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Item No. 6
Halifax Regional Council
January 11, 2011

TO: Mayor Kelly and Members of Halifax Regional Council

Original Signed by Director

SUBMITTED BY:

Paul Dunphy, Director, Community Development

DATE: November 25, 2010

SUBJECT: Tenancy Plan - 1588 Barrington Street, Halifax

INFORMATION REPORT

ORIGIN

August 10, 2010 motion (status sheet item 8.1) passed that Halifax Regional Council approve:

1. The 3-year Operating Strategy and direct staff to commence interim programming of 1588 Barrington Street as an arts and cultural incubator, as outlined in the report dated June 21, 2010; and
2. That a recommendation to allocate all rentable space on the second floor to the Khyber Arts Society (KAS) at the present less-than-market rate for the next three years be referred to the Grants Committee for consideration.

BACKGROUND

Regional Council recently endorsed the establishment of HRM's first cultural incubator at 1585 Barrington Street. This is a significant step forward towards implementation of HRM's Cultural Plan and becoming a creative city.

A 3 year Operating Strategy (Attachment One) was approved by Regional Council, and its successful implementation is premised on a partnership model. HRM and its cultural partners, including Khyber Arts Society (KAS), would collaborate to build local capacity for the effective operation of the incubator centre. The Operating Strategy outlines three distinct phases of development. Staff are in the process of implementing Phase 1, which defines HRM as primarily responsible for building management and programming. Phase 2 of the Operating Strategy will conclude at the end of three years and will ultimately lead to a transitioning of the building's management and operation from HRM to a cultural organization with the capacity to manage a cultural facility.

The Khyber Arts Society has been stewards of the arts community and a long standing occupant at 1585 Barrington, facilitating artistic and creative development. Given KAS's enduring contribution, Council agreed to enter a 3 year lease agreement with KAS, equivalent to the area of the second floor (approximately 2,000 ft²). Beyond this specific recommendation, Council did not identify other arts organizations to occupy the building, but did endorse a plan that would see the remaining two floors of the building occupied by local arts organizations that further the cultural incubation mandate. This could very likely include groups that currently use the space, such as Carbon Arc.

The balance of tenancy will be under standard long-term leases, or as short-term bookings. Short-term bookings will likely be managed using a partnered programming model. In exchange for managing the bookings and providing oversight, tenant partners will be granted priority booking and free access to these spaces.

Additionally, 1588 Barrington Street represents an opportunity to address the need for access to short-term, creative space. Research into space needs demonstrated a significant struggle in accessing affordable presentation and gathering spaces. The partnered programming spaces are intended to address this need. HRM Cultural Affairs may also retain space for programming, such as the emerging artists studios.

DISCUSSION

The 3 year Operating Strategy proposes multiple tenancy formats, which will have differing implications from a leasing rate and taxation perspective. Because all less-than-market lease and taxation rates for non-profit organizations must be considered by HRM's Grants Committee, and approved by Regional Council, the proposed extension of KAS's less than market lease was deferred to the Committee.

However, it is staff's opinion that it would be premature for the Grants Committee to consider this lease in isolation of an entire leasing plan. As noted in the background, Council has endorsed the establishment of 1585 Barrington Street as a cultural incubator. In this regard, a comprehensive tenancy plan needs to be developed to reflect and to capture differing tenancy

models. Considering the building in its entirety is, in staff's opinion, the most efficient approach for the existing and future tenants, as well as for the Grants Committee and Regional Council.

To date, staff have begun discussions with KAS concerning space needs, ideal building locations, and potential opportunities for partnered programming. Once negotiations are complete, staff will engage other arts and cultural organizations interested in tenancy, and delivering arts programming that furthers the cultural incubation mandate.

Staff anticipate completing all negotiations by December 2010. Staff will table a proposed tenancy plan for consideration by the Grants Committee in early 2011. Negotiations with tenants will be contingent upon the proposed leasing and taxation rates recommended by the Grants Committee and approved by Regional Council.

BUDGET IMPLICATIONS

None. Budget implications will be addressed in the future staff report accompanying the 1588 Barrington Street Tenancy Plan.

FINANCIAL MANAGEMENT POLICIES/BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Project and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Project and Operating reserves, as well as any relevant legislation.

COMMUNITY ENGAGEMENT

Not Applicable. The contents of this information report are of a Municipal operations nature and as such, do not require community engagement.

ATTACHMENTS

Attachment One - Operating Strategy

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/agenda.htm> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

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Report Approved by: Andrew Whittemore, Manager, Community Relations & Cultural Affairs, 490-1585

Attachment One Operating Strategy

Figure 1- 1588 Barrington Street Operating Strategy

