

Victoria Sustainable Arts Coalition

A Business Case for Community Support

Table of Contents

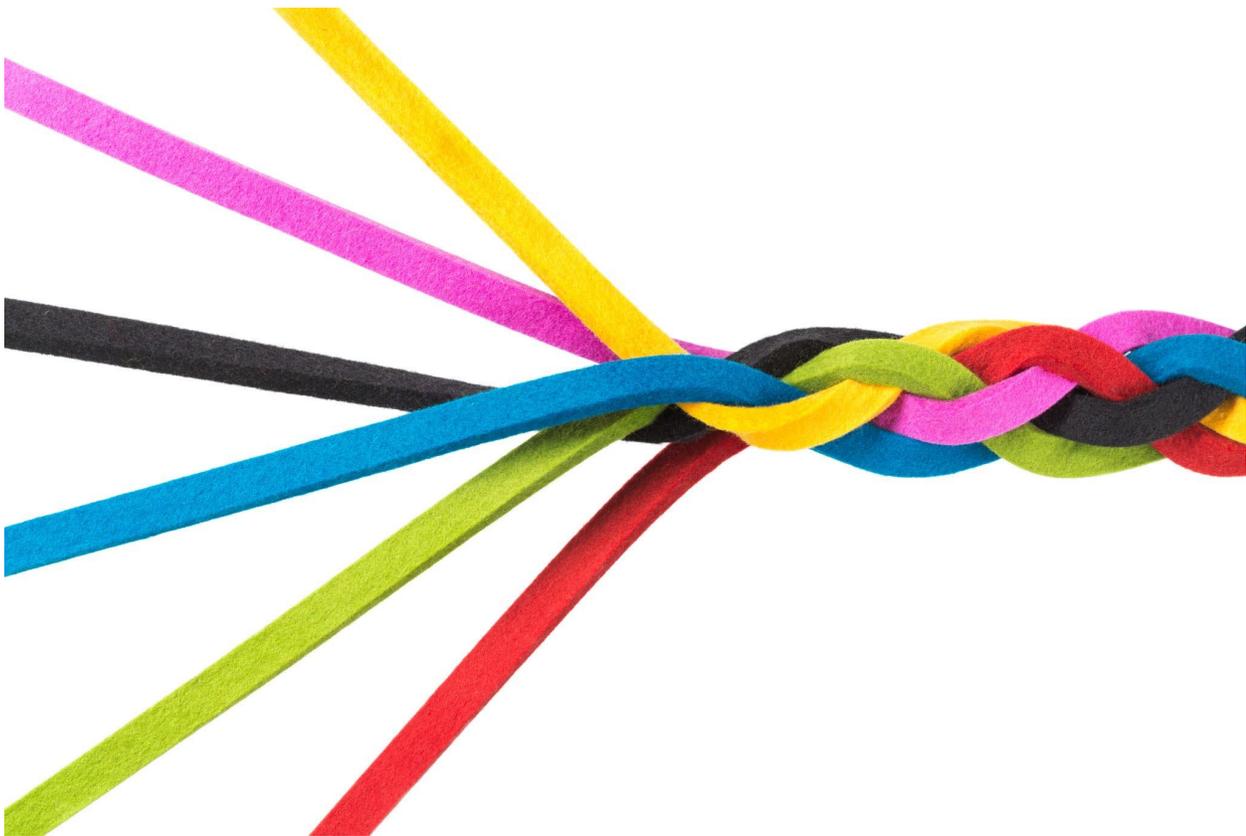
- Executive Summary 2
- 1. Background 3
- 2. Impacts and Outcomes 4
- 3. The Crux of the Problem..... 4
- 4. The Arts Sustainability Coalition 4
- 5. Proposal to Community 6
- PART TWO 8
- Business Case for Support from the Community 8
- 1. Shared Values and Goals 9
- 2. Vision for a Sustainable Future..... 10
- 3. Keys to the Sustainability Concept 11
- 4. Benefits 12
- 5. Infrastructure Sustainment Model 12
- 6. Road Map 14
- 7. Risks 15
- 8. Next Steps 15
- 9. APPENDICES..... 16
- A - Preliminary Financial Investment Value 16
- B - Leadership Organizations Descriptions..... 16
- B -About the Coalition Members..... 18

Executive Summary

This business case presents a proposal for the Community to support a Coalition of local arts organizations located in Victoria, BC. The Coalition seeks to establish a sustainable, multifunctional building that provides public exhibition spaces/galleries for local and regional artists, while also providing presentation/work/studio spaces for other established community groups and emerging or smaller organizations, and affordable studios for practicing visual artists. The proposal aligns with the Community's vision and mission of making the community stronger, and our shared quality of life better now, and for the long term.

The Coalition's vision for a sustainable future goes beyond *the art of the possible* and is doable. The proposal leverages economies of scale and shared services to optimize spending and share expenses. To attain sustainability, the Coalition needs support from the Community. The proposal offers benefits that align with the Community's values of integrity and collaboration, including increased Vital Signs metrics by providing collective advocacy for improving the working conditions of artists, and building private/public support for the arts. The proposal presents a realistic timeline and understanding of risks and showcases the competency of the organizations involved.

We believe we are providing the Community with a strong business case for supporting this initiative.



1. Background

For at least the past ten years, arts groups in Victoria have been deeply concerned about the lack of available affordable, quality real estate and social, financial, and cultural infrastructure for arts and culture organizations. This situation has become even more urgent during Covid. Many groups expressed their concerns and asked for help from the City of Victoria.

In 2022 the City initiated *The Cultural Spaces Road Map*—a project to identify solutions and tools for the City to support arts and culture spaces, both existing and new. The aim of the project “is to identify policy, regulatory and funding solutions that can be implemented by the City to support arts and culture spaces”. The city undertook a survey of cultural organizations in Victoria to understand their current real estate infrastructure and needs that included more than 135 organizations across sectors: heritage, visual arts, festivals, cultural centres, and several uncategorized groups. The survey collected data on square footage of these organizations' physical spaces, as well as accessibility, amenities, and operating costs. No further work has progressed with this initiative.



Desperate for a solution, a subset of this initial survey group, spearheaded by the Victoria Arts Council, Xchanges Gallery and Studios, and MediaNet/Flux Gallery met with other visual arts and cultural groups in Victoria. The group wanted to understand and align common concerns and gauge their willingness to participate in a collective initiative to find stable funding for a jointly shared and managed space. In our cover letter, we stated the context and purpose of these meetings:

The real estate market and planning for the future for most arts and culture organizations in Victoria is on a tight timeline and budget. Many small-to-medium sized arts organizations are presently faced with a two-to-five-year lease and concerns for the affordability and access of appropriate real estate is a growing concern. And for good reason; much of the real estate development going on right now doesn't include or even consider our sector. Are you afraid for the future of your organization? Does your organization need real estate stability? These are just some of the questions we want to explore with you. Through this dialogue, we hope to create some common understanding and gauge the level of interest and desire for collective action between our groups.

On July 19, 2022, seven organizations met at the Dock-Centre for Social Impact where Scale Collaborative helped facilitate the first discussion to share information and document needs.

2. Impacts and Outcomes

These groups shared a myriad of impacts, which are directly tied to this volatile real estate environment including, but not limited to:

- **Organizational fatigue and exhaustion** from the hamster wheel of short-term lease agreements for sub-quality spaces in lower-end neighbourhoods.
- **Social erosion and declining participation.** Some arts groups are experiencing a decline in attracting new members or audiences because of inadequate security, parking, and accessibility.
- **Volunteer burnout.** Others struggle to maintain and recruit volunteers because of the tenuous financial security of organizations that cannot afford staff or even pay basic artist fees.
- **Exploitation.** Still others must face exploitative landlords who are unwilling to negotiate even nominal deals or improvements.
- **Instability and anxiety.** Triple net leases leave many organizations struggling every month to cover their basic costs because these additional costs can not be predicted.
- **Contraction and constriction.** With successive moves, many organizations move farther from the core of the city into smaller, even less amenable facilities forcing contractions across their organizations and audiences.

3. The Crux of the Problem

The major issue recognized by all these groups is that **leases and rents do not return any value to the community.** Rents go directly to landlords and the efforts to pay them are burning out organizations and eroding their capacity to deliver community offerings. Little money is left over or available to these organizations for even minor capital improvements or organizational development.

Non-profits and charities do not have money to burn, but it is a catch-22. We either pay or fold.

4. The Arts Sustainability Coalition

Arts community members can be optimistic and creative, as well as visionary. Sometimes tough conditions bring out the best in us!

Since the initial meeting, the Coalition **has grown to include fifteen organizations** that have expressed their interest in joining the effort as either being fully committed or participating or supporting in other ways.

4 Leadership Organizations	8 Committed	3 Interested
MediaNet/ FLUX Gallery	Arc.hive Gallery	African Cultural Centre (AACCCS)
Victoria Arts Council	Cinevic Society of Independent Film Makers	Gage Gallery
Vancouver Island School of Art	Errant Art Space	Ground Zero Printmakers
Xchanges Artists Gallery and Studios	Intrepid Theatre	
	Ministry of Casual Living	
	Print Society of Victoria	
	Raino Dance	
	Theatre SKAM	

The ten most strongly committed organizations have shared their key data with us concerning rent/lease values, overhead expenses, and information about space requirements. Some have financial statements (unaudited), others are tracking their finances independently. Transparency and trust are key values in this sharing of data.

Scale Collaborative has been analyzing this data which shows that when resources are pooled collectively, the potential financial and social force of this group is significant and provides the basis for a credible business case for support from The Community and others.

A sample of organizations' data¹ shows we are paying
>\$340K a year to landlords in rent!
What if we could invest it instead?
In 25 years, that could grow to be a \$13M+ fund.



¹ Not all organizations have financial statements or formal book keeping. Our sample data is from 8 organizations only.

5. Business Case for Community Support

As outlined in the City of Victoria’s document: *VICTORIA 3.0 Recovery Reinvention Resilience — 2020–2041*², Old Town has been identified as the future home for an “Arts and Innovation District”. The City is eagerly moving forward with their plan. Regrettably, however, what is missing from the City’s vision is a place for small to medium artist-run centres that are also non-profit/charitable organizations, who up until now, have lacked a collective identity and voice. With this initiative, we are changing that.

The Coalition seeks to purchase a building at 722 Johnson Street under a Cultural Land Trust structure. Asset ownership will enable the group to secure this building as below market real estate, an essential condition for affordability for arts groups. The asset at 722 Johnson street will provide a sustainable, multifunctional building that provides modern public exhibition spaces for local and regional artists, presentation and studio spaces for community groups, and affordable studios for practicing visual and media artists. Further, the Coalition proposes to transform the upper Johnson Street area from Douglas Street to Blanshard into a locally recognized Culture District. This goal is attainable because there already exist some key arts groups in the area including The Other Guise Theatre, RAINO Dance, Vancouver Island School of Art (VISA), and the newly opened _____.

This is a new way of seeing this segment of the sector—one that is united and collectively brings significant financial capability and vision to the region’s culture.

This group of innovative non-profit arts organizations, has deep roots in this city and importance through the region, will occupy and manage the building under a collaborative governance model of a Cultural Land Trust for the long-term. Our collective vision will strengthen the cultural health and, by extension, the well being of the region.

² Source: *VICTORIA 3.0 Recovery Reinvention Resilience — 2020–2041*

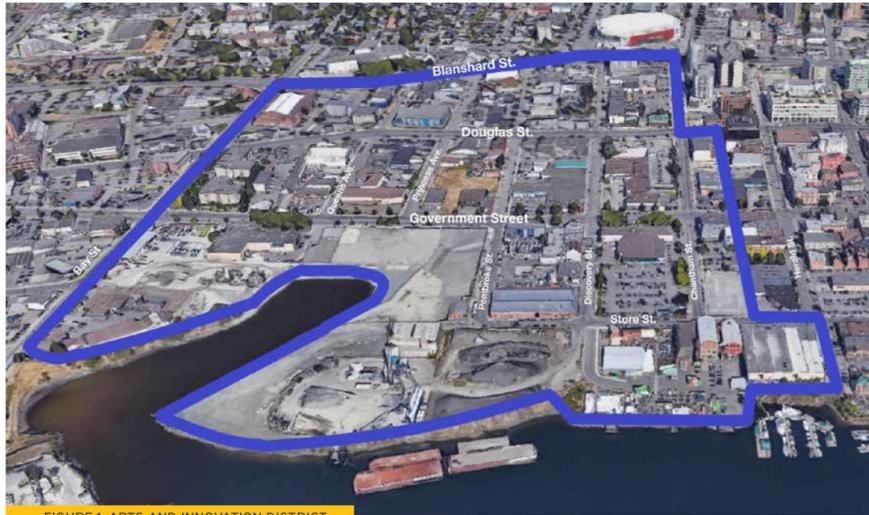


Figure 1 - The Arts & Innovation District

PART TWO

Business Case for Support from the Community



We believe we have a strong business case for the Community to support this initiative. Our business case is grounded in shared values, data, and tangible financial and social benefits for Victoria and surrounding regional communities. Our business case features:

1. Shared values and goals
2. Strong vision for sustainability
3. Keystones of sustainability
4. Benefits
5. Realistic model
6. Timing & Road Map
7. Understanding of risks
8. Competency of the organizations

1. Shared Values and Goals

We are approaching the Community because we believe our initiative and individual groups are well-aligned with your organization's vision, missions, and core values. You have a track record of supporting significant change in the community with integrity. You also support innovation and take on challenging problems. This initiative would be a significant marker for contributing to the achievement of new metrics of Vital Signs in the community.

<p style="text-align: center;">Community VISION: A vibrant, caring community for all. The Community has a vision to make our community stronger, and our shared quality of life better now, and for the long term.</p> <p style="text-align: center;">Community MISSION Strengthening community wellbeing by investing in people, opportunities and solutions. Inspiring giving Thoughtfully caring for the assets entrusted to us, and Investing in people, ideas and activities that strengthen our communities.</p>	<p>Committed Organizations’ Charitable Goals</p> <ul style="list-style-type: none"> • To provide studios to practicing visual artists at affordable rents. • To provide public galleries for local and regional artists for solo, group and curated exhibitions and other art related functions and events. • Provide low barrier access to arts education and professional development through classes, lectures, and workshops. • To promote and support the endeavors of the local artistic community for the benefit of the public at large. • To provide advocacy through leadership, partnership, and community involvement; and to increase and broaden public awareness and opportunities in the arts and cultural activities.
--	--

Community

Sustainable Development Targets



4.7: Acquire appreciation of cultural diversity and culture's contribution to sustainable development



8.3: Support decent job creation, entrepreneurship, creativity and innovation, and growth of micro-, small- and medium-sized enterprises



11.4: Strengthen efforts to protect and safeguard the world's cultural and natural heritage

In addition to Community's Vital Signs indicators, our Coalition organizations also work toward these global goals for sustainable development:



Arts organizations are well-known advocates for supporting equity and diversity and are agents of change—challenging normative institutional structures that systematically create and reinforce inequality between people. Our programs enhance education and learning at the local level and across the region. Many free programs remove barriers to participation for the broader community.

2. Vision for a Sustainable Future

Our vision for a sustainable future starts with the physical infrastructure we need to do our work and deliver services. We envision a multifunctional building that is professionally managed. The Coalition would collaborate in a governance model to enable oversight and sustainability for the long-term.

Through our discussions we have come to visualize what a sustainable home for the arts could look like. This vision goes beyond *the art of the possible* – it is doable. The centre would provide affordable space and safe harbour for emerging or vulnerable organizations. This initiative represents a chance to transform and positively impact our local cultural community by:

- Providing **dynamic, physical, arts-community hub**, with an emphasis on visual arts with 30,000 sq' minimum providing room to grow.
- **Leveraging economies of scale and shared services** where we can optimize spending and share expenses including:
 - Marketing costs
 - Funding proposals

- Fundraising efforts and income
- Event/production equipment costs
- Workshops or community studio spaces
- Offices, staff, co-op students
- Overhead costs, such as bookkeeping etc., insurance, software licensing.
- **Leveraging shared competencies in**
 - Studio rentals and facilities management
 - Non-profit governance.
 - Collaboration
- **Building private/public support for the arts** in a centre that is attractive, safe, engaging, educational, and entertaining and by working collectively and collaboratively on joint grant applications for special projects.
- **Collective advocacy** for improving the working conditions of artists in the field, collectively presenting their work, and collaborating on projects.
- **Creating affordable, equitable overheads, and community health** that is sustainable and where we can focus on our core values and activities, instead of on raising money for rents.
- **Earning more revenues and social benefits together**, such as:
 - Cafe/art bar/cantina
 - Gift shop/retail
 - Paid work for artists (e.g., building staff: building manager, janitorial, etc.)
 - CARFAC (Canadian Artist Representation) or better and fair pay for artists for other services
 - Artist's studios
 - Performance/rehearsal space
 - Dedicated other purpose spaces (e.g., offices, meeting areas, community workshops/studio)
 - Multiple galleries/performance spaces
 - Short term art and research residency spaces (studios and accommodations)

3. Keys to the Sustainability Concept

Sustainability cannot be achieved if organizations are required to contribute all their revenues toward rents and overhead. As envisioned above, organizations also need to be able to earn more, use less energy and resources on basic costs and overhead, and to stop spending money on expenses that can be leveraged through the collective such as insurance, certain administration costs, and even some staff roles.

However, to attain sustainability, the Coalition needs support. We need the capacity to earn and support our operations and simultaneously build a legacy fund that can truly support growth and stability into the future.



4. Benefits

- ✓ **Community Alignment.** This initiative aligns with and supports your mandate and values and would reflect the current Vital Signs metrics. This Coalition aligns with your values of integrity and collaboration. In this initiative, we can jointly transform an important segment within the arts and culture sector in our community. The sustainability model provides return on investment through a long-term legacy fund, ensuring capital is not wasted and is reinvested in the community.
- ✓ **Financial and Social Benefits for the Broader Community.** We believe this initiative will provide significant social and financial benefits to the broader community by creating new forms of revenue in our operations and some specialized employment from the wider community, for example, accounting, managerial, production, and maintenance staff. Arts and culture programming with this collective of organizations enhances diverse content and audiences, as each organization will maintain its own distinct identity within the initiative.
- ✓ **Artist Run Centres / Arts Community Infrastructure Stabilization.** Artists and producers from smaller organizations, who today are more vulnerable than others, will find greater stability with anchor organizations that are mature non-profit charities experienced in governance, and have greater capacity, overall. Smaller organizations will be able to leverage services and capacity and thereby avoid certain costs or be able to benefit by accessing various types of services previously unattainable on their own, such as insurance or legal advice, bookkeeping, etc.
- ✓ **Momentum for other funders and supporters.** We believe that this initiative will build momentum and be a magnet for other funders and supporters, such as:
 - The City of Victoria (fulfillment of cultural mandate, strategic plan, tourism)
 - Heritage Canada (if heritage sites and special projects are contemplated in the future)
 - Canada Council and BC Arts Council (in joint applications for innovation projects aimed at strengthening the sector)
 - Other private foundations and donors from the region and potentially on the national front

Energy and inspiration from this initiative will help the participants' own members and audiences also raise funds through online campaigns and related initiatives.

5. Infrastructure Sustainment Model

At this stage, we have conceptualized that the financial model contains a mix of earned revenues from participating organizations (Coalition), Community support, and government agency support where possible.

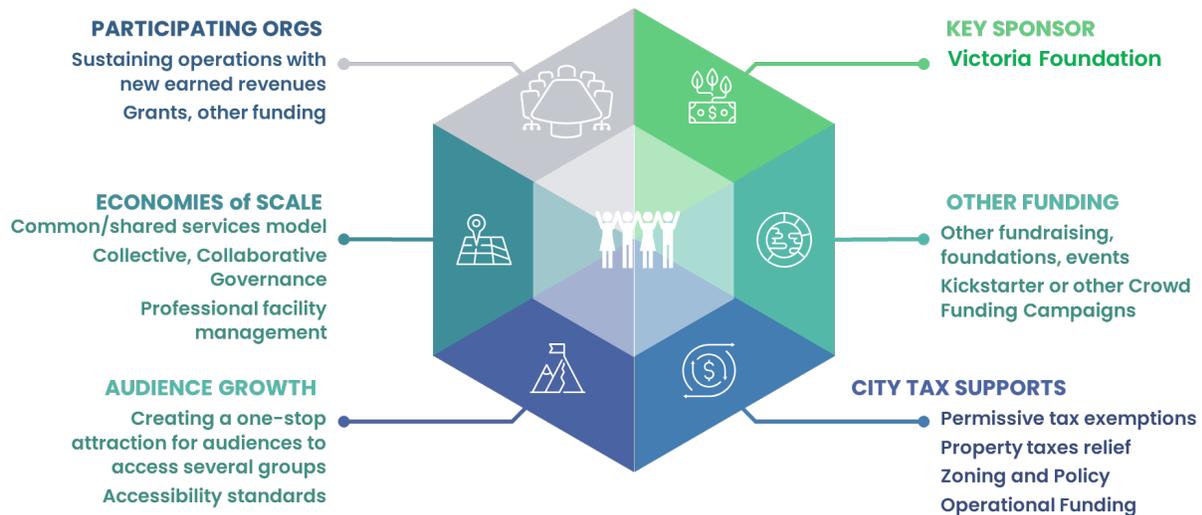
The current rents of each participating organization would be used to cover operating costs with additional revenues directed to a Base Revenues Legacy Endowment (Legacy Fund) to be stewarded by the Community. As part of the Community portfolio, over 25 years would potentially build up to \$13 million. The income generated from this fund could eventually cover most operating costs of the centre.

Moreover, the Coalition, as a charity-based organization will be able to request municipal supports via the City of Victoria including, but not limited to:

- **Permissive tax exemptions** for the facilities, which it currently grants its own community centres as well as for other charitable organizations in the City.³ The exemption was recently extended to groups operating “ethno-cultural community centres”. Property taxes are typically the single largest component of the additional rent paid in a triple net lease. If the organizations were able to successfully argue for a permissive tax exemption for this “artistic community centre,” this would increase the amount available for base rent without increasing costs to the organizations.
- **Direct operational funding** to support the community enhancement function in downtown Victoria, similar to other community-based organizations.

INFRASTRUCTURE SUSTAINMENT MODEL

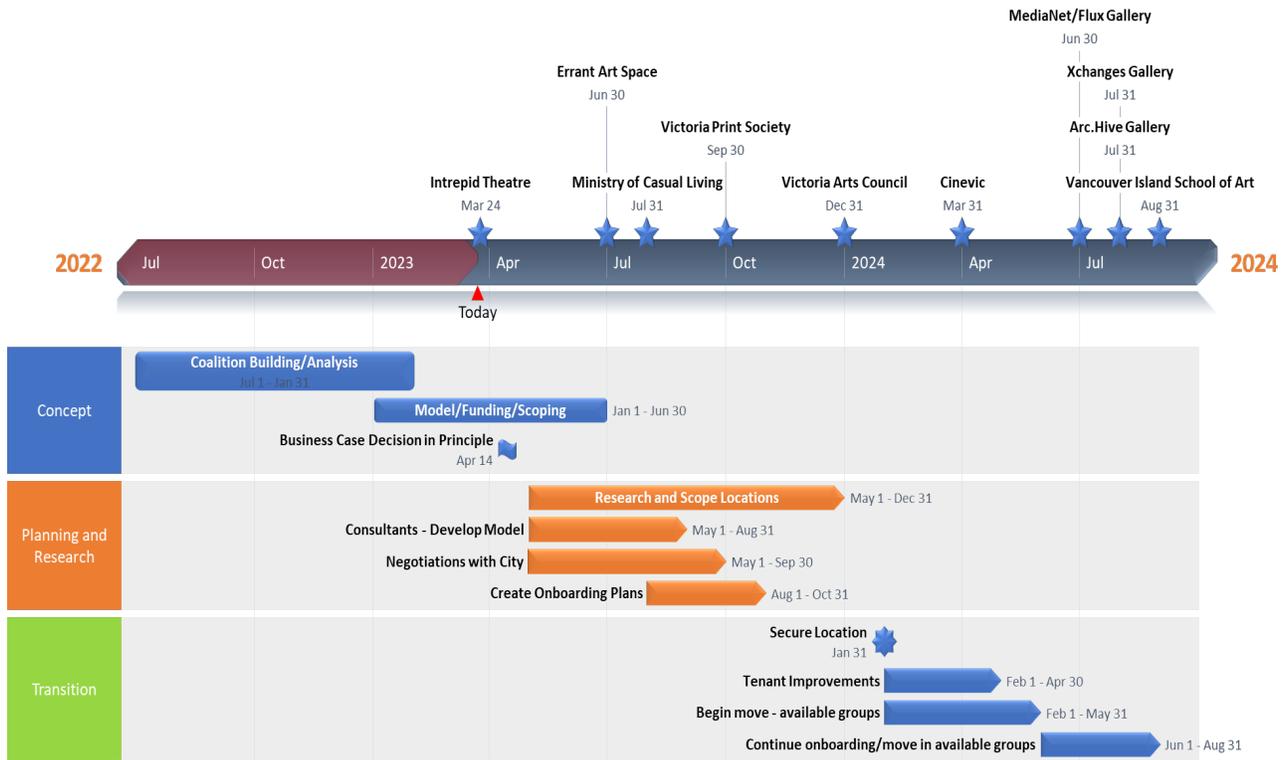
Arts Infrastructure



³ (see <https://www.timescolonist.com/local-news/victoria-expands-tax-exemption-eligibility-to-ethno-cultural-groups-4689253>)

6. Road Map

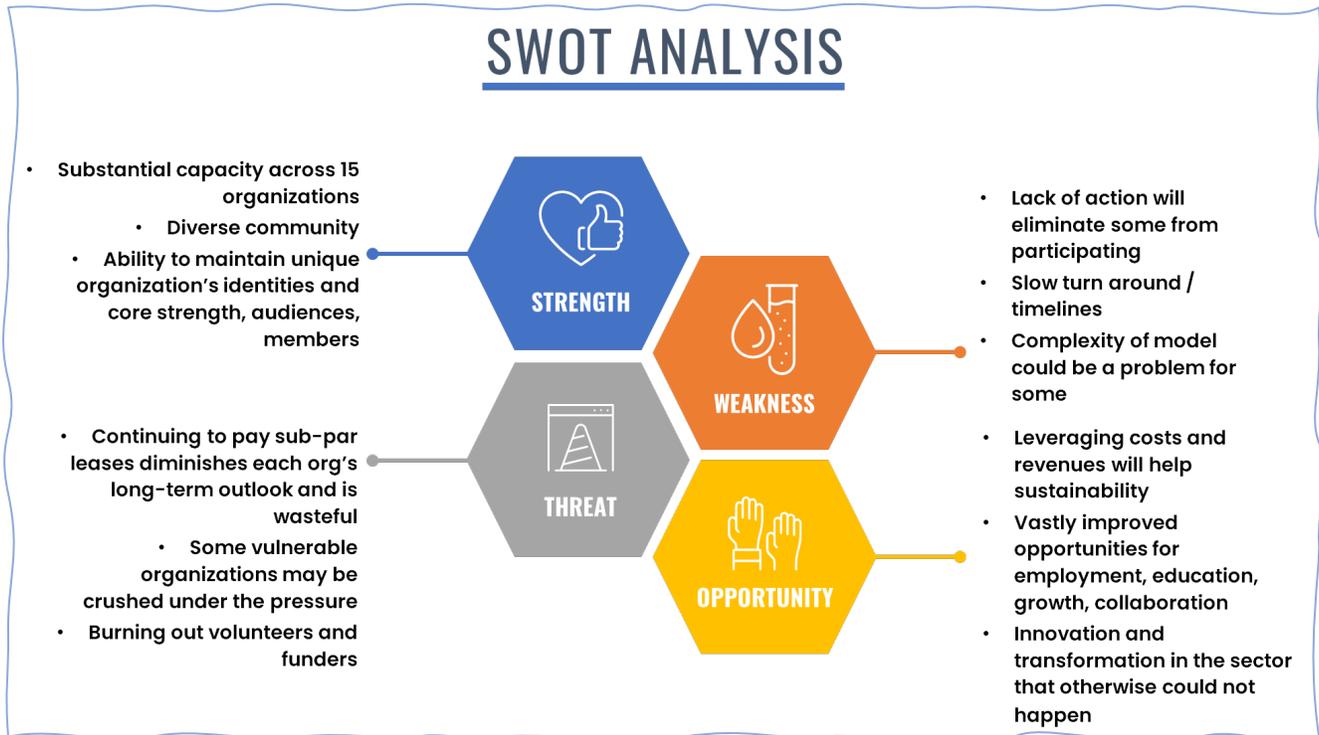
The following draft road map diagram shows the approximate timing of this initiative, driven by the conclusion of leases in phases.



Validating the road map will be part of the project planning in the Concept phase. Planning and research are crucial to determine the location and physical infrastructure requirements as well as detailed plans for implementation. Ideally, we can begin to transition to a new location before leases begin to expire, however mitigation strategies will need to be designed in the event that is not possible.

7. Risks

No initiative comes without some risks. The diagram below provides a high-level view of initial risks using a SWOT analysis: strengths, weaknesses, opportunities, and threats. A more in-depth SWOT will be undertaken during detailed planning in the Concept and Planning phases, but this gives a fair representation of risk identification as of today.

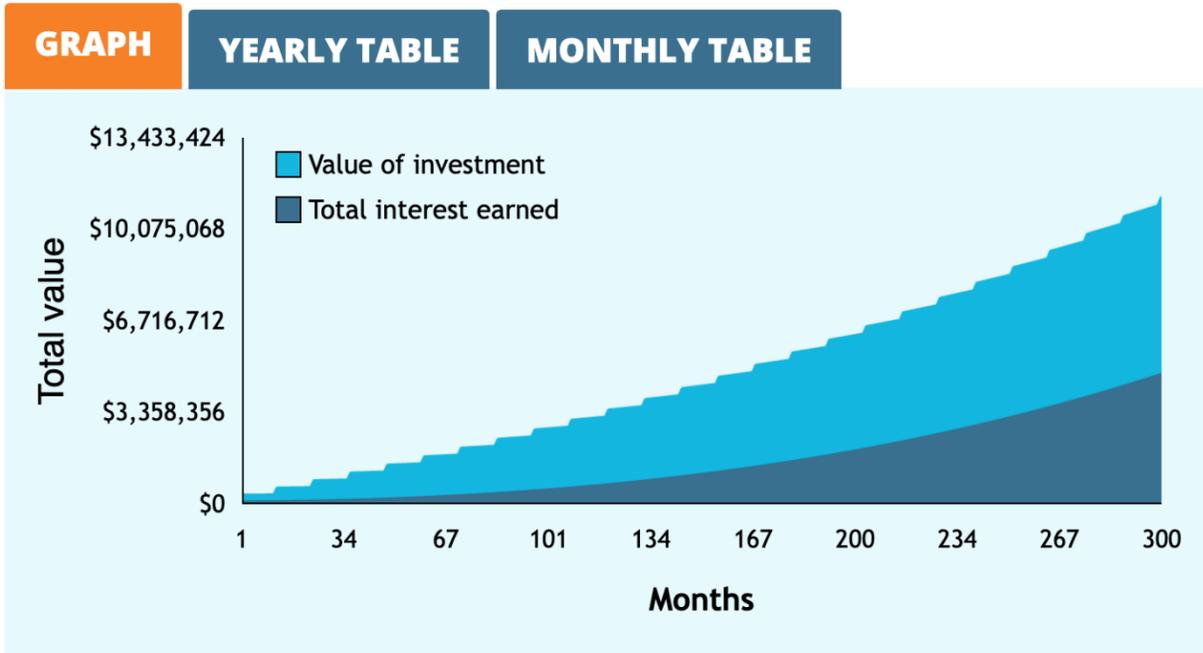


8. Next Steps

- Meeting with Community leadership for feedback and discussion.

9. APPENDICES

A - Preliminary Financial Investment Value



B – Leadership Organizations Descriptions

The organizations at the core of this initiative provide integral support for the local arts ecology through: Education, Presentation, Production, and Publications.

Organization	Description
	<p>Established by visual, literary, and performing artists, the Victoria Arts Council (originally known as the Community Arts Council of Greater Victoria), has contributed to the vitality of the arts in our city since 1968. The VAC is a registered non-profits with charitable status and a recognized BC Society whose membership comprises approximately 200 artists, local arts groups, and businesses. With a mandate to connect artists with audiences, the VAC fosters local and regional artists through a robust program of exhibitions, publications, and presentations which directly supports upwards of 200 artists annually for an estimated audience of over 2 million.</p>



Xchanges Gallery and Studios is a non-profit charity and Canada's oldest artist-run center that offers affordable studio space, exhibition opportunities, and support for visual artists. As an organization run by local artists, Xchanges is committed to fostering a collaborative and interactive environment that supports the endeavors of the local artistic community for the benefit of the public at large.

With over 55 years of history, Xchanges has a solid structure that has evolved over the years, providing support for the challenges that artists face in their creative pursuits. The organization's mandate includes providing studios at affordable rents, a public gallery for local and regional artists, and promoting and supporting the local artistic community.

Through strategic planning sessions, Xchanges has re-envisioned its purpose and vision for the future, focusing on developing partnerships, increasing collaborative opportunities with the public and colleagues, improving outreach, and enhancing interactions in the wider arts community. Xchanges is dedicated to continuing its legacy of supporting artists in their creative journeys.

Xchanges has over 175 members.



MediaNet was founded as a registered charity in 1981 to "promote creative collaboration and mutual support among independent media producers, through networking and the provision of a resource pool of information, contacts, equipment and skills" (Penelope Joy, founding Director).

In 2014 MediaNet created the Flux Media Gallery, a presentation space for exhibitions, symposiums, screenings, workshops, and artist talks by local, national and international media artists. The space is also used by artists to create new works through workshops and production programs.

Over a hundred new works a year are created through MediaNet's support with equipment, video editing software, workshops, and training. We also offer training in the use of new media technologies, such as projection mapping, Augmented Reality and interactivity, which is a burgeoning new field in artistic creation.

MediaNet has a membership of 150, and last year more than 1600 people accessed our services and attended our programming.

	<p>As of September 2023, the Vancouver Island School of Art is celebrating its 20th year offering art courses, workshops, artist talks, lectures, exhibitions, and gala fundraisers.</p> <p>Over the past two decades VISA has become a pillar of the art community in Victoria, and beyond. There were many triumphs, including accreditation with the BC Ministry of Advanced Education, and transfer agreements with the University of Gloucestershire, Emily Carr University, and the Vancouver Island University, making VISA the only private art school in BC with university transfer credits.</p> <p>The school has experienced a consistent increase in registrations over the years, with a dramatic increase in September 2022. VISA contributes to the cultural infrastructure of Victoria by employing artists as teachers, providing high quality education to hundreds of students, and facilitating a professional gallery space (Slide Room) that promotes local talent.</p>
---	--

The table below provides an overview of the scope and scale of interest and financial expenditures on leases.

B -About the Coalition Members

Organization	Est	Audiences 1. Members 2. Audiences 3. Social Media	Space Square Footage	Type	Interest Leadership C- Committed I - Interested
MediaNet/ FLUX Gallery	1981 NPC	100 500 1000	500	Gallery Equipment rentals, workshops, screenings, new media production and presentation for artists of all levels	Leadership
Victoria Arts Council	1968 NPC	175 1M+ 3700	2000	1 main gallery with 8 additional community satellite venues	Leadership
Vancouver Island School of Art	2004		2400	Visual Art School Slide Room Gallery	Leadership

Organization	Est	Audiences 1. Members 2. Audiences 3. Social Media	Space Square Footage	Type	Interest Leadership C- Committed I - Interested
Xchanges	1967 NPC	130 3500 2100	4460	Gallery 9 Studios 22 artists Community Programs. ARC	Leadership
Arc.hive Gallery	2016 NP	1600	1200	Gallery	C
Cinevic Society of Independent Film Makers	1991			Theatre, studios accessible community programming, affordable equipment, professional development resources, and cinematic exhibition opportunities	C
Errant Art Space	2017 NP	900	1760	7 Studios, 9 artists Gallery	C
Intrepid Theatre	1986 NFP	10,000+ 2700		Theatre and festival presenters, rental space for other artists, space for emerging artists Productions include UNO, Fringe Festival, Outstages	C
Ministry of Casual Living	2002 NFP		4000	Gallery Residencies, exhibitions, studios, events	C
Print Society of Victoria	2019 NP	40 650	950	Community printmaking studio	C
Raino Dance	1982	1127		Dance Studio - multiple forms	C
Theatre SKAM	1995 NFP	n/a 1200	5000	2 studios, 6 offices Theatre creators (workshops)	C

Organization	Est	Audiences 1. Members 2. Audiences 3. Social Media	Space Square Footage	Type	Interest Leadership C- Committed I - Interested
African Cultural Centre (AACCCS)	2012 NFP	40k+ social media followers		cultural centre run by people of African descent. Festivals, concerts, workshops, other cultural activities	I
Gage Gallery	1989	n/a 2100	2000	Production facilities and rentals, exhibitions, workshops, education, sales, memberships	I
Ground Zero Printmakers	1995?	700	500	Print Studio Rentals	I
		TOTAL SQUARE ‘	24,770		