



The Corporation of the City of Courtenay

Staff Report

To: Council

File No.: 2240-20 CVCAC

From: Director of Recreation, Culture and Community Services

Date: July 17, 2024

Subject: Comox Valley Community Art Council Licence to Occupy and Grant Fee for Service Agreement

PURPOSE:

The purpose of the report is to seek Council's approval for the attached Licence to Occupy (Attachment 3) and amended Grant Fee for Service Agreement (Attachment 2) with the Comox Valley Community Art Council (CVA) that outlines:

- a) The terms and conditions by which a portion of the second-floor space of the Centre of the Arts located at 580 Duncan Avenue will be occupied by CVA on a temporary basis through the Licence to Occupy (the licence);
- b) The service deliverables expected of CVA in return for grant funding and in-kind support provided by the City through the grant fee for service agreement (the grant agreement); and
- c) The financial and in-kind support and service levels the City provides to CVA.

EXECUTIVE SUMMARY:

The proposed Licence to Occupy will replace the current Memorandum of Understanding dated July 28, 2020 that is in place between the Comox Valley Community Art Council and the City for a portion of the second floor at the Centre for the Arts. The licence will outline each party's respective terms, conditions and repair and maintenance responsibilities as they relate to the CVA's use of the space. The licence will be a two-year term commencing January 1, 2024 and terminating December 31, 2025 to align with the remaining term of the existing Fee For Service Agreement dated June 19, 2020 and will hold over on a month to month basis at the end of the term. The proposed term allows the City and CVA time to review and address the impacts of the following factors before the licence and grant agreements expire at the end of 2025 and will be considered for renewal:

- 1) Consider CVA's current organization strategic priorities and programs which have significantly changed since the original Fee For Service Agreement was signed in 2020;
- 2) The Strategic Cultural Plan (to be finalized in fall 2024) that will identify opportunities for the City and CVA to collaborate and action recommendations identified in the plan; and
- 3) Recommendations arising from the Centre for the Arts Facility feasibility study that is planned to be initiated this fall.

The grant fee for service amendment outlines CVA's service deliverables and reporting requirements in return for the receiving grant funds from the City on an annual basis. The amendment to the Grant Fee For Service Agreement extends the annual arts and culture grant funding to CVA until the end of December 31, 2025 to match the term of the grant agreement.

BACKGROUND:

For over 55 years CVA, a non-profit Society, has supported arts and culture in the Comox Valley by providing a variety of opportunities for the community to gather and engage in local arts and culture.

The CVA's mandate is:

"To provide access to arts and cultural resources to everyone of all ages and backgrounds, and our mission is to champion the artistic vitality of the Comox Valley."

Below is a summary of some of the highlights of Comox Valley Arts for 2023:

- approximately 10,000 participated in CVA's 30 Day Drawing Challenge,
- 200 arts kits were distributed
- 598 volunteer hours
- 2,300 art and land participants in the GO FISH exhibit
- 1,000+ participants in Moonlight and Magic activities
- 5,050 Studio Tour Visitors and 50 Studio Tour Participants

The CVAs Historic Use of the Centre for the Arts

In 2005, CVA occupied a small office on the 2nd floor of the Centre for the Arts. Since then, CVA has moved out of the small office and consolidated into the space it currently occupies: approximately 885 square feet of space on the second floor of the Centre for the Arts. CVA's historic use of space and agreement history is summarized in Table 1:

Table 1: CVA Agreement and Occupancy History in the Centre For the Arts

YEAR	TIMELINE OF CVA's USE OF THE CENTRE FOR THE ARTS	AGREEMENT	Signing Authority
2005	One-year term lease approved for a 132 square foot office on the 2 nd floor. The lease is currently on a month to month basis.	Lease Agreement	Council
2020	Five-year grant fee for service agreement with Comox Valley Arts approved for multi-year core funding to align with recommendations from the Cultural Service Review, 2019. Funding started at \$55,000 in year one and increases by 2% each year, subject to annual budget approval by Council.	Grant Fee for Service Agreement (CVA)	Council
2020	CVA occupies 50% of the former CVEDS space after requesting to jointly occupy the space with Comox Valley Art Gallery Society.	Memorandum of Understanding (MOU) with a month to month term.	Director of Recreation and Cultural Services
2022	CVA moves out of the small office, consolidates into its share of the former CVEDS space and Downtown Courtenay Business Improvement Association moves into CVA's old office in November, 2022 after signing a Licence to Occupy approved by Council.	CVA under existing MOU	

CVA request for additional space in 2020

CVA submitted a letter to Council asking if CVA could share, with Comox Valley Art Gallery Society, the space formerly occupied by Comox Valley Economic Development Society on the 2nd floor of the Centre for the Arts. This would allow both organizations to continue their community outreach activities and be able to respond to the community's art and culture needs.

Staff notified Council at the July 20, 2020 Council Meeting that temporary Memorandum of Understanding (MOU) agreements were signed separately with the CVA and Comox Valley Art Gallery Society (CVAGS) that allowed the organizations to occupy the space previously occupied by Comox Valley Economic Development Society on the second floor of the Centre for the Arts. The MOUs would continue to be in effect on a month to month basis and would expire when further direction is given via Council resolution. The MOUs were intended to be temporary agreements to ensure basic respective responsibilities and risk management requirements were clarified for all parties. Staff identified options to report back for permanent agreements at a future date for Council to consider based on recommendations from the Cultural Service Review, 2019. This included entering into a Licence to Occupy with Comox Valley Arts which aligns with the agreements in place with the other core cultural service providers (CVAGS, Sid Williams Theatre Society and the Courtenay and District Historical Society).

Below are the July 20, 2020 resolutions from Council providing direction in response to the requests:

That in response to the July 8th, 2020 letter from the Comox Valley Arts and the July 10th, 2020 letter from the Comox Valley Art Gallery requesting Council consider their proposal for additional facility space at the Comox Valley Centre for the Arts (580 Duncan Avenue):

That Council direct staff to investigate options and implications to enter into an agreement with the Comox Valley Art Gallery and Comox Valley Arts (in partnership) for the provision of additional facility space at the Comox Valley Centre for the Arts.

DISCUSSION:

Staff are asking Council to consider the approval of a proposed new interim temporary Licence to Occupy agreement to replace the current Memorandum of Understanding for CVA's use of a portion of the second floor of the Centre for the Arts that provides the following:

1. An interim agreement of two years (effective January 1, 2024) for the second-floor space currently occupied by the Society.
 - a. A temporary licence agreement will allow the City and CVA time to assess the alignment of CVA's strategic priorities and programs with the recommendations of the City's Strategic Cultural Plan in preparation for the renewal of the Management and Grant Fee for Service Agreement between the City and CVA, as well as the space needs and gaps analysis that will come from the Centre for the Arts feasibility study that is scheduled to commence in fall 2024.
2. Clarity in the respective parties' roles and responsibilities for facility operations, repairs and maintenance and the addition of a cost responsibility schedule;

Comox Valley Community Art Council Licence to Occupy and Grant Fee for Service Agreement

The amended Grant Fee for Service Agreement provides the following changes from the original grant agreement:

1. Updated references to the City's strategic guiding documents that support this agreement such as the Official Community Plan, 2022 and the 2023-2026 Strategic Priorities;
2. Corrects the grant agreement's five-year Arts and Culture Grant schedule to include annual grant funding in fiscal year 2025, the final year of the original grant agreement. The current grant agreement only shows funding until the end of 2024 which is likely an administrative error.
3. Identifies the in-kind building, repair, maintenance, insurance and utility contribution the City provided to CVA as a result of the City granting the Licence to Occupy with no licence fee.

Process for Determining the future Grant Fee For Service Agreement Deliverables

CVA has recently carried out a review of its current organizational strategic priorities and programs. Earlier this year, CVA asked if the City would renegotiate the original Grant Fee for Service Agreement to reflect its current organizational priorities. Staff advised CVA that a review of deliverables would be subject to review of recommendations and actions identified in the Strategic Cultural Plan (currently in draft). Until that time, CVA would still be required to report back on how it met the original Grant Fee for Service Agreement deliverables. CVA has provided the attached Fee for Services Report for 2024 (Attachment 3) and will be required to submit an updated report in 2025. After the Strategic Cultural Plan is adopted by Council, staff will work with CVA on its request for an updated Grant Fee for Service Agreement based on service deliverables that align with objectives and actions identified in the Strategic Cultural Plan and will align with the expiration of the current agreement (set to expire at end of 2025). This will position both CVA and the City to review and reflect on strategic priorities and opportunities in consideration of a future grant agreement.

POLICY ANALYSIS:***Cultural Service Review, 2019***

- Comox Valley Arts would benefit from further office and programming space
- Work with all cultural partners in developing facilities plans, including the identification of use alternatives and non-traditional spaces
- Continue to optimize all multi-year agreements with Cultural Partners as required to provide stability and capacity building in cultural development in the area.

OCP, 2022***Arts and Culture Chapters:***

- ACH 7 Continue to support the downtown as the region's arts, culture, and heritage hub by ensuring key cultural partners such as the Comox Valley Art Gallery, the Courtenay and District Museum, the Sid Williams Civic Theatre, and the Comox Valley Community Arts Council continue to be located downtown, and promoting and investing in public art and cultural opportunities downtown.

Section 24 Community Charter - Provision of Certain Kinds of Assistance

Publication of intention to provide certain kind of assistance

24 (1) A council must give notice in accordance with section 94 [public notice] of its intention to provide any of the following forms of assistance to a person or organization:

(a) disposing of land or improvements, or any interest or right in or with respect to them, for less than market value.

FINANCIAL IMPLICATIONS:

The licence fee is \$1 and there is no annual fee or rent payable by CVA. Based on the current market information, the market value rent is approximately \$22,950 per year or \$1,912.25 per month; therefore, this amount each month is considered assistance to the Society.

The two-year assistance calculation is summarized in Table 2:

CVA receives both grant and in-kind funding to support their delivery of arts and culture services for the community. This funding (2024) includes:

- \$58,400 tax funded grant for arts and culture service deliverables.
- \$6,500 in kind for its prorated share of facility repairs, maintenance and utilities
- \$4,050 for its estimated prorated share of permissive tax exemptions
- \$12,400 assistance in lieu of paying a base market rent

Table 2: Two Year Financial and In-kind Assistance Summary

Funding Type	2024-2025 Financial Implications	
	2024	2025
Financial contribution:		
Tax Revenue Funded Fee For Service Arts and Culture Grant	58,400	59,600
Strategic Planning Grant (Every 4 Years)		2,500
Total Financial Grant	\$ 58,400	\$ 62,100
In-Kind Contribution:		
Rent (\$14 PSF + 3% increases each year)	\$ 12,400	\$ 12,800
Facility Repairs and Maintenance, Insurance and Utilities	6,500	6,600
Permissive Property Tax Exemption	4,050	4,400
Total In-Kind Support	\$ 22,950	\$ 23,800
Total Contributions	\$ 81,350	\$ 85,900

The total financial contribution to the Society is \$81,350 in 2024 and will increase by approximately 6% to \$85,900 as a result of the \$2,500 strategic planning grant and inflationary increases.

All financial grant contributions are in the 2024 operating budget and funded through tax revenue.

ADMINISTRATIVE IMPLICATIONS:

The agreements will be administered by the Recreation, Culture, and Community Services Department which will continue to be the City liaison to the Society and oversee the associated arts and culture planning work.

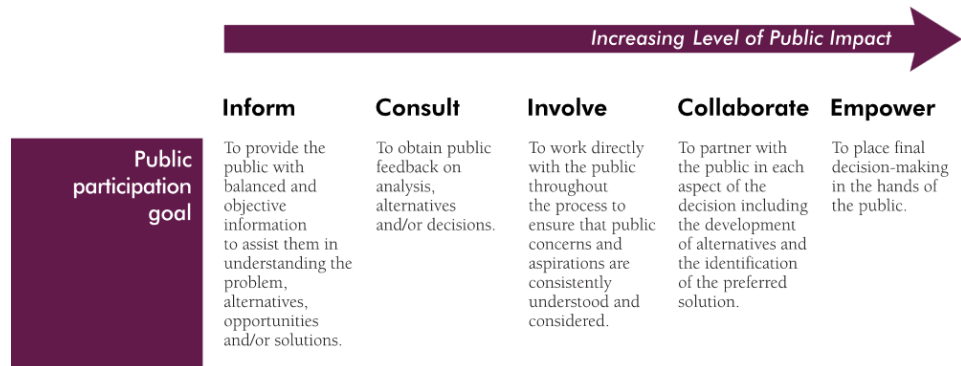
STRATEGIC PRIORITIES REFERENCE:

This initiative addresses the following strategic priorities:

- Arts, Culture, and Heritage - Complete Strategic Cultural Plan

PUBLIC ENGAGEMENT:

Staff would inform the public based on the IAP2 Spectrum of Public Participation:



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OPTIONS:

1. THAT Council authorize staff to execute the attached two-year Licence to Occupy agreement between the City of Courtenay and Comox Valley Community Arts Council for the occupation and use of a portion of the property located at 580 Duncan Avenue, Courtenay, British Columbia, legally described as PID: 028-799-925 Lot B, Section 61, Comox District Plan EPP15696, subsequent to the publishing of notice; and
 THAT Council authorize staff to execute the attached amended Grant Fee For Service agreement between the City of Courtenay and Comox Valley Community Art Council for it's provision of arts and culture services as outlined in the agreement; and
 THAT Council direct staff to proceed with discussions with the Comox Valley Community Art Council regarding the future renewal of its grant fee for service agreement based on service deliverables that align with objectives and actions identified in the Strategic Cultural Plan, subject to Council's adoption of the Strategic Cultural Plan.
2. THAT Council provide alternative direction to staff.

ATTACHMENTS:

1. Comox Valley Community Art Council (CVCAC) License to Occupy dated January 1, 2024
2. CVCAC Amended Grant Fee For Service Agreement dated January 1, 2024
3. Comox Valley Arts - Fee For Service Deliverables Report, 2024

Comox Valley Community Art Council Licence to Occupy and Grant Fee for Service Agreement

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Susie Saunders, Director of Recreation, Culture and Community Services

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