

## **COMMITTEE OF THE WHOLE – MARCH 3, 2008**

### **VAUGHAN ART GALLERY AND MUSEUM**

#### **Recommendation**

Councillor Tony Carella recommends that:

Council authorize Councillor Tony Carella to commence discussions with the Deputy City Manager/Commissioner of Finance, the Commissioner of Community Services, and the Commissioner of Legal & Administrative Services/City Solicitor, to determine the feasibility, in principle, of the City of Vaughan establishing the *Vaughan Art Gallery and Museum*, based on the following framework of assumptions:

1. That the City of Vaughan would agree to accept the gift (or in some cases the long-term loan) of several collections of Canadian art (sculptures and paintings) from a number of prospective donors who wish to remain anonymous at this time, in return for (in the case of gifts only) a receipt suitable for tax purposes; and
2. That the City of Vaughan, having accepted these gifts, would agree to ensure their proper storage between the actual receipt of the gifts/loaned items and their being housed on a permanent or long-term loan basis in a location that meets Canadian museum/gallery standards and is open to the public for their viewing of said collections; and
3. That the permanent home of the gifts/loaned items would be within, adjacent to, or near the new city hall; and
4. That the responsibility for the operation of the art gallery and museum housing the City's collection would be vested in a not-for-profit corporation with a board of directors composed of representatives of the Vaughan arts community, the general public, and the Council of the City of Vaughan; and
5. That the aforesaid corporation would be responsible for creating an on-going basis for meeting its own financial requirements, including grants from but not limited to the federal and provincial governments, private foundations, fees, cash or in kind donations and the proceeds of fundraising activities; and
6. That the agent of the prospective donors would be party to said discussions when appropriate; and
7. That this matter would be considered in light of the forthcoming Recreational and Cultural Master Plan

#### **Economic Impact**

Nil

#### **Purpose**

To explore the feasibility of the City of Vaughan accepting the donation of a number of collections of Canadian art which may form the basis for the development of a *Vaughan Art Gallery and Museum*

## **Communication Plan**

As the recommendation is for approval in principle only of a feasibility study based on a number of assumptions, a communication plan would be premature.

## **Background – Analysis and Options**

Councillor Carella was recently approached by the agent for several collectors of Canadian art (paintings and sculptures) who have agreed in principle to the donation or long-term loan of a number of items from their collections to the City of Vaughan. The first collection---of approximately one hundred pieces of Inuit sculpture and a dozen paintings depicting the Canadian Arctic (that may serve as a backdrop to a display of such sculptures)---is owned by three individuals, and has an estimated (though not formally appraised) value of \$500,000. A second collection, of approximately 130 paintings, mostly of Vaughan scenes from approximately fifty years ago, also has an estimated value of \$500,000. The value of a third collection---of paintings by a contemporary of the Group of Seven, including pre-World War II locations in the City of Vaughan---has not yet been estimated.

The donors seek two things:

1. Income tax receipts reflecting the fair market value of donated items from their collections as established by an independent appraiser(s), and as required by the Canada Customs and Revenue Agency, and
2. Contractual assurances that within five years of the execution of an agreement between the various donors and the City of Vaughan (or as may otherwise be stipulated in any agreement), the collections will be permanently housed (or in some cases displayed on a long-term loan basis) in a climate-controlled space within, adjacent to, or reasonably near the new city hall.

The size of any collection is the primary determinant of the amount of space needed, particularly if the expectation is that the entire collection will be on display all of the time. As well, most galleries and museums allot a portion of their space to traveling exhibitions, museum/gallery programming, a gift shop, a restaurant, etc. Thus, the first issue is to determine the area required for a museum/gallery that can accommodate the collections, and then where such space might be found to accommodate a facility of the required size.

While there may be some excess space within the new city hall, to accommodate future requirements, it is an unlikely location for a museum/gallery. Two other buildings proposed for the new civic square---a branch of the Vaughan Public Library south of the axial reflecting pool running from the new city hall to Beaverbrook House, and a third building to be sited between the axial pool and Major Mackenzie Drive---may be able to accommodate a museum/gallery. If either of these locations is to serve that purpose, additional information will have to be gathered as to their proposed capacities, and whether those capacities could be augmented to accommodate a museum/gallery, if necessary.

While the new library is to be a capital item in the city's budget, the financing of the third building is not yet determined. This situation may afford the opportunity for some creative solution in respect of the museum/gallery, in terms of private or private/public funding for the building which might accommodate a number of public agencies convenient to the residents of Vaughan (e.g., a court house, York Region offices), and quite possibly, the "Vaughan Art Gallery and Museum", on one or two floors.

**Regional Implications**

Nil

**Relationship to Vaughan Vision 2007**

This report is consistent with the priorities previously set by Council and the necessary resources have been allocated and approved.

**Conclusion**

Councillor Carella seeks Council's approval to address the opportunity posed by the gift collections described above with the assistance of appropriate staff.

**Attachments**

Information in respect of art donations v. extended loans; appraisals.

**Report prepared by:**

Councillor Tony Carella

Respectfully submitted,

Tony Carella  
Councillor – Ward 2

### **Art Donation versus Extended Loan**

An art donation is considered a gift. It is accompanied by a notarized document (Deed of Gift) laying out a consensus ad idem: the willingness of one party to give and another to receive. This is a contract where the free transfer of work is immediate and irrevocable. The legal title to the work is transferred to a Gallery. Gifts are tax deductible. Galleries usually do not accept restrictions or special conditions placed on gifts other than donor recognition (i.e. no exhibit commitments are made for any specific periods of time.)

If a donor(s) wishes to retain title to art offered to and accepted by a Gallery - then that art is considered an "adjunct" to the Gallery's Permanent Collection and processed as an "extended loan" and not a donation. In this case, it would be understood by the Gallery that it is the donor's intent to turn all rights and title in the art work over to the Gallery at some future point and formal agreement to this end would be entered into prior to acceptance of the loan. Extended loans are not tax deductible as they are not gifted as donations.

► Perhaps the donor(s) would be interested in donating a portion of the collection and or/offering a portion to the Gallery on extended loan? A donation is the only real way for the donor(s) to ensure his/her name is attached to the collection in perpetuity via donor recognition.

► Perhaps the donor(s) would be interested in offering a portion of his/her collection up for sale to be purchased through the financial support of third party who legally agrees to donate it to the Gallery (we would have to check the legal provisions under sponsorship). In such a case, the donor(s) would be "selling" it to this third party who would in fact donate it to the Gallery and be eligible to receive the tax deduction along with the donor acknowledgement. The sellers name however would not be associated with the collection in this instance, as he/she would profit financially from the sale. That said though, such a plan would make provision for the collection (or a part thereof) to be housed and paid homage in a recognized institution while the donor receives some income.

► It all depends on whether the donor(s) wishes to realize an income from the sale of the collection or if he cares more about donor acknowledgement. The donor(s) could reap financial gain and donor recognition both at the same time if he/she were to sell only a portion of the collection to a third party who was willing to donate the work to the Gallery for a tax deduction; and could also be acknowledged as a donor if he/she were to donate some works and or offer them to the Gallery on extended loan.

### **Appraisals**

Art donations accepted by public galleries must be accompanied by independent appraisals unless their fair market value rests at under \$1,000 – in which case curatorial staff is deemed eligible to make such assignment. Galleries usually expect donors to absorb the costs associated with securing independent appraisals (but other provisions can be made apart of the agreement with the donor – i.e. the third party donor absorbs the cost – or donates the money to the Gallery for a tax receipt).

The collection as well as any other up for consideration of course has to be able to meet the most basic acquisition criteria that would be established by a formal Collection Mandate. That said though, and for the sake of argument, to avoid the possibility of any "undesirable" acquisitions being placed up for consideration it should be stated from the very beginning that **all** art proposed for "acquisition" must meet three basic criteria:

**1. Relevance**

Individual works within the collection must support the Gallery's mission and fit within very specific collecting goals (which at this point is yet to be defined)

**2. Merit**

Art work must be exhibition worthy and/or be considered suitable for research and scholarly purposes.

**3. Condition**

Art work must be in reasonable condition and not require significant expense for treatment to make it relevant or have merit unless funds are pledged by a donor.