

Arts Centre in Charlotte, N.C., is to be incorporated in a \$300.0 million mixed-use development at the centre of the downtown. The project, which now is in the planning and design stage, will include a 350-room hotel, 50-story office building with 1 million square feet, 80,000 sq.ft. of retail space, a 2,000-seat concert theatre and a 600-seat drama theatre.

The project is a joint venture by the National Bank of North Carolina and Charter Properties, Inc. Land for the Performing Arts Centre is to be donated by the developers — a donation of \$5.0 million. The City of Charlotte will contribute \$15.0 million, and the remaining \$20.0 million for the \$35.0 million performing arts centre will be provided by the local business community, private individuals, and a special appropriation by the State legislature. Joint use of such amenities as hotel lobbies and building services will reduce the cost of constructing and operating the Performing Arts Centre, and it will also help serve the convention and conference needs of the hotel.

3. In 1983, in Montreal, the Cadillac Fairview Corporation proposed to incorporate a new 2,600-seat symphony concert hall for the Montreal Symphony as part of a \$130.0 million mixed-use development which would have included retail stores, on McGill College Avenue.

The arrangement was that Cadillac Fairview would provide the land and pay for the construction of the walls and roof of the concert hall unit; that the Province of Quebec would in turn commit the sum of \$30.0 million to build and equip the concert hall and its ancillary backstage and public spaces.

A final example is, perhaps, especially relevant to the need for more small theatres in Metro Toronto. I would suggest that Metro performing organizations take note and act accordingly, nudging municipal governments to assist them.

4. In 1986, in Washington, D.C., the Pennsylvania Avenue Development Corporation, a unique Federal Agency with responsibility for the redevelopment of the Pennsylvania Avenue area between the White House and The Capitol, called for developer proposals for the redevelopment of the 62,000 sq.ft. former Lansburgh's Department Store site. Developers were invited to submit proposals for a mixed-use real estate development which would incorporate, as a minimum: 225 high quality residential units for rent or sale; 20,000 sq.ft. of street level retail space including commercial art galleries or craft stores, and showcase windows for special art exhibits; 250 below-grade parking spaces; and 28,000 sq.ft. of performing and visual arts space for use by community groups. The selected developer was offered the option of either purchasing the site for \$10.0 million or leasing it. Purchase or lease terms would be reduced in exchange for

the developer providing more than the minimum space mandated.

The selected developer, The Gunwyn Co. of Boston, offered to construct a \$66.0 million project which would include 370 dwelling units, with a swimming pool thrown in; 34,000 sq.ft. of arts space including a cafe; and 30,000 sq.ft. of arts space including a 199-seat theatre and a 400-seat theatre. In addition, Gunwyn promised a \$1.0 million endowment toward the cost of the management of the Arts Centre. Minimum rents will be charged arts groups, just sufficient to pay operating and utility expenses.

If municipal governments in Metro Toronto were to encourage real estate developers to incorporate arts facilities in some major projects in return for development bonuses and abatements, this would lead to more small theatres and galleries being constructed at considerably reduced cost to both government and arts organizations.

Other innovative methods of financing arts facilities, that are used successfully in the U.S. and should now be seriously pursued in Canada are available, although they would require enabling legislation by provincial governments.

1. The imposition in selected cities of a special hotel/motel occupancy, or room tax, the proceeds of which would go to supporting the arts and tourism in those cities, to supplement government funding from general revenues and from government agencies. This tax is virtually painless to residents as it is paid largely by business visitors and tourists who usually have little objection to paying hotel taxes and indeed benefit themselves from the tax. This tax, which is often 2% in many U.S. states, contributes annually many millions of dollars to the arts, often in a 50/50 split with tourism. In Canada it is totally unknown. In the U.S., hotel/motel taxes normally range from 8% to 12%. In Ontario the tax is 6%. An additional 2% added, say, in Metro's municipalities, would bring millions of dollars in additional funding to the arts, and could be of significant help to Metro's major arts organizations and institutions. I can see no reason whatsoever why it should not be applied in Toronto. Of course it would be hotly debated.

In the U.S. the new \$52.0 million Tampa Centre for the Performing Arts, for which I led the planning team, opens in September 1987 and will receive \$500,000 annually from Hillsborough County's hotel/motel tax revenues. In a smaller city where I am involved — Addison, Texas, a town within Metropolitan Dallas — hotel/motel tax revenues are currently running at \$1.5 million annually, with \$100,000 going to their 99-seat Addison Centre Theatre. Soon they will embark on a plan to build a new Addison Theatre Centre which will be funded almost entirely from the hotel/motel tax. In San Francisco and

Houston, hotel/motel tax revenues are a major source of the funding for arts organizations.

2. Although it would be considered very revolutionary in Canada, in the U.S. it is not uncommon to find local sales taxes being raised half a cent or a cent for a limited period to pay for the construction of public assembly facilities including performing arts centres. Of course this too requires enabling legislation by state governments, and very often a referendum of voters. The City of Charlotte intends to raise its \$15.0 million toward the new Performing Arts Centre by raising the city sales tax by .05% for a limited period. The new Kentucky Performing Arts Centre in Louisville was partly financed in this manner. So why not in Canada?

As a Canadian active in arts facility development in Canada and the U.S., I will make some comments about our two countries and the arts and their financing. The arts are basically all about feelings and ideas — strong passionate feelings and creative ideas. It is up to those of us who are trained in and committed to the arts to, above all, be passionate if the arts are to grow and bloom. In Canada we tend to sit back and expect governments to take the lead and provide the creative solutions to the problems which we are far better equipped to solve through sheer imagination and commitment. Governments are created to respond to the demands of their citizens and are not particularly good at providing entrepreneurial leadership. In Canada we have become too dependent on government to solve all our problems. Metro Toronto will never get more small theatres by looking to government to provide them. Nor will enabling legislation for a hotel/motel tax to support the arts and tourism in selected Ontario cities ever be passed without a strong lobbying effort by arts organizations.

In the U.S., it has been the passion of arts organizations and the arts lobby that has caused state and local governments to pass legislation in support of the arts. City Councils and governments can no longer risk not listening to or paying attention to the strong arts constituency. At the same time they have come to recognize the importance of the arts in their communities and what they contribute to society, and the many benefits they bring to the community.

The kinds of initiatives I am advocating can save governments and arts organizations and institutions millions of dollars and are totally relevant and applicable to Canada. These types of initiatives represent a quantum leap forward for the arts in opening up a whole realm of new possibilities without any need for additional government funding. Only a shift in thinking is required by arts organizations, governments and their agencies. And, I am not prepared to accept the all-too-often Canadian response: "But, it wouldn't work here", because I know it can work and is working elsewhere. I believe we must now passionately investigate these new alternatives.