hub could include:

- Flexible cultural production space (artists' studios, rehearsal spaces)
- Event, exhibition and performance space
- Teaching and training spaces including workshop, classroom and reading spaces
- Maker spaces including retail space
- Organizational workspace for non-profit arts organizations
- Shared workspaces, hot desks and hoteling for creative entrepreneurs and start up creative tech companies
- Storage space
- Food and beverage spaces including a coffee shop, bar and restaurant
- Arts management support function to support and enable growth and collaboration between stakeholders.

This project is a concrete step forward to realizing the creative potential in Victoria through the development of 28 Bastion Square into a dynamic creative hub.

PURPOSE

To update Council on the development of 28 Bastion Square as a shared arts hub.

BACKGROUND

History of 28 Bastion Square

The Provincial Courthouse is a three-storey building on the corner of Langley Street and Bastion Square in the Old Town District in Victoria.



The Provincial Courthouse (1889) is significant as a manifestation of Victorian law and order in British Columbia, and is valued as the oldest post-Confederation courthouse in the province. The work undertaken by prominent architect Hermann Otto Tiedemann, remains as an historic embodiment of the fortitude of law, order, stability and justice which have been practiced at this site since the 1860s.

The Court House's last hearing was held in February, 1962, just before the courts moved to the new buildings on Courtenay Street. During 1963-1964, the old Court House served as a temporary City Hall. In 1965, the Maritime Museum was relocated

there and vacated the premise in 2014 due to safety concerns.

The building is currently owned by the Province of British Columbia and is managed through the provincial Real Property Division of Citizens' Services Branch. Within the City of Victoria Heritage Program, 28 Bastion Square is currently listed as (R) Heritage Registered, (NHS) National Historic Site and usage is defined as Institutional.



ISSUES & ANALYSIS

Arts Consultant Group Report Findings

The Arts Consultant Group, contracted by the Downtown Victoria Business Association, undertook a comprehensive study to determine the feasibility of envisioning 28 Bastion Square as a shared arts hub and proposed a number of recommendations for consideration. Based on ACG's methodology which included data analysis, stakeholder interviews, community meeting, local market analysis, demographic analysis, benchmarking, and the development of a pro forma financial model, the report determines that there is significant interest, demand and need for an Arts Hub in Victoria.

The current real estate market has caused an increase in rent for arts organizations throughout the city which has caused many artists and arts organizations considering a move from the downtown core and outside South Vancouver Island. Several activities have been conducted by the DVBA to examine the need for an affordable arts space in the community which aligns with feedback gathered during Create Victoria engagement. The number one priority for City and community investment was the need for affordable and accessible cultural spaces.

With the availability of the 28 Bastion Square building, and the building close to an industry recommended threshold of 30,000 square feet, ACG recommends that this building be pursued as an Arts Hub. The report also recommends:

- The City of Victoria should pursue a memorandum of understanding with the Province of British Columbia to pursue the building as a shared arts hub.
- The City of Victoria should consider entering into a lease with the Province of British Columbia at a nominal rate to be the catalyst that actively begins the process of bringing the Arts Hub online.

- The establishment of a new self-funding organization, set up as a non-profit society or social enterprise, to enable and secure funds from all three levels of government to support both the renovation costs of the building and ongoing operations.
- Aligned with the City of Victoria's commitment to reconciliation, there should be a focus on indigenous artists. This could take the form of preferential rental rates and/or a semi-permanent display of indigenous art in the gallery/exhibition space.
- Further analysis is needed to confirm the viability of the project, including the development of a detailed architectural concept, cost estimates, and fundraising feasibility, all of which may significantly alter the assumptions behind the financial model.
- It will be important to determine who will be responsible for future capital needs of the Arts Hub as the facility ages. This will depend on the terms and conditions of the lease agreement between the Province and the City, and/or the operating agreement between the Province and the newly established non-profit society.

The report details the important role the Province of British Columbia plays in the pre-project development phase. The report recommends the Province consider engaging an architect with specific expertise in renovating similar heritage buildings to prepare a detailed space plan, which will likely include revised square footage and/or capacity of various spaces within the building, which will in turn have an impact on the financial model and usage assumptions. Based on the architectural concept and space plan, the Province should engage a cost consultant to estimate renovation and fit-out costs for the Arts Hub. Based on the cost estimates, the non-profit society should conduct a fundraising feasibility study to assess the capacity of the local community to support the renovation of the building, including an Endowment Fund to support on-going operations and capital repairs.

Best practise: Shared Art Spaces in Canada

The structure of the culture sector, dominated by micro-businesses of less than 10 people, high numbers of self-employed people, and an emphasis on contract-based work, make the sector open and inclined to clustering in a physical location. These small creative entities are flexible and nimble but have limited access to technology and other resources so clustering offers the potential of efficiency gains leading to competitive advantage that they could not achieve on their own.

These spaces provide both the hard infrastructure (e.g. affordable, stable, secure workspace) and soft infrastructure (e.g. supportive environments, access to networks, training etc.) to support creative activity.

ACG identified three comparable cultural facilities that serve communities or neighbourhoods that are similar to Victoria. The goal of the benchmarking analysis was to provide input and best practices information on program and business model options for a new arts hub for Victoria.

Facilities considered included:

- Artscape Wychwood Barns, Toronto, ON
- Artspace, Winnipeg, MB
- cSPACE King Edward, Calgary, AB

The key takeaways from the benchmark analysis revealed that:

- 30,000 square feet of space, or close to that number is key to making an Arts Hub viable financially.
- The ability to have retail space at market value rates ensures an ongoing level of subsidy for annual operations.

- The mix of artists, is not only viable, it is necessary for success.
- The need for 28 Bastion Square to have available event space is critical, better if it has the ability to have small performance spaces.
- The organizational model for 28 Bastion Square will need to be a separate entity, not a collective.
- The Federal Government is supportive of the concept of arts hubs and creative spaces and has funding available for the type of venture.
- Having the active participation of all levels of government is critical.
- 28 Bastion Square will need to have a major proponent or visionary for the 28 Bastion Square renovation project, a person, or entity that will continue to focus on getting the project completed.
- The heritage value of the building is important, and realistic construction cost estimates should be put in place for its renovation.

Federal Funding: Creative Canada Cultural Spaces Fund

As part of the new Creative Canada Policy Framework, Minister of Canadian Heritage Melanie Joly, announced new funding to support Creative Hubs. As defined by Department of Canadian Heritage, Creative Hub is a physical amenity “conceived and designed to encourage collaboration innovation and to enhance productivity”. Creative hubs may or may not exist within a recognised cultural district.

In the recent budget, a portion of the Canada Cultural Spaces Fund, will be made available for Creative Hubs. Further announcements on grant criteria and application process will be forthcoming this spring. Based on preliminary conversations with Canadian Heritage, the 28 Bastion Square Shared Art Spaces would align well for application for federal funding under this new program.

Linkages to Create Victoria Arts and Culture Master Plan

The City of Victoria recently undertook extensive engagement to assess the needs of the local arts, culture and heritage community and created a roadmap to guide investment over the next 5 years. Based on qualitative and quantitative data, the plan identifies the highest priority for cultural investment was cultural infrastructure support for accessible and affordable spaces. Create Victoria Arts & Culture Master Plan, articulates the need for investment in a shared arts hub facility, detailed under Strategic Priority 1: Connecting People and Spaces.

Next Steps

Currently a small Working Group from the DVBA, Bastion Square Revitalization Association, community members and City of Victoria are meeting regularly to see the project through the pre-project development phase.

The pre-project development phase includes vision development, stakeholder and partnership engagement and development, and further analysis and planning to see this project into the design phase.

A design charrette is scheduled with stakeholders in late April to inform the Class C Estimate work to be funded and undertaken by the Province of BC.

OPTIONS & IMPACTS

2015 – 2018 Strategic Plan

This project has not been identified within the 2015-2018 Strategic Plan.

Impacts to Financial Plan

There is currently no impact to the Financial Plan.

Official Community Plan Consistency Statement

The 28 Bastion Square Arts Hub project is consistent with the direction in OCP Chapter 16 Arts and Culture which includes:

16.9.2 Seeks opportunities for partnership with the public, private and non-profit sectors;

16.9.3 Maintains, develops and enhances the delivery of City arts and culture programs;

16.9.4 Enhances support to local, non-profit groups engaged in arts or culture programs;

16.9.5 Sets targets for future cultural spaces, including new or upgraded civic, institutional and private facilities; and,

16.9.6 Identifies tools to secure new cultural spaces, including: senior government funding; land donations; developer contributions, private donations; and, changes to regulations.

CONCLUSIONS

This project is a concrete step forward to realizing the creative potential in Victoria through the development of 28 Bastion Square into a dynamic creative hub. The hub embodies the creative ecosystem concept by providing the soft and hard infrastructure that contributes to a healthy and sustained creative ecosystem where, makers, festivals, artists, designers, arts organizations, tourism and business are all connected to one another and in turn, support the health and vitality of a vibrant, creative city.

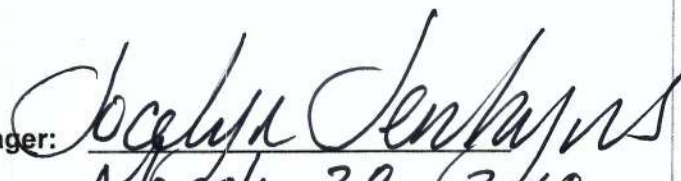
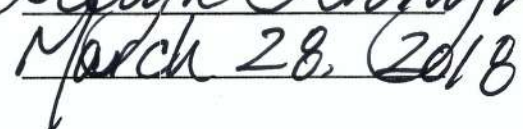
Respectfully submitted,



Nichola Reddington
Senior Cultural Planner

Report accepted and recommended by the City Manager:

Date:

List of Attachments

Arts Consultant Group Planning Study
1977 Legal Agreement