



City of Richmond

Report to Committee

To: Parks, Recreation and Cultural Services Committee

Date: February 13, 2012

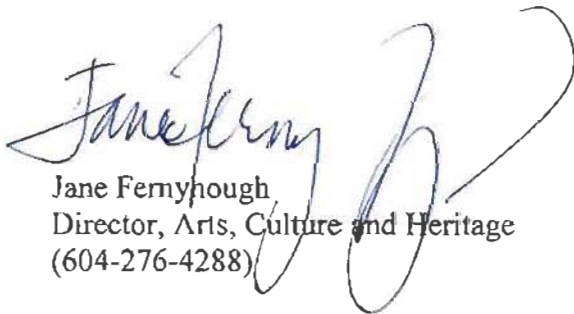
From: Jane Fernyhough
Director, Arts, Culture and Heritage

File: 11-7000-09-00/Vol 01

Re: Public Art Policy Review for Non-retail Warehouse and Industrial Storage

Staff Recommendation

That the report entitled "Public Art Program Policy for Non-retail Warehouse and Industrial Storage" dated February 13, 2012, from the Director, Arts Culture and Heritage, be received for information.



Jane Fernyhough
Director, Arts, Culture and Heritage
(604-276-4288)

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ROUTED TO:		CONCURRENCE		CONCURRENCE OF GENERAL MANAGER	
Development Applications		Y <input checked="" type="checkbox"/> N <input type="checkbox"/>		<i>[Signature]</i>	
REVIEWED BY TAG		YES	NO	REVIEWED BY CAO	
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Staff Report

Origin

On July 27, 2010 Council approved the updated Public Art Program Policy. In addition to outlining the goals and objectives for the Public Art Program, the Policy provides recommended contribution rates for both civic and private developments as a percentage of construction costs, 1% and 0.5%, respectively. In approving the Policy, Council removed an exemption for non-retail warehouse and industrial storage developments, and referred back to staff to review whether or not these uses should be included in the Policy, as approved, and if so what contribution should be assessed.

This report provides a summary of the staff review and discussions with the Urban Development Institute (UDI), on whether or not non-retail warehouse and industrial storage uses should be included in the Policy and if so to determine an appropriate public art contribution.

Analysis

Contribution rate and guidelines

The Public Art Program Policy outlines guidelines for voluntary public art contributions, which are secured through the Council approval process for rezoning and development permit applications. The Policy recommends that most types of private development participate in the program, including residential, commercial and industrial uses, including manufacturing, processing, fabricating, transporting, distributing, testing, servicing or repairing of goods.

However there are several exemptions, including institutional uses, such as community centres, hospitals, care homes, seniors housing, daycares, schools and religions buildings. Since 1997, when the Public Art Program was established, non-retail warehouse and industrial storage uses were also exempt from the Program.

In the updated Policy, Council approved a private development public art contribution rate based on 0.5% of construction cost for all building types. As construction costs vary by building type and are not always known at the time of a development application, staff have provided an interpretive rule-of-thumb guideline to the development community to improve fairness and simplify the calculation of the contribution amount. This guideline contribution is expressed in a dollar per square foot amount, and is equivalent to the 0.5% policy rate, based on current costs of construction by building type.

At the time the Policy Update was brought forward, Urban Development and Community Services Departments staff in discussion with the UDI Richmond Liaison Committee proposed a simplified two tier guideline contribution structure, effective January 1, 2011 and adjusted annually to the Consumer Price Index (CPI):

- \$0.75 per square foot for residential projects; and
- \$0.40 per square foot for all other project types (commercial, office, industrial and light industrial).

It should be noted that most of the applications for industrial development in the city are on sites already zoned industrial, and therefore do not require a development application. As such, the Public Art Program Policy does not apply to the majority of industrial development in the city.

Consultation

On September 29, 2010, Urban Development and Community Services staff met with the UDI Richmond Liaison Committee and in a subsequent meeting on October 14, 2010 staff met with the UDI Industrial Committee. UDI supports the inclusion of all forms of industrial development within the Policy, so that the Public Art Program would be supported equitably and broadly amongst all types of development within the City. This was consistent with earlier advice from UDI to include a wider range of residential development, to increase fairness. This resulted in the change approved in the updated Policy to reduce the threshold for including residential projects from twenty (20) or more units, as in the previous Policy, down to ten (10) or more units, including single-family subdivisions. In these meetings, staff requested feedback on an appropriate guideline contribution for industrial developments.

UDI members commented that the commercial guideline contribution of \$0.40 per square foot applied to industrial buildings is too high, especially since construction costs and lease rates are lower for industrial developments (compared to commercial). As well, basic warehousing development costs about half the construction cost of a commercial development. It was therefore proposed that a comparable contribution for this type of project should be around \$0.20 per square foot.

In a follow-up meeting with UDI member Lonnie Neufeld, a principal of Burgess, Cawley, Sullivan & Associates, a specialist in real estate assessment in the industrial and commercial sectors, and staff, it was agreed that the \$0.20 per square foot contribution, effective January 1, 2012, meets the intent of the 0.5% private development public art contribution rate for industrial buildings.

The *Public Art Program Administrative Procedures Manual*, which is updated and maintained by staff as an interpretive document, has been amended to reflect this agreed contribution, as shown below, and updated to January 1, 2012 to reflect the CPI increase for 2011:

**RECOMMENDED PUBLIC ART CONTRIBUTIONS BY BUILDING TYPE
EFFECTIVE JANUARY 1, 2012**

Building Type	Recommended Public Art Contribution (\$/sq. ft.)
Residential (all construction types)	\$0.77
Commercial, Office	\$0.41
Industrial, Light Industrial	\$0.20

Contributions to be adjusted annually based on Consumer Price Index

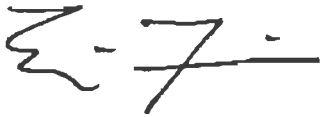
Financial Impact

There is no financial impact resulting from this report.

Conclusion

Based on discussions between the Urban Development Institute and City staff from both Urban Development and Community Services Departments, it has been agreed that including non-retail warehouse and industrial storage development within the Public Art Program Policy, as adopted by Council July 27, 2010, is fair and equitable and that the 0.5% contribution rate as applied to other private development projects is appropriate. As such, no change is required to the Public Art Program Policy.

To achieve fairness in assessing contributions, an additional category has been added to the staff interpretive guidelines for all types of industrial development, including non-retail warehouse and industrial storage. The interpretive guideline for public art contributions in the *Public Art Program Administrative Procedures Manual* has been updated to reflect this agreement. No further action is required.



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