

# Report to Council



**Date:** November 4, 2019

**To:** Council

**From:** City Manager

**Subject:** Creative Hub - Community Amenity Space – 350 Doyle Avenue

**Department:** Partnership Office

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## **Recommendation:**

THAT Council receives, for information, the report from the Partnership Manager dated November 4, 2019, regarding the potential establishment of a creative hub in a community amenity space to be built as part of the redevelopment of real property located at 350 Doyle Avenue in Kelowna;

AND THAT Council approves a request to the Department of Canadian Heritage Canada Cultural Spaces Fund for a grant of up to \$35,000 representing 50 per cent of consulting costs to determine the feasibility of the establishment of a creative hub in the community amenity space at 350 Doyle Avenue in Kelowna, and the Partnership Manager is authorized to sign the grant application on behalf of the City;

AND FURTHER THAT Council directs staff to report back regarding the feasibility of the establishment of a creative hub in the community amenity space to be built as part of the redevelopment of real property located at 350 Doyle Avenue in Kelowna.

## **Purpose:**

To provide for Council consideration information about the potential establishment of a creative hub in community amenity space to be built as part of the redevelopment of real property located at 350 Doyle Avenue in Kelowna.

## **Background:**

In keeping with the City's Civic Precinct Plan (2016), proponents for re-development of the site at 350 Doyle Avenue were called upon to provide a mixed use development which includes a 6,000 square foot community amenity space ('the space'). The space was specified as a 'shell' space on the ground floor, interfacing with a new civic plaza and extended ArtWalk, and would be sold to the City of Kelowna at a nominal cost as a dedicated strata lot. The City, as strata owner, will determine the ultimate usage for the space, informed by the feasibility work described in this report.

Based on extensive community consultation, and priorities emerging from the both the Civic Precinct Plan and the 2020-2025 Cultural Plan, staff propose an initiative to explore the feasibility of establishing a creative hub in the space. For the purposes of this initiative, the characteristics of a creative hub are:

- The co-location in a shared space of at least two (2) and up to four (4) cultural/creative organizations, interests or artistic disciplines
- A space that, through good design and appropriate technical equipment, can flexibly accommodate administration, essential storage, incubation and rehearsal of new work, and performance
- Through co-location and inter-disciplinary exploration, a shared commitment to professional artistic development, the creation of new work and professional arts presentation
- Hub residents co-create a capital development and operating model supported by sound governance, administration and financial sustainability
- The space offers community engagement, accessibility and connection, including public access space and programming.

The process to determine the feasibility of a creative hub in the space is as follows:

a) issue a Request for Expressions of Interest (RFEOI) from creative organizations, enterprises, and artists. The RFEOI will gauge the number of interested parties and will inform staff for possible next steps which may include a selection process. The role of participants will be to:

- commit to the concept of a shared hub and a collaborative process to determine its feasibility
- be open and honest about their ability to contribute financially to the project and their capacity to operate within a shared space model
- dedicate staff and Board time, without compensation, to work through the feasibility process with the consultant.

b) retain the services of [BC Artscape](#) as a consultant to work with participants. More information about BC Artscape is provided below. The role of BC Artscape, with participants, will be to:

- clarify and articulate the project vision;
- explore and articulate sustainable operating models, including partnerships, operations, governance, business cases and risk profiles. As the hub concept is relatively new to the community, BC Artscape's expertise will be key in understanding the capacity of local organizations to establish and operate a hub, and also in forging a working partnership between the hub participants, the developer and the City;
- identify development mechanisms, preliminary budget, sources of capital funding and forms of tenure to advance a successful creative hub capital project; and
- Devise design criteria to support the established types of artistic practices.

At the conclusion of BC Artscape's work, reporting will include:

- broad-based analysis of creative hub feasibility within the space;
- options / recommendations for a sustainable operating model including forms of tenure;
- a capital development proposal including preliminary design specifications and costing, and potential funding sources.

Learnings from BC Artscape's work will be shared with Council through periodic updates. At the conclusion of BC Artscape's work, and following receipt of BC Artscape's findings about the feasibility of the hub, staff will bring forward options for consideration by Council. More detail is provided below.

**Discussion:**

***Request for Expressions of Interest:***

There is no requirement for a public process for the type of project envisioned in this report, but a RFEI was determined as an appropriate method of 'testing' the marketplace to determine the level of interest in a creative hub, without imposing the requirement for qualifications or a proposal at the outset.

***Consultant:***

BC Artscape was the sole consultant approached by the City of Kelowna for this project, based on their mandate and superior experience in providing community-focused consulting work which supports the development of secure, affordable and appropriate cultural spaces for arts organizations, and empowers and supports non-profit organizations to work strategically and build capacity and organizational resilience through the process of cultural space development. As operator of the newly-established Sun Wah facility (home to over 70 artists, cultural organizations and social impact organizations in Vancouver's Chinatown) BC Artscape also has hands-on experience in the day-to-day realities of operating a hub, which will be valuable in understanding and assessing local capacity.

***Grant application:***

The Department of Canadian Heritage Canada Cultural Spaces Fund offers matching funding (up to 50 per cent) to support feasibility studies for the establishment of creative hubs. The Fund's objectives are to contribute to:

- Improved physical conditions for professional arts and heritage related collaboration, creation, presentation, preservation, and exhibition; and
- Increased and improved access for Canadians to arts and culture.

Applications for smaller grants, such as the request from the City of Kelowna for this initiative, are reviewed and approved by the regional office in Vancouver, and may be processed within a period of approximately eight weeks.

If establishment of a creative hub is determined to be feasible, a second application could be submitted to the same program to support capital costs associated with build-out of the space. The maximum contribution payable for a construction project is \$15,000,000 or 50 per cent of total eligible project costs, whichever is less. A feasibility study, such as the one proposed, which includes preliminary design and costing, is a pre-requisite for consideration of a capital funding request.

***Feasibility outcome:***

In the spirit of a true feasibility study, there is risk that the establishment of a creative hub in the space is not feasible. In this event, BC Artscape will be tasked with identifying the factors which mitigate against a hub, and suggesting possible measures or strategies to address these factors.

In the event that factors mitigating against feasibility of the creative hub cannot be addressed within the timeframe for overall development of the site, staff will bring forward alternative options for development of the space for consideration by Council.

**Conclusion:**

Establishment of a creative hub in the space responds to priorities identified in the 2020-2025 Cultural Plan to seek out innovative solutions for accessible, affordable and appropriate creative spaces.

Through facilitation by an experienced consultant, cultural interests will explore their own capacity to become developers and operators of the spaces they need. The confidence of the cultural sector to undertake its own space development can result in more, and better facilities, and ultimately may reduce reliance on the City. This project could serve as a worthwhile model for future culture-led space development initiatives, and is a logical next step in Kelowna's community cultural development.

For the developer, the establishment of a creative hub, and maintaining an authentic relationship with the cultural community, tangibly contributes to the success of creators and the Cultural District as a whole. It also positions the developer favourably in a marketplace which frequently mentions proximity to the Cultural District as a promotional tool, but which may not otherwise contribute to culture in a tangible way. Forging synergies within the cultural sector, between the sector and the developer, and between the development itself and the broader Cultural District, serves the community on multiple levels and delivers on multiple civic goals.

**Internal Circulation:**

Partnership Office  
Parks & Building Planning  
Cultural Services  
Real Estate Services  
Policy & Planning  
Community Communications  
Purchasing

**Considerations applicable to this report:*****Existing Policy:******Cultural Policy 274:***

Cultural Amenities: Cultural amenities, such as theatres and other public facilities, are central to the development of a vibrant community. The City will explore opportunities for including cultural facilities when reviewing and/or submitting land use applications within Urban Centres.

Cultural Industries: Cultural industries (including cultural workers, organizations, business, facilities and educational institutions) are central to developing prosperity in Kelowna. The City recognizes the importance of these industries by providing appropriate and supportive policies, zoning, amenities and other forms of support which foster the creation of artists' studios and live/work spaces, presentation and performance venues, as well as retail and other commercial land uses that complement arts, culture and heritage.

***Financial/Budgetary Considerations:***

Total project costs are listed below. In kind amounts are estimates only and are marked \*.

<b>COSTS</b>	
BC Artscape – professional fees excl GST	\$63,940
GST on professional fees (not eligible for grant)	2,322
BC Artscape – expenses (per diems, travel, accommodation – estimate)	4,400

*City of Kelowna – in kind – project management (Cultural Services)	*9,750
*City of Kelowna – in kind – room rentals, catering, misc materials and supplies	*2,500
*Participants – in kind – staff / management time	*30,000
<b>TOTAL COSTS</b>	<b>112,912</b>
<b>REVENUES</b>	
Canada Cultural Spaces Fund (50% of professional fees + expenses)	\$34,170
City of Kelowna – Business & Entrepreneurial Development 2019 budget (50% of professional fees plus expenses and GST)	\$36,492
*City of Kelowna – in kind – project management (2020 Cultural Services – existing operating budget)	*9,750
*City of Kelowna – in kind – room rentals, catering, misc materials and supplies (2020 Cultural Services – existing operating budget)	*2,500
*Participants – in kind – staff / management time	*30,000
<b>TOTAL REVENUES</b>	<b>112,912</b>

**Considerations not applicable to this report:**

External Agency/Public Comments

Legal/Statutory Authority

Legal/Statutory Procedural Requirements

Communications Comments

Submitted by:

S. Kochan, Partnership Manager

**Approved for inclusion:** D. Edstrom, Director, Partnerships & Investments Division

cc:

R. Fine, Director, Business & Entrepreneurial Development

R. Parlane, Parks & Building Planning Manager

C. McWillis, Cultural Services Manager

G. Hood, Strategic Land Development Manager

R. Soward, Planner Specialist

L. Ruether, Communications Advisor

D. Tompkins, Purchasing Manager