

**7. APPROVAL OF THE OTTAWA ART GALLERY SERVICE DELIVERY
AGREEMENT**

**APPROBATION D'ENTENTE DE PRESTATION DE SERVICES AVEC LA
GALERIE D'ART D'OTTAWA**

COMMITTEE RECOMMENDATIONS

That Council:

- 1. Approve that the facility at 50 MacKenzie King Bridge be designated to be the Municipal Art Gallery, as described in this report, and named the Ottawa Art Gallery Building.**
- 2. Approve the establishment of a Service Delivery Agreement between the City of Ottawa and the Ottawa Art Gallery for the operation and programming of the Municipal Art Gallery located at 50 Mackenzie King Bridge as described in this report and including as follows:**
 - a) That the term of the Agreement be 10 years, with three options to renew for a term of five years each;**
 - b) That the relevant provisions of the 1996 Purchase of Service Agreement for the Firestone Collection of Canadian Art between the City and The Ottawa Art Gallery be incorporated into the Agreement; and**
 - c) The current \$95,000 annual budget allocation to the Ottawa Art Gallery as the Service Provider for the Firestone Collection of Canadian Art be continued for the duration of the Agreement, subject to annual budget approval.**
- 3. Delegate the authority to the General Manager of the Recreation, Cultural and Facility Services Department to negotiate, finalize and execute the Service Delivery Agreement between the City of Ottawa and the Ottawa Art Gallery, as outlined in this report.**

RECOMMANDATIONS DU COMITÉ

Que le:

1. Approuve que l'installation située au 50, pont MacKenzie King soit désignée Galerie d'art municipale, comme il est décrit dans le présent rapport, et qu'elle soit connue comme étant le bâtiment de la Galerie d'art d'Ottawa;
2. Approuve une entente de prestation de services entre la Ville d'Ottawa et la Galerie d'art d'Ottawa, visant l'exploitation et la programmation de la galerie d'art municipale située au 50, pont Mackenzie King, comme le décrit le présent rapport et selon les conditions suivantes :
 - a) Que le mandat de l'entente soit d'une durée de 10 ans, assorti de trois options de renouvellement d'une durée de cinq ans chacune;
 - b) Que les dispositions pertinentes de l'entente d'achat de services de 1996 visant la Collection Firestone d'art canadien, conclue entre la Ville et la Galerie d'art d'Ottawa, soient intégrées dans l'entente;
 - c) Que l'allocation budgétaire annuelle actuelle de 95 000 \$ affectée à la Galerie d'art d'Ottawa à titre de prestataire de services pour la Collection Firestone d'art canadien continue d'être versée pour la durée de l'entente, sous réserve de l'approbation du budget annuel.
3. Délègue au directeur général de la Direction générale des loisirs, de la culture et des installations le pouvoir de négocier, d'approuver et d'exécuter l'entente de prestation de services conclue entre la Ville d'Ottawa et la Galerie d'art d'Ottawa, comme le précise le présent rapport

DOCUMENTATION/DOCUMENTATION

1. General Managers report, Recreation, Cultural and Facility Services Department , dated 13 April 2017 (ACS2017-RCF-GEN-0001)

Rapport du Directeur général, Direction général des loisirs, de la culture et des installations daté le 13 avril 2017 (ACS2017-RCF-GEN-0001)

**Report to
Rapport au:**

**Finance and Economic Development Committee
Comité des finances et du développement économique
2 May 2017 / 2 mai 2017**

**and Council
et au Conseil
10 May 2017 / 10 mai 2017**

**Submitted on April 13, 2017
Soumis le 13 avril 2017**

**Submitted by
Soumis par:**

**Dan Chenier, General Manager/Directeur général, Recreation, Cultural and Facility
Services Department / Direction général des loisirs, de la culture et des
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Ward: CITY WIDE / À L'ÉCHELLE DE LA VILLE File Number: ACS2017-RCF-GEN-0001

SUBJECT: Approval of the Ottawa Art Gallery service delivery agreement

**OBJET: Approbation d'entente de prestation de services avec la galerie d'art
d'Ottawa**

REPORT RECOMMENDATIONS

That the Finance and Economic Development Committee recommend Council:

- 1. Approve that the facility at 50 MacKenzie King Bridge be designated to be the Municipal Art Gallery, as described in this report, and named the Ottawa Art Gallery Building.**
- 2. Approve the establishment of a Service Delivery Agreement between the City of Ottawa and the Ottawa Art Gallery for the operation and programming of the Municipal Art Gallery located at 50 Mackenzie King Bridge as described in this report and including as follows:**
 - d) That the term of the Agreement be 10 years, with three options to renew for a term of five years each;**
 - e) That the relevant provisions of the 1996 Purchase of Service Agreement for the Firestone Collection of Canadian Art between the City and The Ottawa Art Gallery be incorporated into the Agreement; and**
 - f) The current \$95,000 annual budget allocation to the Ottawa Art Gallery as the Service Provider for the Firestone Collection of Canadian Art be continued for the duration of the Agreement, subject to annual budget approval.**
- 3. Delegate the authority to the General Manager of the Recreation, Cultural and Facility Services Department to negotiate, finalize and execute the Service Delivery Agreement between the City of Ottawa and the Ottawa Art Gallery, as outlined in this report.**

RECOMMANDATIONS DU RAPPORT

Que le Comité des finances et du développement économique recommande au Conseil :

- 1. D'approuver que l'installation située au 50, pont MacKenzie King soit désignée Galerie d'art municipale, comme il est décrit dans le présent rapport, et qu'elle soit connue comme étant le bâtiment de la Galerie d'art d'Ottawa;**
- 2. D'approuver une entente de prestation de services entre la Ville d'Ottawa et la Galerie d'art d'Ottawa, visant l'exploitation et la programmation de la**

galerie d'art municipale située au 50, pont Mackenzie King, comme le décrit le présent rapport et selon les conditions suivantes :

- g) Que le mandat de l'entente soit d'une durée de 10 ans, assorti de trois options de renouvellement d'une durée de cinq ans chacune;**
- h) Que les dispositions pertinentes de l'entente d'achat de services de 1996 visant la Collection Firestone d'art canadien, conclue entre la Ville et la Galerie d'art d'Ottawa, soient intégrées dans l'entente;**
- i) Que l'allocation budgétaire annuelle actuelle de 95 000 \$ affectée à la Galerie d'art d'Ottawa à titre de prestataire de services pour la Collection Firestone d'art canadien continue d'être versée pour la durée de l'entente, sous réserve de l'approbation du budget annuel.**

- 3. De déléguer au directeur général de la Direction générale des loisirs, de la culture et des installations le pouvoir de négocier, d'approuver et d'exécuter l'entente de prestation de services conclue entre la Ville d'Ottawa et la Galerie d'art d'Ottawa, comme le précise le présent rapport**

BACKGROUND

On September 2nd, 2014 Council approved the building program regarding the Ottawa Art Gallery (OAG) Expansion and the Arts Court Redevelopment Project, at 60-70 Waller Street ([ACS2014-PAI-REP-0016](#)). The new Municipal Art Gallery will be the first mixed-use gallery, hotel and condo project in Canada. At three times its current size or 30,000 square feet, the new facility will stretch a full city block and provide unparalleled access to the Firestone Collection of Canadian Art ("Firestone Collection") owned by the City, the Ottawa Art Gallery's contemporary collection and major exhibitions focused on local, regional and national artists. Dedicated facilities for exhibitions, public and school programming, lectures, and activities will continue to enrich the lives of residents and visitors alike. The goal of finding a permanent home for the Firestone Collection will be realized in October 2017 with the completion of the new gallery space.

In 1996, the City designated the OAG as its Agent in the operation and programming of the Municipal Art Gallery established in the Arts Court building at 2 Daly Avenue. The OAG is a non-profit corporation operated by an independent Board of Directors which has been funded by the City for almost 30 years. With Council's approval, staff propose to continue with OAG as its Agent in the operation of the Municipal Art Gallery at 50

Mackenzie King Bridge.

DISCUSSION

A Service Delivery Agreement is required to document the relationship between the City and the OAG for the operation and programming of the new facility. The OAG has played a leading and collaborative role in Ottawa's art sector and operates in good standing with the City of Ottawa. In its regular independent assessments for City funding, the OAG has consistently received a high rating for its sound financial and operational management, strong board governance, and proven fundraising capabilities. The OAG has developed and demonstrated a high level of expertise in delivering innovative programming, prudent collection management, and well-regarded outreach in the community.

According to the most recent assessment, the OAG is a well managed organization that is led by an active and engaged board of directors and CEO who understand their respective roles and responsibilities. The organization has put in place effective and sophisticated planning, demonstrated and highlighted in OAG's planning documents including the Strategic Plan, the Business Plan and the Seven Year Acquisition Plan. As a result, a term of 10 years with three (3) options to renew, each option for a term of five (5) years, is being recommended in order to ensure sustainability and stability going forward. This renewable agreement is being recommended for the following reasons:

1. The \$1.3 million Canada Cultural Spaces Fund contribution to the OAG for fit-up and equipment is contingent on having a minimum 10 year occupancy agreement with the City. To achieve this funding, the OAG Capital Campaign raised a total of \$5M for this project which represents a significant achievement and investment and warrants the long-term commitment.
2. The stability of a 10 year term with the options to renew and expand the quality of the museum facilities which will enable the OAG to mount and borrow significant exhibitions by achieving a Category "A" Designation from the Federal Cultural Property Review Board.
3. The existing 25 year agreement between the City and the OAG for the care and management of the Firestone Collection of Canadian Art expires on May 31, 2017 and it is being recommended that the service provisions related to the Firestone Collection be included within the new Service Delivery Agreement.

4. The Naming Rights Agreement between the City and OAG ([ACS2014-COS-PRC-0002](#)) allowed for long-term naming rights agreements based on the OAG's occupancy, the latest being the \$1.5 million agreement between the OAG and Ruddy Foundation.
5. OAG operations benefit from stable long-term occupancy in order to be effective in its business planning and successful in private sector fundraising and applications to provincial and federal funders.

The Service Delivery Agreement ("Agreement") will be monitored by the Recreation, Cultural and Facility Services Department. The Agreement will stipulate that as a Municipal Art Gallery, the gallery space will continue to be maintained by the City at no cost to the OAG, and the OAG as the Agent will pay an annual rent to be agreed upon plus applicable taxes for the administration offices. Annual rents are subject to inflationary increases as directed by City Council.

The Firestone Collection of Canadian Art was gifted to the Ontario Heritage Foundation by prominent Ottawa collectors O.J. and Isobel Firestone in the 1970's. In 1992, the City of Ottawa acquired the Firestone Collection, an important local private collection of national twentieth-century artworks now valued at \$24,000,000. Under the conditions of the agreement with the Ontario Heritage Foundation, ownership of the Firestone Collection was transferred to the City for deposit in a Municipal Art Gallery. This new Service Delivery Agreement will incorporate clauses for the exhibition, preservation, maintenance, display and management of the City-owned Firestone Collection, in accordance with established professional collection management guidelines.

One of the conditions outlined in the above agreement was the requirement to designate the gallery space at Arts Court as the Municipal Art Gallery. In 1996, the City of Ottawa entered into an agreement with the Ottawa Art Gallery (corporation) to manage, house and exhibit the Firestone Art Collection in the Municipal Art Gallery located at Arts Court, 2 Daly Avenue. With the development of the new gallery space located at 50 MacKenzie King Bridge, and as defined in the Arts Court Redevelopment – Implementation ([ACS2011-CMR-REP-0020](#)), staff are recommending that the location of the designated Municipal Art Gallery be transferred to the newly developed space at 50 MacKenzie King Bridge. Staff are also recommending that this new gallery space be named the Ottawa Art Gallery Building.

In August 2004, Council amended the 1996 Purchase of Service Agreement, approved by Council on March 25, 2004 ([ACS2004-CRS-FIN-0014](#)), to provide additional funding, valued today at \$95K, for the care and management of the Firestone Collection to be allocated on an annual basis to the Service Provider for the purpose of hiring, through a competitive process, an experienced full-time professional collections manager with a competitive salary for the care and management of the Firestone Collection and contributing to its exhibition costs for a minimum of three exhibitions integrating artwork from the Firestone Collection to be presented annually in the Firestone Gallery. City funding is to be used to leverage additional revenues dedicated to the Firestone Collection from provincial and federal partners and from private foundations and donors. The continuation of this funding, contingent on annual budget approval, is being recommended to ensure that professional standards related to the Firestone Collection's conservation, interpretation, and exhibition are maintained in accordance with the new Service Delivery Agreement.

RURAL IMPLICATIONS

There are no specific rural implications.

CONSULTATION

This report focuses on the renewal and consolidation of existing agreements and as such there were no public consultations.

Public consultation was undertaken in conjunction with the original reports on the Procurement Process and Project Agreement Process. This report is a component of the main reports.

LEGAL IMPLICATIONS

There are no legal impediments to approving the recommendations outlined in this report.

RISK MANAGEMENT IMPLICATIONS

There are no specific risks management implications.

FINANCIAL IMPLICATIONS

There are no financial implications as a result of the recommendations in this report.

ACCESSIBILITY IMPACTS

Accessibility has been taken into consideration.

TERM OF COUNCIL PRIORITIES

This report has direct impact on the City's Strategic Priority – Healthy and Caring Communities: Strategic Objective HC4 – Support Arts, Heritage and Culture

DISPOSITION

The General Manager of the Recreation, Cultural and Facility Services Department will exercise the Council approved delegation of authority to approve and execute the Service Delivery Agreement as outlined within this report.