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To: "Direct to Mayor and Council - DL"

CC: "City Manager's Correspondence Group - DL"

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Date: 6/18/2018 4:11:31 PM

Subject: NEFC Music Presentation Centre - RTS 12589 REFERRAL - Rezoning: 750-772 Pacific Blvd (Plaza of Nations)

Attachments: CMO - Memo - Mayor Council - NEFC Music Presentation Centre RTS 12589 June 18 2018.pdf

Dear Mayor and Council,

Please find attached a memo regarding the NEFC Music Presentation Centre that is proposed . The memo provides background information regarding the Music Presentation Centre and addresses concerns raised by community members regarding the ownership model for the facility.

In summary, the memo outlines the City of Vancouver's rationale, commitment, and mechanism of delivery of the MPC as part of NEFC community and civic amenity considerations. Cultural Services staff are committed to work with VIM and other representatives of Vancouver's independent music community, as well as the Applicant, to ensure that the proposed facility meets the community needs, and has the tools to be programmatically successful, financially sustainable and operationally viable.

Please do not hesitate to contact Sandra Singh should you require any additional information regarding this matter.

Best,
Paul

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MEMORANDUM

June 18, 2018

TO: Mayor and Council

CC: Sadhu Johnston, City Manager
Paul Mochrie, Deputy City Manager
Katrina Leckovic, City Clerk
Lynda Graves, Administration Services Manager, City Manager's Office
Rena Kendall-Craden, Communications Director
Kevin Quinlan, Chief of Staff, Mayor's Office
Naveen Girn, Community Relations Director, Mayor's Office
Bill Aujla, General Manager of Real Estate and Facilities Development
Gil Kelley, General Manager of Planning, Urban Design and Sustainability
Branislav Henselmann, Managing Director, Cultural Services
Kevin McNaney, Director, NEFC Project Team
Holly Sovdi, Planner, NEFC
Alix Sales, Senior Planner, Cultural Services

FROM: Sandra Singh, General Manager

SUBJECT: NEFC Music Presentation Centre
RTS 12589 REFERRAL - Rezoning: 750-772 Pacific Blvd (Plaza of Nations)

This memo provides information and background on NEFC Music Presentation Centre (MPC), addressing concerns raised by community members, and outlining City of Vancouver's rationale, commitment, and mechanism of delivery of the MPC as part of NEFC community and civic amenity considerations.

Background

Cultural Services staff has worked closely with the independent music community on addressing their immediate, as well as long term needs for many years. A key piece of work has been the vision for and articulation of a Music Presentation Centre (MPC). Of particular importance for the development of MPC has been the work with Vancouver Independent Music Centre Society (VIM), a non-profit, charitable organization made up of musicians, music presenters, managers, concert goers, business people and professionals, who support the development of an affordable, accessible, sustainable and culturally diverse music centre to be operated by and for independent music presenters and musicians in Vancouver.

Memo to MC re NEFC Music Presentation Centre RTS 12589 June 18 2018

To date, VIM has done significant work to develop initial feasibility studies, functional requirements, business plan, acoustics, operational plans and models for a new state-of-the-art venue that suits the needs of audiences and the greater music community (<http://vimhouse.ca>).

Music Centre Space Design

The requirements include, but are not limited to:

Program Space

- Design development of MPC with a strong visual identity, ground-level entrance, and distinct presence, including large identification signage in high traffic, high visibility location, with spaces located on no more than two contiguous floors (no higher than second floor);
- Design development of the MPC with design input and review from a qualified performance space architect and an acoustic consultant to ensure acoustically-superior quality for the two theatre/performance venues: the Music Hall and the Informal Venue, and to ensure acoustic isolation between spaces within the music presentation centre, adjacent spaces within the building, from outdoors, and from mechanical equipment (i.e. HVAC);
- Over-height Performance spaces (Main Hall: 225 fixed seats plus 100 other patrons in a flexible configuration;
- Secondary Performance venue: 100 patrons seated or 150 patrons standing) Administrative space as well as programmable/educational room and music library/archives room;
- Control room/editing/recording/streaming room;
- Lobby/entry/ticketing/merchandising (with overheight);
- Green rooms/dressing rooms; Storage rooms (including for pianos, etc.);
- Food & Beverage Space, Catering Kitchen; Crush bar;
- Right-of-way for the waterfront public plaza which will include priority use of the plazas for the general public and the operator(s) of the music presentation centre; and,
- Special consideration for MPC fit and finishes may include but are not limited to: acoustic controls, architectural millwork, ceiling heights, wall, floor and ceiling finishes, mechanical including electrical, plumbing, lighting, and HVAC, specialties and furnishings, and accessibility for peoples with disabilities (including performers and audiences, and technicians wherever possible).

Associated Spaces

- Loading access, parking, bicycle parking Dedicated freight-sized elevator and loading access, able to accommodate large equipment and instruments, including pianos;
- Mechanical rooms; Janitor rooms/support spaces; and washrooms; and,
- Access to a dedicated garbage room, storage and end-of-trip facilities

Current Context

In February 2018, Council approved the [Northeast False Creek Plan](#) as a guiding policy framework for the development of a vibrant, inclusive and sustainable, residential and commercial waterfront as part of the new Events and Entertainment District. It describes many planned public benefits, including a music presentation centre.

The Policy report going forward to Council, June 18, 2018 ¹ *CD-1 Rezoning: 750-772 Pacific Boulevard (Plaza of Nations) – Northeast False Creek Sub-area 6B* outlines current plans for community and civic facilities proposed in the NEFC eastern building block (sub-area B), including a civic centre (consisting of a community centre, ice rink and childcare facilities) and a Music Presentation Centre.

Specifically, in this report, the MPC plan is summarized on page 22 as:

“Music Presentation Centre – The Applicant will develop a music presentation centre of a minimum 20,000 sq. ft., adjacent to the civic centre, in a location that has ground floor presence and high traffic visibility, and meeting the City’s specifications and program requirements, including requirements for acoustic excellence. Although the music presentation centre will be owned by the Applicant, the Applicant will enter into a long-term lease agreement with the City(or its delegates) for the right to access and use at no cost, including, at minimum, the exclusive use of: office/administration space, a venue for 225 attendees (flexible up to 325 people), an informal venue for 150 attendees standing (or 100 attendees sitting), and other service spaces to support the use of the venue. Should the parties fail to reach a satisfactory arrangement for the joint use of this centre (per above), the City shall have a right to purchase this space for \$10,000,000, and the cash balance of the CAC will be adjusted accordingly.”

MPC space will be secured through a legal agreement for the building, and provision of a music presentation centre in no less than 20,000 sq. ft., all within a fee-simple air space parcel that meets the City’s specifications requirements (including required parking, amenity, support spaces, storage spaces, and spaces appropriate for acoustic performance and external sound mitigation). In addition, the Applicant must deliver the music presentation centre by the end of Q4 2026 (with the goal to deliver as soon as possible). The lease to the City will secure the music presentation centre for the life of the building or 90 years, whichever is greater, at nominal rent. Appendix B provides further details on specific programmatic and space elements.

Community Concerns

The concept behind an independent music centre, which inspired the community’s vision for this centre, is based on examples of similar organizations, including BIM House and Splendor in Amsterdam, and other spaces operated by independent musicians and smaller producers. Community concerns include the change from public ownership model to a private ownership model, and also in particular how this arrangement and facets still to be negotiated, such as food and beverage revenue and common area costs, will impact the operational sustainability of an independent MPC. Exclusive use of all of the program space is of utmost importance to the community, as MPC’s fiscal and programmatic considerations rely on, and include a

¹ <http://council.vancouver.ca/20180619/documents/rr2b.pdf>

significant educational component, as well as food, beverage, lobby and exterior space revenues to support affordable performances and space provision for the community.

Staff Analysis

To ensure the delivery of the community identified needs, including spaces outlined in the initial VIM studies, the report also provides a comprehensive set of clauses addressing the proposed space, as well as City's intent to seek through an open process a local non-profit arts and cultural organization to operate the MPC. This is addressed in the Appendix B through explicit commitment to:

- Make arrangements for the building and provision of a music presentation centre in no less than 20,000 sq. ft., all within a fee-simple air space parcel which meets the City's specifications and programming requirements (including required parking, amenity, support spaces, storage spaces, and spaces appropriate for acoustic performance and external sound mitigation). The Applicant must deliver the music presentation centre by the end of Q4 2026 (with the goal to deliver as soon as possible);
- Execute a lease agreement to grant to the City a nominal lease of the music presentation centre for the life of the building or 90 years (whichever is greater), whereby the City or its delegate(s) get the right to access and use the music presentation centre (at no cost of the City or its delegates), including, without limitation:
 - Exclusive use by the City and its delegate(s) of an approximately 800 sq. ft. office/administration space;
 - Exclusive use by the City and its delegate(s) of a venue (Main Hall) which can accommodate 225 attendees' seating, with the possibility of adding an additional 100 people in a flex setting;
 - Exclusive use by the City of a flexible performance space (Informal Venue) which can accommodate up to 150 attendees standing or up to 100 attendees sitting;
 - Applicant can use the aforementioned venues when the City or its delegate(s) is not using them;
 - All other spaces will be shared with the Applicant; however, one's uses cannot override the other party's use so sufficient shared space is necessary to ensure the success of the overall centre; and
 - Other terms to be reasonably negotiated to ensure achievement of the City's programmatic outcomes.

And further:

“Should the parties fail to reach a satisfactory arrangement for the joint use of this centre (per above), the City shall have a right to purchase the fee simple interest of this air space parcel (and the Applicant shall be obligated to transfer the music presentation centre to the City as an air space parcel) for \$10,000,000 (free of all liens, charges and other encumbrances), and the cash balance of the CAC will be adjusted accordingly.”

Careful negotiation of terms outlined above, including those that enable the sustainable operations of the MPC, will be critical to ensuring an agreement that achieves the programmatic and cultural outcomes envisioned for the MPC by the community. As noted

above, if such terms cannot be achieved, City staff have built in an option to purchase the MPC.

Next Steps and Conclusion

Staff recognizes that, while this is not the typical ownership and delivery mechanism by which the City secures cultural amenities, it is an opportunity to explore different delivery models. In this circumstance, a private ownership model has been proposed, driven by the Applicant's desire to run a larger, for-profit, private music centre on the site, providing an opportunity for an innovative co-located private and NPO partnership. Cultural Services has some significant experiences with this type of model and staff will ensure that any issues that have arisen in these previous implementations are addressed in the final negotiated agreement for the MPC.

Cultural Services Staff remains committed to continuing the work with VIM and other representatives of Vancouver's independent music community, as well as across the CoV departments and the Applicant, to ensure that the proposed facility meets the community needs, and has the tools to be programmatically successful, financially sustainable and operationally viable.

Regards,

A handwritten signature in black ink, appearing to read 'Sandra Singh', written in a cursive style.

Sandra Singh
General Manager

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SS/th