

aceartinc.

Relocation Impact Study

Final Report

September 2012

Definition: Artist Run Centres (ARCs) are non-profit organizations, run by and for artists that support new and innovative practices in the visual arts.

Definition adapted from the Artist-Run Centres and Collectives Conference website.

www.arccc-cccaa.org

TABLE OF CONTENTS

Executive Summary	2
aceartinc. and its Communities	3
Space Requirements and Considerations	4
Process to Date	6
The Spaces	8
Moving Forward	10

Executive Summary

aceartinc. (aceart) is a Winnipeg based ARC dedicated to the development, exhibition and dissemination of contemporary art by cultural producers. aceart has been in existence since 1983 and has maintained its space at its current location in the heart of Winnipeg's historic Exchange District for twenty years. As the Exchange District has evolved into Winnipeg's creative district, aceart's space at 290 McDermot Avenue has facilitated the organization's commitment to excellence, accessibility and diversity, and has allowed it to fulfill an indispensable role in its various communities.

In 2010 aceart was informed by its landlord that when its current lease expired in September 2012, the rental rate would be increased by as much as 220% and, perhaps even more significantly, only a month to month lease would be offered. As this was clearly not a workable tenancy arrangement, the organization embarked on a comprehensive process to determine what opportunities, challenges and solutions were presented by the need for aceart to relocate. This, along with developing a plan for the organization to move, became known as "The Relocation Project".

The process has included:

- Reaching out to numerous stakeholders through formal and informal processes.
- Viewing many potential new locations
- Completing a new strategic plan
- Consolidating the work through this Relocation Impact Study

It is safe to say that this process has been exhaustive. The organization's staff and board have demonstrated a remarkable commitment to the goal of securing the future of aceart and with diligence and foresight, have laid the groundwork for a sustainable facility solution that as well as supporting its core programming, explores opportunities for strategic growth.

aceartinc. and its Communities

For many, aceart is the quintessential Exchange District gallery; innovative, risky and inclusive. Its home for the past twenty years on the second floor of a former warehouse with wood floors, high ceilings, suspect heating and rattling windows is a significant part of its identity. It along with other ARCs, commercial galleries, artist's studios, independent retailers, pubs, cafés and the area's public gathering space, Old Market Square, combine to give the District its distinct, eclectic and vibrant character.

Within this geographic context, aceart maintains a commitment to emerging artists and recognizes its role in placing contemporary artists in a larger cultural context. Being part of the creative cluster that has organically developed in the Exchange District, has facilitated the organization's ability to effectively reach and serve this demographic as part of a larger creative ecology.

aceart is also dedicated to cultural diversity in its programming and encourages applications from contemporary artists and curators identifying as members of GLBT (gay, lesbian, bisexual and transgendered), Aboriginal (status, non-status, Inuit and Metis) and all other culturally diverse communities. This tenet illustrates the values of the organization and its location, in the heart of an urban centre, has been key to fulfilling aceart's mandate. The organization has brought a tremendous amount of cultural capital to its neighborhood in a symbiotic relationship and though not impossible, it is difficult to envision aceart so effectively reaching its various constituencies in another area of Winnipeg.

Winnipeg's Exchange District is currently undergoing significant change; renewed interest in the area as demonstrated by new residential and commercial developments is driving rental rates up. Landlords are either dramatically raising these rates or in many cases, preferring to leave property vacant rather than offering lower cost leases as they wait for high value commercial or government tenants. Additionally, with stringent parking requirements for new commercial or residential developments and relatively low property taxes, owners often choose to "land bank" vacant properties while waiting for real estate prices to rise. Though civic policy contributes to this environment, these decisions are primarily market driven. These conditions and elements of gentrification are creating challenges for some of the long-standing residents that have been part of the area's development as Winnipeg's creative district.

Recognizing these challenges, throughout the Relocation Project, aceart has considered other areas of the city that have some of the elements that have been so important for the organization's success: creative clustering (proximity of artists and other arts organizations), pedestrian and transit accessibility, affordable rent and complimentary amenities such as cafés and pubs. Areas under consideration have been Downtown, Main Street close to Logan Avenue, North Point Douglas and Chinatown. Though each of these smaller creative clusters has some of the required components, none of them match the Exchange District's advantages for an ARC.

This coupled with the potential loss of the organization's thirty-year investment in establishing networks in the area has made it clear that, if possible, aceart should remain in the Exchange District.

Space Requirements and Considerations

aceart's current space at 290 McDermot has served the needs of the organization for the past twenty years though it is has been a "make do" situation and the premises are far from ideal for a publicly accessible gallery. The challenges with the space are primarily precipitated by a lack of investment by the building's owner and include: a deteriorating exterior, streetscape, entranceway, doorways and stairwells; a leaking ceiling, cracked windows and a total lack of control of environmental conditions. Not only is this not conducive to attracting an audience to a gallery, it is not conducive to the health and well being of staff nor the care of original art work. aceart has demonstrated remarkable resourcefulness in making this challenging space work for as long as it has.

In space terms, the lifeblood of the organization is its main gallery though its complimentary spaces, the wood workshop, flux room, resource centre and office area are each integral to aceart's ability to fulfill its mandate.

The organization's current activity includes programming five regular shows per year, with artists selected from a yearly national and international call for submissions as well collaborating on and facilitating numerous special projects with other arts institutions and community groups. It also provides equipment and resources essential to the production and dissemination of artwork to members and partner organizations which includes the open and supervised use of the wood work shop, loans of tools and exhibition resources such as curtains, plinths and audio/video equipment. Additionally aceart publishes a yearly journal of critical writing, offers artist talks, professional development opportunities and makes staff accessible to members for advice and guidance.

Though brought on by circumstances beyond the organization's control, the Relocation Project is an opportunity to improve aceart's facility situation and develop new programs, services and revenue streams to ensure its long-term sustainability. Depending on the capacity of a new location, this may include an artist residency studio and/or a dedicated new media exhibition area

Within this context, the below details the minimum requirements for a new home for aceart:

- A total of 3,000 to 5,000 square feet with 2,000 - 3,000 square feet of this to be appropriate for exhibition purposes
- A ceiling height of at least 12 feet
- Wheelchair accessible
- Soundproof
- Good loading access
- Good environmental controls
- Must meet Washroom requirements for Manitoba Liquor Control Commission Licensing for Occasional Permits. For 100 people: one water closet for men and two water closets for women.
- 24 hour access

Additionally, if appropriately sized discrete rooms for the wood work shop, flux space, resource centre and office do not already exist, there must be the freedom to renovate the space for these needs. This would require either a long-term lease (ten years plus) or facility ownership in order for the organization to access all of the government funding programs that support cultural facility renovations.

With annual or multi-year operating support from federal, provincial and municipal arts councils (and a thirty year history), aceart is a stable, sustainable arts organization with an annual budget of approximately \$200,000. For the past twenty years, space related costs have accounted for approximately 6% of annual expenditures. This is a result of an unusually low rental rate in the current location and with a change in this circumstance, moving forward the organization has budgeted approximately 15% of annual revenues for space related costs.

Even with this large increase in the organization's facility budget line, it is a challenge to find a suitable space within Winnipeg's Exchange District. Cost per square foot in the area for repurposed warehouse space varies from \$9.00 to \$15 per square foot, which, for a 3,000 square foot space ranges from \$27,000 to \$45,000 annually. Depending on the lease structure, this may or may not include additional costs such as taxes and utilities. Looking at purchasing a facility is even more challenging as most appropriately sized spaces are contained within much larger buildings, effectively eliminating ownership as an option.

Process to Date

aceart has been working on its Relocation Project since 2010 when, due to a number of indicators, it seemed likely that when its lease expired in September of 2012, they would be forced to move.

As a first step, with the support of the Winnipeg Foundation, they engaged a consultant, Jimm Simon of AIMM North, to conduct a strategic planning process with a focus on clarifying organizational goals, and building the skills and fundraising capacity of board and staff to support an eventual move.

Independent of this process, both board and staff engaged in many meetings with stakeholders to inform them of the organization's situation, solicit advice and assistance and examine potential future locations. The below list is a sampling of some of these stakeholder meetings.

- Sam Baardman, Manitoba Culture, Heritage, and Tourism.
- Marie Bouchard, Winnipeg Foundation
- Nan Colledge, Assiniboine Credit Union Community Manager and former General Manager of West End Cultural Centre; headed organization's renovation
- Pat Hardy, Tunnelwood Group, consultant for capacity building.
- Randy Joynt, Executive Director, Artspace Inc.
- Vera Lemecha, Canadian Heritage
- Anthony Kiendl, Director of Plug In ICA; headed the relocation of the organization.
- Nigel Mohammed, Manager, Community Services, Assiniboine Credit Union.
- Options for Success, consultants for capacity building.
- Jeff Palmer, Senior Development Officer, CentreVenture x 3.
- Carol Phillips, Winnipeg Arts Council.
- Mihaela Pirlog, Community Account Manager, Micro Enterprises, Assiniboine Credit Union.
- Sheila Spence, Director of Martha Street Studios; headed organization's acquisition of their building.
- Bill Thiessen, Remax Estate Agent/The Urban Realtor.
- Brian Timmerman, Exchange District Biz.
- Richard Walls, Exchange District Building Owner/Developer.

Through the planning sessions, budget analyses and re-assessment of aceart's role in the community that were part of the strategic planning process, the staff and board were galvanized to make the relocation sustainable and positive. Knowledge was gained in the area of prioritizing and managing the increased workload that the process of relocating is demanding, and the importance of enlisting external, specialized assistance for organizational development was highlighted.

Upon completion of the Strategic Planning Project Final Report, and the number of potential locations that were viewed in concert with the report process, the organization was ready to move on to the next phase of the Relocation Project; the compilation of its work to date with this report and the development of a plan to see acaert in its future home.

The Spaces

Over the past two years, aceart has viewed numerous properties. A number of occupancy models have been considered including building ownership, sharing a space with other ARCs, assuming a head lease on a large space and sub leasing extra space, and leasing a discrete space. Though time intensive this has been an important part of the determination that the organization should indeed, if possible remain in the Exchange District and that leasing a discrete, appropriately sized space for aceart's needs is the preferred option.

Below is a partial list of spaces that have been seriously considered and eliminated for a variety of reasons that illustrate the challenges of the Relocation Project.

109 Pacific Avenue. Former home of the Costume Museum.

- 10,000 square feet. Annual cost of approximately \$100,000.
- Discussions were held with Artspace, Platform Centre for Photographic and Digital Arts, RAW Gallery, Urban Shaman and Video Pool Media Arts Centre as to the possibility of sharing the space but ultimately additional costs and meeting the needs of each of the potential partner organizations proved too challenging.

318 Ross Avenue. Frame Projects - a developing arts centre.

- Too much uncertainty as to development timelines and lease terms.

291 Garry Street (the Inglis Building).

- 6,328 square foot, two storey historic building in Downtown Winnipeg. For sale at \$795,000 or lease at approximately \$65,000 annually.
- Would require partners, sub lessees or a capital campaign to purchase.

225 McDermot Avenue (the Bate Building).

- 1,300 square feet.
- Too small for the organization's full suite of programs.

62 Albert Street

- 3,600 square feet. Approximately \$36,000 annually
- Too expensive as the landlord increased the cost from an original proposal

This list is by no means complete but it does highlight the key challenges – cost and stability. Not only must a space serve the organization's needs, it must be affordable and offer lease terms that will ensure it will be aceart's home for the foreseeable future.

Another factor affecting the Relocation Project is the current interest in arts based development and existing cultural infrastructure renewal in Winnipeg. A sampling of projects at various stages include: the renovation of the Pantages Playhouse Theatre, the expansion of the Manitoba Museum, the building of the Hub: a centre for media arts and innovation, and the development of 389 Main Street (the Millennium Centre).

Of these projects, the Millennium Centre's redevelopment holds real possibilities as a permanent, future home for aceart. The Millennium Centre is owned by the 389 Main Street Heritage Corporation, a not for profit organization which is currently working with Artspace, another local not for profit that developed and now manages the Artspace building to see the largely vacant Millennium Centre reinvigorated as an arts centre. The vision of both of these organizations is to see this building returned to full and vibrant use and to operate it on a cost recovery basis for the benefit of the community.

Participating in this development would be symbiotic; aceart would have a permanent, home that could be developed to suit all of its needs and the Millennium Centre would have a respected, stable and professional organization as an anchor occupant. The challenge for aceart at this stage in considering the Millennium Centre as its next home is timing and uncertainty. This development is in its early stages and it will require significant public and private investment. The individuals involved, however, do have the expertise and networks to make it likely that the project will be seen through to fruition.

Another property that has recently come to the attention of aceart is the top floor of a seven floor former warehouse at 44 Princess Street. Perhaps the most attractive of any of the privately held spaces that have been viewed, this 4,000 square foot space offers all of the elements that the organization requires to run its core programming and would allow the development of an artist residency program. Cost is once again a concern, however, as the annual lease rate is approximately \$38,000. For this space to be feasible, the organization would need to develop new revenue streams, which may be possible with the addition of an artist residency program.

Finally, recent developments with Urban Shaman, another ARC tenant of aceart's current landlord has raised the possibility that the landlord may now be amenable to a new lease, though it is certain that this will come with a sizeable rent increase.

Moving Forward

The focus of this report is the impact of aceart's relocation. Though the organization has not yet moved, the impact of the Relocation Project to date has been profound.

For aceart, it prompted a vigorous reexamination of its mandate, programs, processes, budget and structure and has resulted in a strengthened organization with a definite direction, and a galvanized staff and board with new capacities. It has also become acutely aware of its needs and limitations as pertains to space and is thoroughly prepared to react to opportunities and challenges as they continue to be presented.

As aceart has engaged in an extremely thorough process with a myriad of stakeholders, the Relocation Project has contributed to many local conversations regarding the future development of the Exchange District and the concern that gentrification may force out some of the arts organizations and artists that are essential to its unique, eclectic character. Though this has not resulted in a "savior" coming forward, it has raised the level of discourse around the issue.

It is clear that the organization will need to move. It is also clear that as preparing to move has already been enormously taxing, if possible, the organization should only move once and into a secure space that will allow it to grow.

What is not yet clear is when and where aceart should move. With a streamlined budget and the ability to dedicate more resources to space, the organization may be most advantaged by negotiating a new lease in their current location. Though frustrating that a sizeable rent increase is likely without any additional investment by the landlord, this could allow the time needed for the Millennium Centre development to progress, or another Exchange District opportunity to present itself. Securing short-term stability now may allow long-term stability with room for growth later.

aceart has done the foundation work so that is ready to proceed with relocation when the right opportunity is available. In the process it has strengthened its organization, expanded its networks and highlighted its contributions to its communities. This work will be a legacy that supports aceart's sustainability and growth in its new, permanent home.

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