

10. REPORT ON PERCENT FOR ART SCHEME FOR COUNCIL

Officer responsible Director, Information and Planning	Author Mark Bachels, Strategy and Policy Team Leader, DDI 941-8579
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The purpose of this report is to outline options for a percent for art scheme for introducing more public art in public places.

INTRODUCTION AND OVERVIEW

This report follows a joint seminar held 2 May 2003 with the Arts, Culture and Heritage Committee and the Parks, Gardens and Waterways Committee. This report and the following recommendations were requested as a result of the seminar.

The report briefly touches on the following:

- What is the percent for art scheme?
- Example cities with percent for art schemes.
- Percent scheme and impact on Christchurch City Council rates.
- Some pros and cons.
- Options including proposed staging of percent for art scheme (including application to some trial projects).

What is the percent for art scheme? - The outcome sought from a percent for art scheme is to increase public art in project developments. Generally a percent for art scheme applies a percent of capital budget for public infrastructure toward commissioning public art projects and integrated artworks in planned infrastructure upgrades. Typically the schemes vary from 0.25% to 2% of capital budget.

These schemes can also be introduced as a percent levy of total development project costs (public and private). An example is for redevelopment projects such as the East Perth Redevelopment Project. There are also options for introducing a 'development bonus' for private development projects - such as increasing the development density for those projects which introduce public art (eg Auckland City Council).

Example cities with percent for art schemes - There are numerous cities with percent for art schemes including Melbourne, Adelaide, Perth (redevelopment project areas), Philadelphia, Adelaide, Portland (in areas), and Seattle to name a few. These cities claim significant benefit from their percent for art scheme, particularly as artwork contributes to the cultural and artistic vitality of the city.

Percent scheme and impact on CCC rates - The City Council's Annual Capital Budget is about \$100 million per year, where an example one percent (1%) art scheme would equate with \$1 million capital for public artwork. There would be a range of possible percent for art schemes as outlined in Table 1 below.

Table 1

Percent of Capital Budget	Annual Amount On \$100 Million Capital Budget (\$million)	Average CCC Rate Increase
0.25%	\$0.25	0.015%
0.5%	\$0.5	0.03%
1.0%	\$1	0.06%
2.0%	\$2	0.12%

Table 2 provides the existing and current forecast total of the Council capital budget and year by year rate impacts for Percent for Art Capital Budgets of \$250,000, \$500,000 and \$1,000,000 for each year for the next 10 years.

Table 2

EXISTING BUDGET										
	draft budget 2003/2004 \$M	forecast 2004/2005 \$M	forecast 2005/2006 \$M	forecast 2006/2007 \$M	forecast 2007/2008 \$M	forecast 2008/2009 \$M	forecast 2009/2010 \$M	forecast 2010/2011 \$M	forecast 2011/2012 \$M	forecast 2012/2013 \$M
Capital Expenditure	98.92	115.15	105.27	107.42	121.28	96.56	100.60	106.22	104.37	110.96
Leisure Unit Capital										
NEW ASSETS										
Recreation And Arts										
Art In Public Place:	81,000	50,000	41,000	-	41,000	-	41,800	-	41,820	-
<u>PERCENT FOR ART SCHEMES (\$1M, \$500k, \$250k) and ASSOCIATED RATE IMPACT PER YEAR</u>										
1) \$1 Million per year										
Extra Capital	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Rate Impact	0.05%	0.09%	0.08%	0.08%	0.06%	0.05%	0.05%	0.05%	0.04%	0.04%
Rate Impact \$	76,745	219,498	360,230	498,902	635,472	769,899	902,139	1,032,150	1,159,885	1,285,300
2) \$500,000 per year										
Extra Capital	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Rate Impact	0.03%	0.05%	0.04%	0.04%	0.03%	0.03%	0.03%	0.02%	0.02%	0.02%
Rate Impact \$	38,373	109,749	180,115	249,451	317,736	384,950	451,070	516,075	579,942	642,650
3) \$250,000 per year										
Extra Capital	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Rate Impact	0.01%	0.02%	0.02%	0.02%	0.02%	0.01%	0.01%	0.01%	0.01%	0.01%
Rate Impact \$	19,186	54,874	90,058	124,725	158,868	192,475	225,535	258,037	289,971	321,325

Some pros and cons - There are a number of pros and cons to any percent for art scheme. (Note some examples will be provided in the separate PowerPoint presentation made to the seminar and the Committee). These are briefly outlined below:

Pros

- Increases public art and related community benefits by significantly increasing artworks for:
 1. Major public artwork,
 2. Integrated artwork in infrastructure development, and
 3. Where appropriate, community artworks in local locations.
- Cities, such as Christchurch, gain a tremendous local, national and at times international recognition with well developed public art work programmes. Christchurch has the potential to significantly add to its cultural vitality and sense of place with additional public artwork, and a percent for art scheme is one successful model used in a number of cities for achieving additional art in public places.
- Supports the Council adopted policies including:
 - Artworks in Public Places Policy Statement: “To enhance the public spaces of Christchurch by the introduction of artworks in to the city environment as a means to enhance city and community identity and to promote the City as a centre of artistic and cultural excellence.”
 - The Arts Strategy, Arts and the Natural and Built Environment goal: “Buildings and public spaces that reflect the past, celebrate the present and provide a legacy for the future” has an objective “Ensure that the Council as a developer leads by example in achieving excellence in design and incorporating public artworks in its capital programmes”

Cons

- Increase in rates cost (although appears minimal as outlined above)
- If introduced for private development, can increase complexity/difficulty of commissioning artwork, as well as increase possible objections

Note adoption of a percent for art scheme would necessarily require greater commitment by the Council and the community toward artwork in public places (this can be viewed as either a pro or con).

Options including proposed staging of percent for art scheme (including application to some trial projects) - At this stage, staff recommend that if the Council is interested in pursuing a percent for art scheme, initially such a scheme be focused on Council projects only and that any exploration of private development contributions be explored at a later date (clearly any Council mandated private development levy for a percent for art scheme would involve and require reasonably extensive consultation with the development community).

For the Council infrastructure percent for art scheme, there are a number of options:

1. Full introduction in year one of say a one percent art scheme; or
2. Introduction of a lower level percent for art scheme, say 0.25% or 0.5% for 3 years as a trial for subsequent review, or
3. Staged introduction of an art scheme: say 0.25% year one, 0.5% year two, and 1% year for years three and beyond.

Because this is a new scheme, staff recommend that option three, a staged introduction, be adopted to allow both a progression of experience with public art development projects, and to ensure there are adequate staff resources and time for delivery of quality project outcomes. In addition, there would be a lower rates impact with a staged scheme (albeit overall the rates impact is still small even for a full 1% scheme with a rate increase ranging from 0.04-0.09% as per the Table 2 above).

There would also need to be some operational money made available for maintenance of any new public art works associated with this scheme. It is estimated by staff that based upon current experience with public artwork typically about 2-4% of the cost of an artwork will be required for annual maintenance (thus for a \$100,000 capital artwork an annual operating cost of \$2,000-\$4,000 will be required annually for maintenance). Thus, staff recommend that an operational budget provision of 3% of the capital artworks budget be made.

It is assumed that project management costs for placement of the art works would come from the capital budget provision.

Finally, as discussed at the seminar, to give focus and experience with implementation staff recommend if adopted this percent for art scheme funding be applied for 2003/04 and 2005/06 to the following trial projects:

- New Brighton redevelopment,
- Aranui and Wainoni Park development,
- Turners and Growers site redevelopment,
- City Mall redevelopment.

If the Committee supports this concept, a report/submission will need to go to the Annual Plan Subcommittee for its consideration for the 2003/04 Annual Plan.

Staff

Recommendation: That the Annual Plan Subcommittee give favourable consideration to adopting the following Percent for Art Scheme:

1. A staged percent for art scheme over the next three years with the following percent for art of total Council Capital budget of:
 - (a) 0.25% for 2003/04, equivalent to a capital cost of \$250,000
 - (b) 0.5% for 2004/05 equivalent to a capital cost of \$500,000
 - (c) 1% for 2005/06 and beyond equivalent to a capital cost of \$1,000,000

2. An annual operational budget to support maintenance of the “percent for art scheme” equivalent to 3% of the percent for art capital budget. Thus as per capital budget recommendations in 1 above the following 3% equivalent maintenance budget would be required:
 - (a) \$7,500 for 2003/04
 - (b) \$15,000 for 2004/05
 - (c) \$30,000 for 2005/06 and beyond
3. That the allocations for 2003/04 and 2004/05 be utilised for the following ‘trial’ projects: New Brighton redevelopment, Aranui and Wainoni Park redevelopment, Turners and Growers site redevelopment, City Mall redevelopment.

**Chairman’s
Recommendation:** For discussion.