

ORTONA ARMOURY - ARTS HABITAT FUNDING AGREEMENT

Recommendation

That the funding agreement between the City of Edmonton and the Arts Habitat Association of Edmonton, to support operating costs and cover lease capital and property tax obligations for the Ortona Armoury, as outlined in Attachment 1 of the October 30, 2023, Community Services report CS02019, be approved, and the agreement be in form and content acceptable to the City Manager.

Requested Action	Decision required		
ConnectEdmonton's Guiding Principle	ConnectEdmonton Strategic Goals		
CONNECTED This unifies our work to achieve a strategic goal.	Urban Places		
City Plan Values	CREATE. BELONG. THRIVE. PRESERVE.		
City Plan Big City Move(s)	A community of communities A rebuildable city	Relationship to Council's Strategic Priorities	Arts and culture
Corporate Business Plan	Serving Edmontonians		
Council Policy, Program or Project Relationships	<ul style="list-style-type: none"> • Bylaw 16620 - City Administration Bylaw • Policy C187A - Enhancing Community Facility Services through Partnership • Connections and Exchanges : A 10-Year Plan to Transform Arts and Heritage in Edmonton 		
Related Council Discussions	<ul style="list-style-type: none"> • November 30, 2022, Financial and Corporate Services 2023 -2026 Operating Budget - Deliberations and Amendments • January 21, 2020, City Council Public Hearing, CR_7790 - Charter Bylaw 19115 - To allow for the continued use of a designated historic resource, the Hudson's Bay Company Stables/Ortona Armoury, Rosedale 		

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- October 17, 2018, Community and Public Services Committee, CR_6355, Edmonton Arts Council – presentation of Connections and exchanges: A 10 year plan to transform arts and heritage in Edmonton (2019-2029)

Executive Summary

- Arts Habitat Association of Edmonton is a non-profit entity mandated to work with the arts community to identify, develop, and manage space for all artistic disciplines with the vision to make Edmonton a hub of dynamic, sustainable and entrepreneurial artistic communities.
- Arts Habitat Association of Edmonton will enter into a lease agreement with the City of Edmonton to operate the Ortona Armoury as an affordable arts community hub. As the tenant, Arts Habitat Association of Edmonton will sublease or license spaces to artists, organize programming and oversee bookings of the community space.
- The Ortona Armoury Arts Building is currently under rehabilitation, and scheduled to be completed by February 2024.
- The Arts Habitat Association of Edmonton requires City funding to support its successful operation of the Ortona Armoury building and City Council approved an ongoing funded service package during the 2023-2026 operating budget to cover the expected shortfall.
- This initial funding agreement will be effective from January 1, 2024 and will be in place for three years, ending on December 31, 2026.

REPORT

In 2004, the Ortona Armoury building was designated as a Municipal Historic Resource, which legally protects it from demolition and any changes or alterations must meet specific standards and guidelines. The building is owned by the City of Edmonton, and is currently being rehabilitated to continue as an affordable community arts hub, scheduled for completion in early 2024. For over 30 years, the Ortona Armoury has operated as a studio space for artists and arts groups who had tenancy agreements with the City. In 2018, following a Building Condition Assessment, the Ortona Armoury was identified for rehabilitation. Capital funding of \$15.9 million for the rehabilitation was approved in the 2019-2022 capital budget.

The facility rehabilitation includes large collaborative studios, gallery area, washroom facilities, and individual studio spaces on the second floor. The project also includes new site services, elevator, lighting and various theatre elements, as well as the addition of a covered courtyard performance space between the north and south portions of the building. The building is also being brought up to contemporary accessibility standards.

The Arts Habitat Association of Edmonton will be entering into a lease agreement with the City to operate the Ortona Armoury building as an affordable arts hub. As the tenant, the Arts Habitat Association of Edmonton will sublease or license spaces to artists, organize programming and oversee bookings of the community space. This is in alignment with Connections and Exchanges: A 10-Year Plan to Transform Arts and Heritage in Edmonton, the development of which was a collective effort between the Edmonton Arts Council, Edmonton Heritage Council, Arts Habitat

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Edmonton and members of the community. The plan was approved by City Council on October 23, 2018 (CS_6355).

Arts Habitat Association of Edmonton is a suitable tenant for the Ortona Armoury in light of its mandate to manage and build appropriate, affordable and accessible space for the arts in Edmonton. It has provided significant input and information to inform the project, ensuring it functions as a community arts hub on behalf of artists and the art community. Arts Habitat Association of Edmonton contributed as the art-space advisor to the rehabilitation project's bi-weekly design and construction meetings, and also supported the City of Edmonton's application to Heritage Canada's Cultural Spaces Grant, which was successful in receiving \$1.7 million in capital for the project. In advance of the capital grant application, Administration provided a non-binding letter of intent to Arts Habitat Association of Edmonton to negotiate a lease of the facility, subject to Council approval.

Arts Habitat Association of Edmonton requires City funding to support its successful operation of the Ortona Armoury building. The Arts Habitat Association of Edmonton submitted a business case in January 2021, which was updated in June 2022, outlining the organization's proposed operating plan and financial requirements. The business case identified an operational funding gap and, therefore, a funded service package was presented and approved by City Council during the 2023-2026 operating budget deliberations. See Ortona Armoury Operational Funding Agreement Key Terms and Conditions in Attachment 1.

Budget/Financial Implications

Capital funding of \$15.9 million for the rehabilitation was approved in the 2019-2022 capital budget.

A total of \$2,009,375 over three years from 2024 to 2026 is funded through the 2023-2026 operating budget. Funding is expected to continue on an ongoing basis in 2027; however, a new funding agreement will be drafted at that time as Administration will be in a better position to understand the organization's long-term operating requirements.

This funding agreement from 2024-2026 with the Arts Habitat Association of Edmonton will cover operational expenses as outlined in Attachment 1. The total of these costs over 2024-2026 is expected to be \$2,009,375.

Community Insight

A Building Condition Assessment conducted in 2018 determined that the Ortona Armoury required extensive rehabilitation. In 2019, stakeholder engagement, public information sessions, functional programming, and schematic designs for the rehabilitation were completed. The development of the functional program for the facility included input from existing Ortona tenants and the Arts Habitat Association of Edmonton. This engagement was essential in the planning and design process as it provided the project team with a thorough understanding of the diverse needs of artists and informed the types of spaces needed in the facility to support those needs. In 2021, the Ortona Armoury rehabilitation work began and will ensure the building remains safe, preserves the historically significant aspects of the facility and meets current

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building codes allowing it to operate as a sustainable and enjoyable space for artists and Edmontonians for another century.

When it reopens, the building will remain an arts and community hub. It will support flexible art spaces for visual and performing artists, as well as creating bookable spaces for community use while ensuring that the building can continue to be safely occupied for decades to come.

GBA+

The Arts Habitat Association of Edmonton works with a diverse range of artists, cultural groups and organizations inclusive of all genders, ages, sexes, races, ethnicities, religions, and mental and/or physical abilities. The organization continues to find ways to connect and learn about the needs of artists and groups, such as their work with Naheyawin to conduct a community engagement process with Indigenous artists to better understand their cultural arts practices and the key elements they value in arts spaces.

The Arts Habitat Association of Edmonton is committed to the provision of accessible spaces that consider such things as affordability, physical accessibility, cultural design (e.g. indigenous spaces are located in close proximity to natural spaces of some kind), important that spaces are accessible to everyone regardless of their background, identities, age, and physical or mental ability.

Connections and Exchanges: Council's 10-Year Plan to transform Arts and Heritage in Edmonton identifies the Arts Habitat Association of Edmonton as the non-profit entity mandated to work with the arts community to identify, develop, and manage space for all mediums of art with the vision to make Edmonton a hub of dynamic, sustainable and entrepreneurial artistic communities. The plan requires Arts Habitat Association of Edmonton to broker relationships with community-based entities to increase access to affordable spaces for art and heritage programs, presentations and events, and equity seeking artists in order to contribute to placemaking that includes cultural landscape, natural history, built history, object, language and story.

Attachment

1. Ortona Armoury Operational Funding Agreement Key Terms and Conditions