

TO: CITY MANAGER 2000 September 27

FROM: DIRECTOR PARKS, RECREATION AND CULTURAL SERVICES

SUBJECT: REGIONAL ARTS AND CULTURAL DEVELOPMENT IN GREATER VANCOUVER: BUSINESS PLAN AND IMPLEMENTATION OPTIONS

PURPOSE: To provide comments from the City of Burnaby on the proposed expenditure levels and funding strategies for regional arts and cultural development in Greater Vancouver as outlined in the report of the Regional Cultural Plan Steering Committee for consideration by the GVRD Board.

RECOMMENDATION:

1. **THAT** the GVRD Board request the inter-municipal Regional Cultural Plan Steering Committee consider alternate methods of cooperating inter-municipally to enhance regional arts and culture development projects with support from federal and provincial governments.

REPORT

1.0 BACKGROUND

At its meeting of 2000 September 11, Council received correspondence from the GVRD requesting Council's review of the proposed strategies and implementation plan from the Regional Cultural Plan Steering Committee.

Across the Greater Vancouver region, the arts and culture sector has experienced sustained difficulties in attracting and maintaining investments in arts and culture from the federal and provincial governments. As a result local talent leaves the region, the infrastructure is underdeveloped and business opportunities are diminished, especially in tourism, cultural industries and new media sectors.

To help develop a response to this problem, the GVRD Board through the Education, Communication and Culture Committee, endorsed an inter-municipal staff committee called the Regional Cultural Plan Steering Committee to review the issues and prepare a strategic plan for consideration. Comprehensive research was conducted and community consultation occurred resulting in a strategies paper being advanced in 1999 November. In 2000 July, the consultants completed a business plan for implementation of the key strategies which is now before Council.

It is important to note that while the Regional Cultural Plan Steering Committee was established by the Regional Administrative Advisory Committee of the GVRD, it remains an advisory inter-municipal staff group not an administrative entity.

Like other regional municipalities, the City of Burnaby has a significant history of support for arts and culture in the City through the development and operation of cultural facilities like the popular Shadbolt Centre for the Arts, the Burnaby Village Museum and the Gallery at Ceperley House. The City through the Parks, Recreation and Culture Commission offers programs and services to children and adults for learning the arts at various levels throughout the community in cultural and recreational facilities. Support is provided to groups like the Burnaby Arts Council and their many member associations. Festivals and special events such as the annual Burnaby Discovery days, the Vancouver Symphony Orchestra concert in Deer Lake Park, and the recent millennium celebration, the Deer Lake Blues Festival are examples of local support for arts and culture.

Despite local investment in arts and culture, a gap has been identified in regional coordination which, if addressed, will enhance the City's arts and culture programs and services. The Business Plan outlines the various methods and resources required to achieve several goals of the Regional Cultural Plan Steering Committee.

2.0 BUSINESS PLAN

The business plan addresses the priority actions of the strategy designed to leverage senior government and other investments.

The plan outlines the products, services and initiatives that address priorities and attract senior government investment. These include:

A Greater Vancouver Cultural Information Network: This network will help residents and visitors find out what is happening in arts and culture in each community so attendance can increase. It will help artists, arts groups and business establish professional links for improving quality, planning and efficiency. It will help local municipalities to share policy, planning and administrative information and experiences easily.

A Cultural Tourism Strategy: This will help develop cultural tourism products (such as festival, events, sites and attractions) and improve group marketing. Key elements are a cultural tourism calendar published on paper and electronically; cultural tourism research services to collect data on tourist behaviors for use in product development; demonstration projects to test new initiatives for user response rates; and product development to better promote and extend quality productions.

An Intergovernmental Investment Partnership: This will focus mostly on the cultural industries and the new media attracting substantial investments from senior governments and the private sector. By being a part of the inter-municipal process benefits can be shared in the participating municipalities. Work needs to be done to specify the development areas, and as an example, the film industry in Burnaby may be a key local focus. In the process, projects are identified, partnerships outlined, cost-sharing details and program delivery mechanisms established, and formal agreements put in place that are properly resourced, delivered and evaluated.

Region-Serving Arts and Cultural Services: This will achieve a broader range and wider distribution of arts and cultural services delivered through arts and cultural groups around the region. It will improve the abilities of local groups and facilities to both “send” and “host” the exciting performances, exhibitions and special events that are rarely shared because of lack of resources and infrastructure. It would help enhance existing region-serving groups to extend services; help develop additional services by building on local strengths and encouraging partnerships; and help with business development for greater financial stability of cultural groups.

A Regional Touring Program for Performing and Visual Arts and Heritage Exhibitions: This would be a touring program that helps match the production to the relevant facility, provide coordination assistance and aid to put both performances and exhibitions on the road, sharing the achievements of local artists not only at home but in neighboring municipalities.

In summary, these initiatives will increase access to arts and culture locally and across the region, build stronger organizations, increase public participation in arts and culture, generate economic benefits in both jobs and increased local expenditures, and leverage significant investments by senior levels of government, the private sector, arts and cultural groups and others.

3.0 RESOURCE REQUIREMENTS

The business plan that has been presented would require \$9.8 million annually for implementation. Through leveraging from senior governments this could be reduced to \$6.5 million annually for collective local contributions. It is understood that local cultural spending is the priority of each municipality in the region, however, it is recognized there are different levels of funding.

The regional strategy is about pursuing opportunities at the regional level that have local benefits, albeit perhaps in variable ways and various times for each community. In this regard a review of financing options was conducted to address adequacy (there must be enough money on the table to achieve something); appropriateness (the option must be feasible) and equity (fairness to all partners is essential for success).

Per Capita Contribution: A per capita contribution of \$3.26 is suggested to achieve the strategies outlined in the report. Please note that over and above local municipal spending on arts and culture, Greater Vancouver is currently spending \$0.12 per capita through the GVRD cultural trust fund. If this option were pursued, municipalities could rely on increasing property taxes for their contribution depending upon local revenue sources available.

Visitor Surcharge: As visitors benefit from these investments, a visitor surcharge is a model used in the United States where municipalities have the authority to implement such taxes. In B.C. current taxes on hotels consist of an 8% provincial tax and an additional optional 2% municipal tax. Only two local municipalities collect the 2% tax at this time, therefore negotiations would be required to access some of the 8% provincial tax collected if agreed to.

Amusement Surcharge: Visitors and residents would pay a surcharge on attendance at festivals, events and movies in this option. Provincial legislative authority would be required.

Private Sector Investments: This type of investment is more likely in key initiatives of interest to the private sector such as the regional information network. Since sponsorships and investments are vital to individual cultural groups, caution is needed to not create competition for limited resources.

Lotteries: This is an unreliable revenue source due to the high degree of risk involved. The same is true for proceeds from e-commerce sales as the network is not established, but it could become a major revenue source in the future.

In summary, it is concluded that a per capita visitor surcharge and amusement surcharge are the most feasible options, the last two requiring more time to establish.

4.0 GOVERNANCE OPTIONS

The business plan calls for the establishment of an inter-municipal arts and culture partnership in order to implement the plan. A review of other models where metropolitan partnerships have been successfully launched and administered was conducted by consultants.

Most cultural funding agencies have government members on their boards or direct government control of board appointments. They rely on a mixture of skills and interests on their boards, committees and juries with few managed solely by municipal officials. They recognize that being close to government is good when seeking inter-governmental partnerships, and less advantageously when seeking private sector funds.

Therefore three options were considered for governance:

Arm's Length Non-Profit Charitable Society: This option would be established through the participating municipalities determining the constitution and by-laws, the membership criteria, board appointments and criteria and opting in and out requirements.

This model is cost-effective, flexible and entrepreneurial in approach yet it could have uneven participation and a variable focus on key issues.

Inter-Municipal Service Delivery Organization: This option relies on the Local Government Act to enable municipalities that have agreed to provide a service to delegate that service delivery to another organization. While similar to the non-profit model, with this option more control is exercised by the municipal partners. Purpose, membership, structure and funding would all be controlled under the provisions of the Act. Advantages include a constant region-wide perspective, higher profile and greater ability to leverage, but this model would tend to be more expensive to operate and less flexible.

Greater Vancouver Regional District: This option would have the municipalities delegate to the GVRD the responsibility to implement the business plan through an existing or new department, and the GVRD would be responsible for policy and decision-making.

The advantages are that business could be conducted using the existing structure with current levels of accountability, yet the model would likely be less flexible, less responsive and more expensive.

5.0 CONCLUSION

The City of Burnaby has made significant investments in arts and culture, (including heritage property management), and provides significant sustained annual support at over \$17 per capita locally which is relatively high compared to other cities in the region. It is important that control over these resources and the local priority not be eroded by any consideration of inter-municipal cooperation.

It is understood that there are some key areas of development in arts and culture that could be achieved through better inter-municipal cooperation and through attracting more resources from provincial and federal sources to redress the relative lack of support to the region. To be able to leverage resources from outside requires having made an inter-municipal investment of resources in the region for an ultimate local benefit.

Because these local benefits are not clearly identified in the business plan, and that a perception exists of disproportionate gain across the region occurring, a per capita contribution from Burnaby at this time is not recommended. As well, the establishment of a GVRD staff or department for this purpose is not recommended.

However, it is recommended that the Regional Cultural Plan Steering Committee continue to investigate other options for inter-municipal cooperation and potential funding sources for future inter-municipal activities or projects.



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