



# City of Richmond

## Report to Committee

**To:** General Purposes Committee **Date:** May 18, 2021  
**From:** Marie Fenwick **File:** 11-7000-09-00/Vol 01  
 Director, Arts, Culture and Heritage Services  
**Re:** **Revised Public Art Policy – Public Art Contributions**

### Staff Recommendations

1. That an option for the allocation of Voluntary Developer Public Art Contributions, as described in Table 1 on page five of the staff report titled, “Revised Public Art Program Policy - Public Art Contributions,” from the Director, Arts, Culture and Heritage Services dated May 18, 2021, be endorsed.
  
2. That an option for the City and private Public Art Contributions, as described in Table 3 on page nine of the staff report titled, “Revised Public Art Program Policy - Public Art Contributions,” from the Director, Arts, Culture and Heritage Services dated May 18, 2021, be endorsed.

*Marie Fenwick*

Marie Fenwick  
 Director, Arts, Culture and Heritage Services  
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REPORT CONCURRENCE		
<b>ROUTED TO:</b>	<b>CONCURRENCE</b>	<b>CONCURRENCE OF GENERAL MANAGER</b>
Finance Department	<input checked="" type="checkbox"/>	<i>Sevenson</i>
Law	<input checked="" type="checkbox"/>	
Development Applications	<input checked="" type="checkbox"/>	
<b>SENIOR STAFF REPORT REVIEW</b>	<b>INITIALS:</b> <i>MF</i>	<b>APPROVED BY CAO</b> <i>[Signature]</i>

## Staff Report

### Origin

On September 21, 2020, at the General Purposes Committee meeting, Council made the following referral:

*That Options for Allocations of Voluntary Developer Public Art Contributions, as set out in Table 2 of the staff report titled “Revised Public Art Program Policy” dated August 20, 2020 from the Director, Arts, Culture and Heritage Services, be referred back to staff for additional information related to funds received historically for each component of the public art fund and alternatives to raise funding for arts and related facilities.*

*That staff review section 5.3.1 (City contribution) and section 6.3.1 (private sector contribution) of Policy 8703 – Public Art Program and report back on options.*

The purpose of this report is to respond to this referral.

This report supports Council’s Strategic Plan 2018-2022 Strategy #3 One Community Together:

*Vibrant and diverse arts and cultural activities and opportunities for community engagement and connection.*

This report supports Council’s Strategic Plan 2018-2022 Strategy #4 An Active and Thriving Richmond:

*An active and thriving community characterized by diverse social and wellness programs, services and spaces that foster health and well-being for all.*

### Background

At the General Purposes Committee Meeting on September 21, 2020, staff responded to a July 2, 2019, referral to direct staff to provide a revised Public Art Program Policy in which Council has the discretion to approve or refuse artwork on private or public property, recommend allocating equivalent funds for other projects and provide opportunities for local and emerging artists.

At the time, Council approved a revision to the Public Art Policy, which requires Council’s approval of the Terms of Reference of public art projects on private property commissioned through the development applications process that total \$250,000 or greater.

Council also directed staff to provide additional information on the funds historically received in the Public Art Reserve Fund as well as to review and provide options for City and private sector public art contributions.

## **Analysis**

### Allocation of Voluntary Developer Public Art Contributions

Council currently approves voluntary developer public art contributions at the Rezoning or Development Permit stage. These developer contributions are allocated to one or both of the following funding streams:

1. Commissioning of public art on, or near, the Private Development Site consistent with (where applicable) area-specific Council-approved Civic Public Art Plans (i.e., City Centre, Richmond Olympic Oval Precinct, Capstan Village, Minoru Civic Precinct and Alexandra Neighbourhood); or
2. Depositing to the Public Art Program Reserve Fund, to finance the Civic Public Art Program (that is not tied to Capital Projects) as well as Educational and Community Public Art Programs and activities.

Unlike other community amenities (e.g., child care or affordable housing), development incentives are not offered in exchange for Public Art contributions as they are voluntary.

### **Funds Received Historically in the Public Art Reserve**

The Public Art Program Reserve Fund was established in 1997 for the purposes of funding the Richmond Public Art Program. The fund was started with seed money from a City contribution of \$235,000. Since then, nearly all of contributions to the fund have come from private developer contributions (the rare exceptions involve projects executed in partnership with community centres). The Reserve Fund is used to finance public art projects on civic and private land as well as fund the Community Public Art Program, approved annually as part of the Capital Budget Process. The Reserve Fund is often used to collect funds earmarked for private public art projects which are paid back to the developer upon implementation of the project, often years after the project funding was deposited into the Reserve Fund. Developers have the option to provide a Letter of Credit as an alternative to contributing to the Public Art Reserve Fund.

The funds received in the Public Art Reserve Fund vary year to year, depending on the number of approved Rezoning or Development Permit applications that are subject to voluntary public art contributions. For example, the amounts received in the last three years are: \$448,310 (2020), \$387,600 (2019), and \$1,259,771 (2018).

The funds that are paid out to reimburse developers also varies from year to year, depending on the number of developments that have reached implementation stage, and as such the amount in the Public Art Reserve Fund fluctuates significantly. As of April 30, 2021, there is \$4,723,895 in the Public Art Reserve Fund. Of this, \$1,914,909 is allocated to projects already approved and currently in progress, \$1,682,207 is bound to private public art projects that have been secured as part of approved Development Permit Applications and will be paid out when these projects are ready to be built, and the remaining \$1,126,779 is available for Civic public art projects and programs. These funds pay for Civic public art projects and for projects in the Community Public Art Program, approved annually as part of the Capital Budget process. The Community Public Art Program includes the Community Mural Program and the Engaging Artists in the Community Program.

### **Alternatives to Raise Funds for Arts and Related Facilities**

The City has an established building reserve and process for prioritization of facility needs and arts facilities can be financed through existing developer-funded mechanisms. In the City Centre, the City Centre Area Plan (CCAP) provides a policy framework to secure City facilities (e.g., community centres, child care facilities and other community amenity spaces including arts facilities) through private development located on properties designated as Village Centre Bonus (VCB) sites. In situations where the City does not wish to secure physical space within a VCB-designated development, Council may direct that the developer provides a cash-in-lieu contribution to the City Centre Facility Development Fund (sub-fund of the Leisure Facilities Reserve [Bylaw 7812]) to facilitate community amenity construction on an alternative site, as determined to the satisfaction of the City. For example, the recently approved repurposing of the Minoru Place Activity Centre for arts education and program space is being financed by developer contributions to the Leisure Facilities Reserve Fund.

Contributions to the Hamilton Area Plan Community Amenity Capital Reserve Fund, applicable to projects in the Hamilton area, can be used for community recreation and cultural facilities (Bylaw 9276). Contributions to this reserve are made in cash unless the City chooses to accept a community amenity in lieu of cash.

### **Allowable Use of Voluntary Developer Contributions**

As described in the February 8, 2019, report to the Parks, Recreation and Cultural Services Committee, contributions to the Public Art Program Reserve Fund must be used for Public Art Program activities. The City is legislatively bound to comply with the reserve fund use limitations. It is therefore precluded from using the funds for building or maintaining facilities, or other general operating costs of the City.

In order for Council to allocate voluntary developer public art contribution funds to other uses, including arts facilities, a new Public Art and Arts Facilities Program Reserve Fund would need to be established to replace the existing Public Art Program Reserve Fund. Because there are already legal agreements in place, the current Public Art Program Reserve Fund would remain in place for several years until all the funds have been spent in accordance with the current policy.

In addition, a new Arts Facilities Program would need to be added to the Policy to support the development of new civic arts facilities, augment other civic arts facility capital project budgets and fund capital improvements to existing civic arts facilities. New civic arts facilities could include spaces for creation, display, performance, arts education, multimedia presentation and other arts-based activities.

### **Approval of Voluntary Developer Contribution Allocations**

The current Public Art Program Policy indicates that the developer and staff determine how their contribution is to be allocated. For contributions over \$40,000, the developer may a) make a monetary contribution to the City's Public Art Program Reserve Fund, b) provide public artwork of a value equal to the public art contribution for the project, or c) negotiate a split of its contribution between cash-in-lieu and provision of artwork. For contributions under \$40,000, the developer makes a monetary contribution to the City's Public Art Program Reserve Fund.

In order for Council to have the discretion to recommend how voluntary developer contributions are allocated, the Policy would need to be revised in order for the developer to require Council approval in cases where the developer wished to provide public artwork on or near the property.

A revised process which gives Council the discretion to determine how voluntary developer contributions are allocated will necessitate an extra step in the process prior to Rezoning or Development Permit stage:

- In cases where the developer prefers to direct the voluntary contributions to art on/near their site, there would now be a staff report from the Public Art Planner seeking Council’s approval prior to the proposed development being forwarded to Planning Committee or the Development Permit Panel.
- The approved allocation would then be included in the Rezoning or Development Application Report to Council.

**Options for Allocations of Voluntary Developer Public Art Contributions**

Table 1 describes the four options for Council’s consideration regarding allocation of voluntary public art contribution.

Table 1: Options for Allocations of Voluntary Developer Public Art Contributions

Policy Option	Process	Impacts/Implications
Option 1: Status Quo	Private Developer Public Art contribution and allocation (to Public Art Program Reserve Fund, provision of art or combination of both) is identified at Rezoning or Development Permit stage in Report to Council.	None

Policy Option	Process	Impacts/Implications
<p>Option 2: Public Art Program Reserve Fund replaced with Public Art and Arts Facilities Program Reserve Fund.</p> <p>Status quo maintained for the approval of developer contribution allocations.</p>	<p>Private Developer Public Art contribution and allocation (to new Public Art and Arts Facilities Program Reserve Fund, provision of art or combination of both) is identified at Rezoning or Development Permit stage in Report to Council.</p>	<p>Council consider policy amendment to add New Arts Facilities Program.</p> <p>Establishing additional Public Art and Arts Facilities Programs Reserve Fund will necessitate a new reserve fund bylaw.</p> <p>Funds directed to Arts Facilities Program might jeopardize sustainability of community Public Art Programs financed from same Fund.</p> <p>Not retroactive; current Public Art Program Reserve Fund remains in place, as well as the new one, until funds have been spent.</p>
<p>Option 3: Status quo maintained for Public Art Program Reserve Fund.</p> <p>Council approves developer contribution allocations.</p>	<p>If developer wishes to direct contributions to the creation of public art, Council approval is required prior to the proposed development being forwarded to Planning Committee or Development Permit Panel.</p> <p>Approved allocation is included in Rezoning or Development Permit Report to Council.</p>	<p>Policy amended to add requirement for Council approval where funds are to be allocated to provision of public art.</p> <p>Developers may opt out of participating in the Public Art Program due to potential impacts on public realm design plans and delays in the development application process.</p> <p>Contradicts Policy 6.1 “to encourage the private sector to support the integration of public artworks.”</p> <p>Not retroactive; will apply only to private development applications submitted to the City after the date of Council’s adoption of the new Policy.</p> <p>Increased staff resources required for administration of additional reports to Committee/Council*.</p> <p>*Note: Council could consider increasing the Administrative Fee allocation from 15 per cent to 20 per cent to provide additional funding for the administrative expenses. If so, the Policy would be updated accordingly.</p>

Policy Option	Process	Impacts/Implications
<p>Option 4: Public Art Program Reserve Fund replaced with Public Art and Arts Facilities Program Reserve Fund. Council approves developer contribution allocations.</p>	<p>If developer wishes to direct contributions to the creation of public art, Council approval is required prior to the proposed development being forwarded to Planning Committee or Development Permit Panel.  If Council does not approve provision of public art, funds are directed to new Public Art and Arts Facilities Program Reserve Fund.  Approved allocation is included in Rezoning or Development Permit Report to Council.</p>	<p>Same as Option 2 + Option 3</p>

Any new Public Art Program Policy will apply to private development applications submitted to the City after the date of Council’s adoption of the Policy. Any applications already granted first reading by Council or endorsed by the Development Permit Panel would proceed in accordance with the existing Policy. Any applications already submitted to the City received prior to adoption of the new Policy will be processed under the existing Policy. Any applications received after Policy adoption will be considered under the new Policy.

There would be a period of several years when two policies would be in effect simultaneously: one for projects begun prior to the adoption of the new Policy and another for those received after the new Policy is adopted. Upon completion of all projects under the current Policy, the new Policy would be the only one remaining in effect.

Public Art Contribution Percentages

**Civic Funding for Public Art (1%)**

The Public Art Program Policy provides leadership in urban design and civic planning by incorporating public art in the development or renovation of civic infrastructure, buildings, parks and other major civic capital projects. As per the Policy (section 5.3.1), the City commits 1% of each capital project budget toward the creation, fabrication and installation of public art as part of the project. The practice creates civic pride, a sense of place, urban beautification, livability, cultural interpretation and sustainability for residents and visitors of Richmond.

The 1% commitment of capital construction costs of projects for public art is a standard across North America for cities with Public Art programs. As detailed in Table 2 below, across Metro Vancouver, cities of comparable size and population to Richmond commit at least 1% of capital construction costs to Public Art. The 1% commitment for public art for civic capital projects included in the Public Art Policy (8703) as adopted in 2010 was included to reflect this standard, in keeping with sector best practices across the country.

**Voluntary Developer Contributions (0.5%)**

The Public Art Program Policy’s intent is to encourage the private sector to provide for the integration of public artworks in the community in order to support the continued development of a livable, sustainable and culturally diverse City. As a design standard, this is attained through voluntary contributions set during the rezoning or development permit process, and these public art contributions are part of a larger package of community amenities secured through the development application process.

Across the Metro Vancouver region, developer contributions to public art are a mix of voluntary contributions and contributions that are tied to density bonuses, and the rates typically range from 0.5% to 1%. In Richmond, the 0.5% developer contribution rate was introduced with the adoption of the revised Public Art Policy (8703) in 2010 based on this sector standard, with consideration that the contributions are voluntary, and after consultation with the development community. Across Canada, more than 50 municipalities have development “Percent for Art” programs, including Toronto, Montreal, Edmonton and Ottawa.

Table 2 provides information on City and private Funding Percentages for Public Art as compared to other cities across Canada.

Table 2: Comparison of Funding Percentages for Public Art

CITY	CIVIC	DEVELOPER
Burnaby	1%	1% (voluntary)
Montreal	1%	1% (voluntary)
New Westminster	1% (for projects > \$1M)	1%
Ottawa	1%	1% (voluntary)
<b>Richmond</b>	<b>1%</b>	<b>0.5 % (voluntary)</b>
Surrey	1.25%	0.5% (voluntary)
Toronto	1%	1%
West Vancouver	1%	1% (voluntary)

Options

Table 3 describes the three options for Council’s consideration regarding the voluntary public art contributions.

Table 3: Options for Council consideration regarding public art contributions

Policy Option	Process	Impacts/Implications
Option 1: Status Quo	City funding for public art is 1% of construction cost for eligible Capital projects and Voluntary Developer Contributions are 0.5% of each eligible Private Development projects.	None
Option 2: Increase private Public Art Contributions to be on par with the Civic Contributions	City funding for public art is 1% of construction cost for eligible Capital projects and Voluntary Developer Contributions are 1% of eligible Private Development projects.	<p>Public Art Policy would be amended to increase percentage of Voluntary Developer Contributions to 1%.</p> <p>Consultation with the Development industry would be required in advance of this Policy amendment. No consultation has occurred on this matter at this time.</p> <p>Private Developers may opt out of participating in the Public Art Program due to increased contribution rates; growth of the Public Art Reserve would be affected and impact Community Public Art Programs.</p>
Option 3: Decrease the Civic Contributions to be on par with the private Public Art Contributions	City funding for public art is 0.5% of construction cost for eligible Capital projects. Voluntary Developer Contributions remain the same at 0.5% of eligible Private Development projects.	<p>Public Art Policy would be amended to decrease Civic funding for eligible Capital projects to 0.5%.</p> <p>Funding for eligible projects will decrease resulting in smaller, less robust public art projects for those capital projects.</p> <p>Richmond will be an outlier in contributing half of what other municipalities contribute to public art.</p> <p>Contradicts Policy 5.1 “The City’s policy is to provide leadership in public art by incorporating public art, at the planning stages, into the development or renovation of civic infrastructure, buildings, parks and bridges, and to</p>

Policy Option	Process	Impacts/Implications
		encourage collaboration between the Public Art Advisory Committee, City staff, artists, engineers, design professionals and the community to enrich such projects.”

**Financial Impact**

At this time, staff are unable to quantify the financial impact with respect to a revised Public Art Program Policy. However, any of the proposed policy changes are expected to require additional resources for overall program administration, including oversight, communications and reports to Council.

**Conclusion**

Public art created through the private development approvals process has contributed to Richmond’s urban design and cultural fabric for more than 20 years thanks to a Public Art Program Policy that ensures Council, staff and community members play essential roles in its administration. A Policy that reflects Council’s preferences in the approval of public art can support Richmond’s vision to be the most appealing, liveable and well-managed community in Canada.



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