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To: "[Direct to Mayor and Council - DL](#)"

Date: 10/10/2024 3:26:44 PM

Subject: Memo: Report back on Council Motion for Declaration of an Eastside Arts District - RTS 13778

Attachments: ACCS - GM - Memo (Council) - Report back on Council Motion for Declaration of an Eastside Arts District (2024-10-10).pdf

Good afternoon Mayor and Council,

Attached please find a report back memo from Margaret Wittgens, GM, Arts Culture and Community Services related to the Council Motion "Declaration Support for an Eastside Arts District" (RTS 13778). Key Points:

- In 2020, a Council motion (<https://council.vancouver.ca/20200226/documents/cfsc7.pdf>) directed staff to work in partnership with the Eastside Arts Society (EAS) on a strategy for the declaration of an Eastside Arts District (the "District").
- This memo provides an update on work to date and next steps towards a declaration as well as sharing [Seizing the Moment: Establishing the Eastside Arts District](#), the report by EAS which lays out the community strategy for the establishment of the District.

Should Council have any further questions please contact Margaret directly at margaret.wittgens@vancouver.ca and she will ensure questions are addressed through the weekly Q&A.

Thank you,
Sandra

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The City of Vancouver acknowledges the unceded homelands of the x m k y m (Musqueam), S w w u 7 mesh (Squamish), and Selilwitulh (Tseil-Waututh) Nations.



Arts, Culture & Community Services
General Manager's Office

MEMORANDUM

October 10, 2024

TO: Mayor & Council

CC: Paul Mochrie, City Manager
Armin Amrolia, Deputy City Manager
Karen Levitt, Deputy City Manager
Sandra Singh, Deputy City Manager
Katrina Leckovic, City Clerk
Maria Pontikis, Chief Communications Officer, CEC
Teresa Jong, Administration Services Manager, City Manager's Office
Trevor Ford, Chief of Staff, Mayor's Office
Mellisa Morphy, Director of Policy & Deputy Chief of Staff, Mayor's Office
Josh White, GM, Planning, Urban Design, and Sustainability (PDS)
Corrie Okell, GM, Development, Buildings and Licensing (DBL)

FROM: Margaret Wittgens, General Manager, Arts, Culture and Community Services

SUBJECT: Report back on Council Motion for Declaration of an Eastside Arts District

RTS #: 13778

PURPOSE

In 2020, a Council [motion](#) directed staff to work in partnership with the Eastside Arts Society (EAS) on a strategy for the declaration of an Eastside Arts District (the "District").

This memo provides an update on work to date and next steps towards a declaration as well as sharing [Seizing the Moment: Establishing the Eastside Arts District](#), the report by EAS which lays out the community strategy for the establishment of the District.

BACKGROUND

Eastside Cultural District

The EAS is best known for opening over 500 visual artist studios in over 80 buildings to the public as part of the Eastside Culture Crawl. The non-profit has taken the lead in advocating for declaration of a

District from Columbia Street to Victoria Drive and 2nd Avenue to the waterfront that has a high density of artists and arts production spaces. The aim of the District is to protect, retain, promote and develop artists and cultural production spaces where many artists live and work.

The 2020 Council motion related to the declaration of an Eastside Arts District asked staff to consider ways to support “no net loss” and growth of cultural spaces in the District including removing regulatory barriers, implementing supportive land use policy, exploring funding options and identifying capital investment opportunities.

Rapid Displacement of Arts and Cultural Spaces

The 2020 EAD Council motion aligns with the 2019 Council approved [Making Space for Arts and Culture \(MS4A\)](#) Vancouver’s cultural infrastructure plan to support accessible, affordable non-profit arts and cultural spaces. *MS4A* identified that Vancouver’s cultural sector is extremely vulnerable. The majority of professional artists live below the poverty line. Artists and cultural organizations typically rent space in older less expensive rental buildings slated for redevelopment with very little community ownership or control of local cultural spaces. This, combined with regulatory barriers, the pace of development, and substantive increases in property values/taxes, has resulted in the rapid displacement of arts and cultural spaces.

In 2019, the EAS published the award winning [A City Without Art? No Net Loss, Plus!](#) documenting the loss of over 400,000 square feet of lost studio space in the district area. Since that time, staff have become aware of at least 18 additional shared studio spaces – over 160,000 square feet – that have been lost or are under threat of closing.

DISCUSSION

Staff have been working in partnership with the Eastside Arts Society to explore an Eastside Arts District and supportive actions to address the rapid loss of space. Highlights and critical next steps are discussed below with more details provided in Appendix A.

Remove Regulatory Barriers

Since 2019 there has been some progress on removing barriers impacting artist production spaces and the District, including allowing new studios to be built and the removal of space limits on artist studios in industrial zones (2023). Further work will include moving forward related actions from *MS4A* identified in the recent Council motion [Taking Action to Protect and Expand Arts and Cultural Spaces](#).

Expand Tools to Prevent Displacement and Secure Spaces

To support a successful District, further land use tools are needed to prevent displacement and enable new spaces. In 2023, ACCS and PDS staff implemented artist studio density bonuses to support replacement and the creation of new arts production spaces in some industrial zones. In new city plan areas, such as the Broadway Plan area, cultural spaces are now also eligible for cash contributions from commercial development which can support new affordable secure artist production spaces.

Future considerations include exploring a “No Net Loss Policy for Cultural Spaces” to support retention or replacement of cultural spaces. A multi-department process (ACCS, PDS, and DBL) and resourcing will need to be established to move this forward.

Property Tax

Artists typically lease space in older properties that have unrealized development potential that triggers disproportionately high property taxes often passed through to tenants. In 2023, after the Province introduced enabling legislation, Council approved the Development Potential Relief Program (DPRP) to provide tax relief. Staff have incorporated feedback from EAS and other community partners to improve program impacts including in 2024 enabling targeted relief for arts and culture organizations. However, shifting market conditions for commercial properties (from redevelopment towards rental income use) in some cases has resulted in significant increases in building values despite no building improvements. This has resulted in a number of arts and culture organizations remaining ineligible for property tax relief as Provincial criteria requires land value to be 95% of the total assessed value – so a modest increase in a building value can make a site ineligible. In areas such as the Broadway Plan area the property values have continued to escalate, resulting in tax rates that are unsustainable, even with relief.

Sustainable Operational Funding

There is limited operational funding available for service or affordable space providers such as EAS. The City has supported work to date through the Cultural Spaces Grants program and staff secured one-time Canada Council funding for EAS. There is work underway to explore innovative sources of sustainable operational funding for the District, looking at other cultural and business districts.

Community-Owned Space

Supporting local non-profit ownership in the proposed District will be critical. Increasing local community ownership and a Cultural Land Trust are key goals in MS4A and the recent [Council Motion Taking Action to Protect and Expand Arts and Cultural Spaces](#). Staff have been working in partnership with the community since 2018 to support a cultural land trust.

Capital Investment

The Council motion requested staff to consider targeted capital investment to support the District. The Council approved FLATS Plan (2017) included a community economic amenity to be collected on some developments (as cash or in-kind) to support the development of affordable non-profit industrial community space – including affordable shared arts production spaces. The City has started to receive funding from this amenity. There are opportunities to partner with EAS (and potentially the Cultural Land Trust), on the use of a portion of this funding to potentially buy or invest in protecting existing spaces and new community-owned affordable artist production spaces in the proposed District, subject to Council approval. Staff are also working with EAS and other cultural groups on a new 6,500 square foot City owned cultural amenity space under development at 522 Malkin.

NEXT STEPS

Staff will continue to work closely with EAS and anticipate seeking Council direction in 2025 on a declaration of an Eastside Arts District that includes options to partner with the EAS to secure artist production spaces at risk and/or to secure new affordable artist production spaces as described above. It is critical that the declaration aligns with implementation of tangible actions to support the District which continues to experience rapid displacement of cultural spaces.

FINAL REMARKS

If Council requires further information, please feel free to contact me directly at margaret.wittgens@vancouver.ca and we will provide response through the weekly Council Q&A.



Margaret Wittgens, General Manager
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APPENDIX A

Below is a list of Council-approved policy directions from [Making Space for Arts and Culture](#) and work underway or completed that relate to the Eastside Arts District.

Goal	Action	Details	Completed	Underway
Remove Regulatory Barriers	A12. Expand Arts Event Licenses	Expand the Arts Event Licence (AEL) program to allow more arts/cultural events in non-traditional venues.	AEL expanded to include outdoor spaces and increased event capacity and frequency (2023 RTS 15715).	Planning for special events zones in areas such as Granville Street.
	A13. Help with Navigating Regulations	Explore ways to help artists, non-profits and event producers to navigate regulatory requirements.	ACT staff provide support to artists and organizations on regulatory processes. Critical Assistance Grants have been expanded to support permit fees & building code consultants to help retain existing spaces.	Work underway on establishing on Art Concierge as identified in recent Council Motion .
	A14. Develop an Arts Facility Zoning	Develop a zoning use specific to non-profit arts and cultural facilities to simplify and align City policies, licences, permits, bylaws, zoning and other regulatory requirements.	Development Cost Levy Rate was reduced for Cultural Facilities ¹ (2022, RTS 14791).	Arts Facility Zoning will be explored and considered as work underway on recent Council Motion .
	A16. Use Older Bldgs & Temporary Spaces	Explore ways to lower costs when reusing older buildings and expand opportunities to support temporary spaces.	Support provided to community led projects and research through grants including to Vancouver Mural Festival Un-leased report and FLEET Mobile studios.	Exploring adding low impact artist studios to Change of Use regulatory program that lowers barriers around building upgrade requirements.
Expand Tools to Prevent Displacement and Secure Spaces	A17. Arts and Culture Core in City Building	Integrate arts and culture as a key priority in city building.	Arts and Culture embedded into Broadway, Vancouver Plan, Cambie, West End, FLATS, DTES & Employment Lands Economy Review	Continuing to working on integrating arts and culture into City planning and within the Vancouver ODP as related to new provincial legislative changes.
	A18. Preservation of Cultural Spaces	Develop policy to preserve and enhance non-profit arts and cultural spaces within community-serving spaces, and other privately held spaces including artist studios and music spaces.	Development of community-serving spaces bulletin requiring documentation of existing community-serving spaces in the rezoning process.	Interdepartmental resources and work required to consider a “no net loss” of cultural spaces policy.
	A19. Support Affordable NPO Space in Industrial and Commercial Lands	Explore mechanisms to support affordable non-profit arts and cultural space in commercial and industrial zones, including density bonusing, commercial linkage fees, cultural districts.	Artist studio density bonus introduced to light industrial zones (I-1, I-2, IC-2) (2023 RTS 15595 and RTS 15772)) and Broadway Plan culture now eligible for receiving commercial linkage fees.	Incorporating artist studio density bonus to other industrial zones. Ensuring updated policy Citywide on commercial linkage fees. Analyzing proposed EAD boundaries, and policy updates.
	A20. Remove Barriers in Industrial Zones	Remove existing and new barriers for artist studios and production spaces in industrial zones.	Removal of FSR limits for new studios in I zones (2020) and work-only artist studio Class B allowed as industrial land use (2023)	Alignment with on-going work to modernize and intensify Vancouver’s Industrial Lands.

¹ This reduced rate for cultural facilities (\$10-\$20 per building permit) is limited to the following uses: artist studios (Class A and B), galleries, halls, museums or archives, live theatres, and production or rehearsal studios for dance, music, or drama

	A21. Reduce Tax Burden	Support work with the Province to develop a new sub class to reduce the tax burden on underdeveloped commercial and industrial spaces.	Finance established DPRP program to provide tax relief, with eligibility provisions for arts and culture organizations in certain uses.	Refinement of DPRP program to better direct property tax relief to the arts and culture sector.
Expand Community Partnerships	A22. Affordable Cultural Spaces Grants Stream	Launch an annual affordable cultural spaces grant stream to provide support to non-profit space operators that provide subsidized affordable space for professional artists.	Launched 2020, ~\$300K annually for ~ 18 NPOs including within the EAD 221A, BCA Sun Wah, C-Space, Duplex Society, East Van Arts and Culture Society, Kokoro Dance, 901 Artists Cooperative.	Continue with Affordable Spaces Grant Program. Support EAD in exploring new revenue sources to fund District operations.
	A24. Community-Led Real Estate Knowledge Sharing	Support community-led real estate knowledge sharing	Cultural Infrastructure Grant funding supporting studies including EAS: "A City without Art?", "Seizing the Moment", "EAD Business Plan" and other community led studies. Secured one-time Canada Council Innovation funding support for EAD	Continue funding research and planning through cultural spaces grants.
Increase Community Ownership and Support a Cultural Land Trust	A26. Cultural Spaces Fund	Establish an interest bearing reserve Vancouver Cultural Spaces Fund to support the development of large-scale community-led cultural space projects to research, plan, develop, and acquire affordable cultural spaces. Secure funding through development contributions as part of the public benefit strategy implementation.	2019 Vancouver Cultural Spaces Fund established.	Explore use of a portion of FLATS community economic amenity cash contribution to partner with EAS on procuring/securing affordable non-profit arts production space in the District.
	A27. Community-Led Cultural Land Trust	Support development of community created and led cultural land trusts and explore ways to partner with the cultural community on development and ownership of amenity facilities secured through development.	\$200k grant to 221A for development of cultural land trust. Vancouver Cultural Land Trust established in 2021. https://culturallandtrust.ca/ https://221a.ca/project/cultural-land-trust-study/ .	Support development of Cultural Land Trust as per Council Motion . Explore Cultural Land Trust as a potential partner with EAD on community owned space in the District.
Prioritize Cultural Heritage, Accessibility and Equity	A1. Protect Cultural and Intangible Heritage	Prioritize cultural heritage by incorporating cultural heritage into City Heritage Program including heritage statements, registry and incentives, to further support preservation of cultural spaces.	Heritage Plan Update approved by Council 2020 incorporating Reconciliation and Cultural Heritage. Planning in action: New Cultural Space underway at Imperial Theatre housing site.	Supporting various approaches including Chinatown Cultural District framework to advance cultural districts.