



POLICY REPORT
CULTURE

Report Date: December 16, 2010
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TO: Standing Committee on City Services and Budgets

FROM: Managing Director of Cultural Services in consultation with the Director of Real Estate Services and Director of Planning

SUBJECT: Vancouver Art Gallery Proposal for 688 Cambie Street

RECOMMENDATIONS

- A. THAT Council direct staff to work with the Vancouver Art Gallery (the Gallery) to develop a strategy that meets the future needs of the Gallery and the City; including further refinement of the business case, analysis, peer assessment and feasibility of all options for a possible Gallery expansion or possible relocation to 688 Cambie (formerly 150 Dunsmuir).
- B. THAT Council authorize staff to reserve, for up to two years, approximately two acres of 688 Cambie for cultural use including a potential new Vancouver Art Gallery.
- C. THAT Council authorize staff to communicate to the Gallery the City's commitment to 688 Cambie as a site for a new Vancouver Art Gallery if the Gallery can meet the following objectives:
 - i. a comprehensive review of the various options considered for the expansion and relocation which confirm the 688 Cambie site as the best option;
 - ii. a business case which rigorously and transparently demonstrates the sustainability of a new Gallery at 688 Cambie; including development of a long term operating plan and financial strategy which takes into consideration the expectations of the City to recover its \$40 million investment in the civic theatres component of the cultural precinct;
 - iii. development of an inclusive space use and programming strategy that includes new partnerships and expanded community engagement on the 688 Cambie site;
 - iv. evidence of the ability to successfully fundraise for the required capital and operating costs;

- v. demonstration of broad support from the cultural community and the public for a new Gallery at 688 Cambie;
 - vi. review of the Gallery's governance structure which clarifies City representation in light of the significant City asset under care.
- D. THAT Council direct staff, in consultation with the Director of Planning, to obtain input from the cultural community and the broader public on their views on the various expansion and relocation options for the Gallery and on the potential future cultural or other uses for the existing leased site at 750 Hornby Street should the Gallery move in the future.
- E. THAT Council direct staff, in consultation with the Director of Planning, in keeping with the best urban design considerations for the area, to further examine development options and considerations for the built form for a portion of 688 Cambie that considers a Gallery relocation to the site that may include partnerships with other organizations, and potential options for the development of the public plaza space fronting on Georgia Street which would allow continuity between Queen Elizabeth Theatre Plaza and 688 Cambie.
- F. THAT Council authorize the City Manager to retain and execute the necessary agreements to secure staff and consulting expertise to complete the next phase of work at a cost not to exceed \$200,000; source of funds to be the Cultural Precinct Reserve Fund.

GENERAL MANAGER'S COMMENTS

Over the last decade the Vancouver Art Gallery has led the way with a bold vision for a new art gallery for Vancouver. While much work has been done and fundraising is underway by the Gallery, further work remains for both the City and the Gallery before any project can proceed. However, in order to move forward the Gallery requires confirmation from the City on the proposed site at 688 Cambie and this report proposes this commitment be provided for up to two years. Council has indicated its willingness to consider this site for cultural uses and in this report staff set out objectives and a work program involving both the City and Gallery that must be completed before final commitments can be made to the future vision of the Gallery.

COUNCIL POLICY

The new Cultural Plan for Vancouver, adopted by Council in January 2008 sets the vision and strategic direction to ensure Vancouver's place as a creative city.

The City's cultural goals include ensuring the existence of adequate facilities for the creation and presentation of the arts in Vancouver. In June 2008, Council adopted a Cultural Facilities Priorities Plan in which cultural facility development was identified as essential to any community and key to the economic health of our city. The plan articulated the City's role in cultural facility development as that of enabling cultural development through capacity building, resources and partnerships.

PURPOSE

This report provides recommendations to Council relating to a proposal submitted to the City by the Vancouver Art Gallery (the Gallery) concerning their vision to construct an innovative

new Vancouver art museum and a request that the City-owned site at 688 Cambie be secured for this purpose.

BACKGROUND

The Vancouver Art Gallery is a federally designated "A" category museum which signifies "outstanding significance and national importance" to Canada's heritage. It is the largest public art museum in western Canada and has an international reputation as a centre for contemporary art. While the Gallery itself is a non-profit organization it manages an extensive collection which is owned by the City. Founded in 1931, the Gallery moved to the current site at 750 Hornby in 1983. Fifteen years later, the Gallery began to address space requirements and assess capital improvements for 750 Hornby. The following summarizes the process to date:

- 2003, Council approved a grant to support a Master Planning Report that identified the need for a doubling of Gallery space to expand exhibition, programming, storage, and revenue areas. The study also included cost evaluations and an examination of options for expansion at the existing site. Challenges facing expansion included: the need to close the Gallery for several years to renovate; high storage and renovation costs; fundraising limitations; and limitations on development due to the heritage value of the building and surrounding area. The Gallery concluded that onsite expansion was not feasible.
- 2005, the Gallery formed an adhoc Real Estate Committee, with City representation by the then Co-Director of Planning, that explored alternate gallery locations and led to the identification of sites at 688 Cambie and in Northeast False Creek as the most suitable opportunities. The Gallery Board resolved to study and pursue 688 Cambie.
- 2005, various initiatives for 688 Cambie were proposed including a National Aboriginal Art Gallery, a theatre and concert hall by Vancouver Concert Hall and Theatre Society (previously Coal Harbour Arts Complex) and a "Pacific Exchange" complex proposed by Bing Thom Architects. Council reviewed the proposals, provided grants for further planning and capacity building, and consulted stakeholders.
- April 2006, Council announced a cooperative planning process with the Province of British Columbia to support a "cultural precinct" in which to develop and support major facilities along the Georgia Street corridor in the downtown. This included the Queen Elizabeth Theatre Complex and the 688 Cambie sites as well as provincially-owned Robson Square. Council accepted a provincial contribution of \$5.0 million to be matched from City capital funds, to explore the development options of such a precinct. Council confirmed basic criteria to assess proposals including: demonstration of need; match to the site(s); operational viability; strong leadership; achievable; financial, community and capital support; and creation of a sustainable legacy.
- October 2006, Council, in camera, approved the redevelopment of the Civic Theatres for \$60 million which included ". . . \$40 million in interim financing from the Capital Financing Fund, on terms acceptable to the Director of Finance, to be repaid from the redevelopment of the 688 Cambie site". The expectation was that through redevelopment of the 688 Cambie site as part of the "cultural precinct", the City could lever funding to upgrade the civic theatres.
- November 2006, Council approved a cultural precinct process that included a two block "Heart of the Precinct" consisting of the Queen Elizabeth Theatre and 688 Cambie (with an office tower and cultural uses).

- 2008, substantive research and planning for 688 Cambie was commissioned by the City coordinated by the City Manager and the Managing Director of Cultural Services, in consultation with the Cultural Precinct Project Manager, Ken Dobell. This included market demand analysis, fundraising assessments, massing studies, capital cost estimates, governance options and a Conceptual Plan that considered various combinations of development options for 688 Cambie including a new Gallery, Vancouver Concert Hall and Theatre Society's proposed 450 seat theatre and 1,950 seat concert hall, and an office tower.
- March 2008, the Premier announced a \$50 million contribution to the Gallery from the Provincial Government for a new purpose-built art museum. Several months later the Province requested that the Gallery consider a new waterfront location in Northeast False Creek (NEFC).
- July 2008, in the Cultural Precinct Update Report, Council reaffirmed a downtown cultural precinct, anchored along Georgia Street, with major existing, new and redeveloped cultural amenities including the 688 Cambie site. At the same time Council agreed to withhold the Cambie site from alternative use consideration for 6 months pending reports back on the future of the Gallery and Concert Hall and Theatre Society development proposals. In addition, various grants and resources to the societies were approved to support this work.
- July 2009, the Gallery's relocation committee concluded it was not possible to move to the NEFC site due to reasons that had originally been identified in the Feasibility Assessment Report commissioned by the City.

DISCUSSION

The Vancouver Art Gallery Proposal

In July 2010, the Gallery submitted a proposal to the City requesting that the entire 688 Cambie Street site be secured for a new Vancouver Art Gallery and further that negotiation commence immediately with the City of Vancouver to acquire the entire site for this purpose.

A team of senior staff from Cultural Services, Business Planning, Real Estate Services and Planning undertook a preliminary review of the submission using the Cultural Facility Planning and Development Assessment Checklist endorsed in the Cultural Facilities Priorities Plan as the evaluation tool.

As noted in the Background Section of this report, Council has supported potential cultural uses at 688 Cambie; however, there has been no commitment to making the entire site available. The inclusion of an office tower(s) has been part of the City's consideration for the site for at least six years. Developing job capacity through office space at the site is in line with the Council endorsed 2009 Metropolitan Jobs and Economy Land Use Plan to provide jobs, goods and services and activities for people who live, work and visit downtown. At present only about two acres of the site is available for cultural use as the balance is under consideration for office use.

A mix of uses on the site is also supported by current urban design approaches which are moving away from the singular 'cultural precinct' model and encouraging a variety of unique sustainable neighbourhood-based cultural clusters that rely on synergy, complementary services and proximity. However, staff note that the Gallery's proposal provides a rare opportunity to increase desired active cultural spaces in the downtown, within walking

distance and proximity to key transit hubs in the downtown core. In addition, staff suggest that potentially developing a new Gallery at 688 Cambie, and considering new cultural uses for the existing Gallery site, has the potential to play a critical long term role in bringing to prominence local contemporary art and artists to residents, tourists, and international audiences.

In respect to the Gallery's June 2010 proposal, there was strong recognition of the vision for new gallery facilities and of the substantive work completed and the demonstrated capacity of the Gallery itself. There was also acknowledgement of the space limitations and challenges with the current building. Staff note that the basis for an expanded gallery was identified in a 1998 report which became the premise for a new site in a 2004 Master Plan, and since 2007 the City has funded several studies to support new cultural facilities - including a new Gallery - at 688 Cambie.

Since the original decision about a relocation of the Gallery, a number of things have changed, including the economic environment, the diverse commentary from many of the key stakeholders and opinion leaders in regard to the proposed relocation of the Gallery, and the challenges related to the obligations already registered against the 688 Cambie site for cultural precinct upgrades related to the 2010 Olympics. As a result, following review of the Gallery's recent submission, staff recommended further discussion and analysis of the Gallery's space needs and a reconsideration of the conclusion that a move is the only option. To further this work, staff are recommending a number of steps:

1. Commissioning of an objective review and summary of the extensive existing material related to the Gallery situation which would synthesize the findings, identify major gaps and review the conclusions in the context of the current economy, senior government funding environment and the learning and legacy of the 2010 Winter Games.
2. Further development of the business case for an expanded and relocated facility by the Gallery, in consultation with City staff, including:
 - a comprehensive review of the various options considered for expansion and relocation which confirm the 688 Cambie site as the best option;;
 - a business case which rigorously and transparently demonstrates the sustainability of a new Gallery at 688 Cambie; including development of a long term operating plan and financial strategy which takes into consideration the expectations of the City to recover its investment in the civic theatres component of the cultural precinct;
 - development of an inclusive space use and programming strategy that includes new partnerships and expanded community engagement;
 - evidence of the ability to successfully fundraise for the required capital and operating costs;
 - demonstration of broad support from the cultural community and public for a new Gallery at 688 Cambie, and;
 - review of the Gallery's governance structure that clarifies City representation in light of the significant City asset under care.

Staff will continue to work with the Gallery on development of the business case, analysis, peer assessment and feasibility of all options for a possible expansion, including 688 Cambie, and further work on the Gallery's governance structure to

consider City representation. Staff will also expect to engage the Gallery in the public and cultural community consultation to be led by the Director of Planning. Staff also propose to include in the community consultation, exploration of potential new cultural uses for 750 Hornby Street should the Gallery move.

3. Staff understand the strategic importance of built form on the 688 Cambie site and the key role of the public realm connecting through to the Queen Elizabeth Plaza and further west on Georgia street. Staff will work with the Director of Planning to define the best urban design considerations for the two acres on the 688 Cambie site that is proposed for cultural uses. The design of the public realm in the south portion of the site will require coordination with recent and future improvements to the square at the front of the Queen Elizabeth Theatre. These important public spaces, as well as those adjacent to the CBC complex, the Post Office, and the Library, and the enhancement of other potential locations in this precinct will advance a coherent network of activated urban spaces. These design considerations and options will be put forward as part of the public and cultural community consultation.

The advantage of the proposed approach is that it will bring into the current context the options for redevelopment of the Gallery including expansion or relocation and the viability of and support for the proposed use of the important City site at 688 Cambie. However, after five years of research and development, the Gallery is seeking a commitment from the City to preserve options for the 688 Cambie site in order to move forward. Staff confirmed that the Gallery's proposal is currently the most advanced and achievable cultural option for 688 Cambie in the near future. The Gallery and its Board have advanced planning to support future growth, embarked on a campaign to build support for a new Gallery and begun a significant capital and endowment fundraising campaign. A 2008 consultant review noted recent success of the Gallery programs and concluded that over the long term the demonstrated growth of the Gallery strongly supports the development of a new facility. As a result, staff recommend Council reserve, for up to two years, approximately two acres of 688 Cambie as a potential site for a new Vancouver Art Gallery.

The Vancouver Concert Hall and Theatre Society Proposal

In addition to the Vancouver Art Gallery's proposal, the Vancouver Concert Hall and Theatre Society (formerly the Coal Harbour Arts Society) have also expressed an interest in developing a concert hall and theatre as part of the future plans for cultural use of 688 Cambie. The society is a partnership of many large and small music groups which initially focused on a lyric hall to accommodate a variety of uses, including dance, theatre and opera companies. In 2008, the proposal was expanded to include the Vancouver Symphony Orchestra (VSO) and a change in the format of the venue from lyric hall to a 1950-seat concert hall, which would serve as the primary performance venue for the VSO. The inclusion of the VSO improved the market demand and operational viability of the larger hall; however, the change of format precluded uses by dance, theatre and opera changing the focus of the original Coal Harbour Arts Centre development. In addition, the VSO proposal to use this new venue as its primary performance space followed extensive renovations at the Orpheum Theatre and the acceptance of a significant community amenity space at the adjacent Capital 6 development to support the group in that location.

As noted, there is currently limited capacity to accommodate major cultural uses on the 688 Cambie site and the Gallery would seem to have the most viable project. Notwithstanding the above issues, staff propose that the Vancouver Concert Hall and Theatre Society proposal continue to be part of the overall discussion for cultural uses on the 688 Cambie site to better understand the opportunities and challenges. In addition, staff will continue to work with the society to determine the viability and other potential options for future development and location of a music complex that may include a concert hall and a 450-seat theatre.

FINANCIAL IMPLICATIONS

If the proposed Gallery relocation at 688 Cambie proves to be the best option for a successful expansion of the Gallery, it is anticipated by the Gallery that the City's contribution would be the value of the land associated with the Gallery use. However, this site is also encumbered by a \$40 million loan used to finance renovations for the cultural precinct in preparation for the 2010 Winter Games. Staff will work to develop an operational plan and financial strategy for making the City whole with respect to this financial encumbrance.

Staff propose retaining additional temporary staff and consulting expertise required for the next phase of work related to the potential cultural uses of 688 Cambie and the plans for the VAG expansion and potential move to the site. This work will begin with a synthesis of the research to date, at a cost not to exceed \$200,000, source of funds to be the Cultural Precinct Reserve Fund. The reserve has unallocated funds of \$2.71 million.

ENVIRONMENTAL IMPLICATIONS

The recommendations in this report support cultural facility development in the downtown core that encourages a liveable city with an emphasis on walking and transit. As well, the Gallery's proposal includes an environmentally sustainable building with LEED Gold certification. If the gallery relocates, the existing heritage building will be retained for alternate cultural use.

COMMUNICATIONS PLAN

Staff will develop materials and a communications strategy in conjunction with obtaining input from the public and the cultural community on their views.

CONCLUSION

In conclusion, the Vancouver Art Gallery has demonstrated substantive work and capacity towards a bold and forward vision of a new art gallery for Vancouver. While further work remains for both the City and the Gallery, it is clear that in order to move forward the Gallery requires that the proposed site at 688 Cambie be secured until a final decision is made. In this report staff confirm that the Gallery's proposal is currently the most viable and desirable use for a portion of 688 Cambie. Other cultural uses, including the aspirations of the Vancouver Concert Hall and Theatre Society will also be part of the ongoing analysis and community consultation.

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