



**WRITTEN SUBMISSION FOR THE PRE-BUDGET  
CONSULTATIONS IN ADVANCE OF THE UPCOMING  
FEDERAL BUDGET**

**Submitted by:** Arts Commons

**AUGUST 7, 2020**

**Recommendation 1** – That the Government of Canada continue to support organizations most severely impacted by COVID-19 closures through the extension of Canada Emergency Wage Subsidy (CEWS) and the Canada Emergency Commercial Rent Assistance (CECRA) beyond the current commitments.

**Recommendation 2** – That the Government of Canada work closely with performing arts centers and other public venues that remain closed to ensure staff, artists and the community receive on-going support as the timing for re-opening of these facilities remains unknown.

**Recommendation 3** – That the Government of Canada work closely with Arts Commons to see the Arts Centre Transformation (ACT) project through to completion.

Arts Commons is one of the largest arts centers in Canada and within our facility we support six resident companies, including the Calgary Philharmonic Orchestra, Theatre Calgary and Alberta Theatre Projects. Arts Commons and our resident companies are key contributors to the social, economic, cultural and intellectual life and well-being of Calgarians.

**Recommendation 1 – That the Government of Canada continue to support organizations most severely impacted by COVID-19 closures through the extension of Canada Emergency Wage Subsidy (CEWS) and the Canada Emergency Commercial Rent Assistance (CECRA) beyond the current commitments.**

Arts and culture institutions are particularly vulnerable during this period as the bulk of our revenue generating capacity has been shut down. CEWS has provided the necessary support to keep people employed and contributing to both the economy and the survival of many arts organizations to date and on July 13, 2020, the federal government announced the extension of the CEWS program to December 2020.

While the December extension was a welcome announcement, unfortunately the new terms and conditions would negatively impact businesses in the arts and culture sector, many of whom will likely not see any revenue recovery until at least 2021. As announced, the "gradual reduction in the CEWS rate as revenues increase" will not apply to the majority of arts organizations whose doors remain closed for the foreseeable future. In fact, the combined CEWS rate will be reduced by 40%, from a maximum 85% for Period 6, to only a maximum 45% for Period 9, even though revenues will have not recovered. This leaves arts organizations with less support, and at greater risk to our very survival.

With many arts and culture organizations facing revenue losses in excess of 70% for the foreseeable future, maintaining a combined subsidy of 75% is essential. A gradual reduction of the subsidy could, however, begin once these organizations are able to safely reopen and resume operations but will go beyond the current timeline provided.

**Recommendation 2 – That the Government of Canada work closely with performing arts centers and other public venues that remain closed to ensure staff, artists and the community receive on-going support as the timing for re-opening of these facilities remains unknown.**

As the country begins to emerge, however gradually, the full recovery of the arts and culture sector, and of those who work within its supply chain, will not be possible without the infrastructure that our facilities provide. Without buildings to host events and concerts our artists, staff, agents, marketers, vendors, caterers, and fundraisers will be left out of work.

Research points to the arts and culture sector being one of the last to resume, thus taking longer to recover. The return to live performance may, in fact, take months or possibly years. Many arts organizations have needed to cancel their summer festivals and many performing organizations have decided to forgo their season in their entirety, or at least delay them until 2021. This is not only because of the uncertainty around how to manage reopening safely, but also because of the reduced capacity that would be required for social distancing, making reopening unviable from a financial perspective.

The Arts are an economic driver and are essential to economic recovery. In Calgary alone, arts organizations contributed \$128M to Alberta's GDP, supported almost 1,750 full-time-equivalent

jobs, and generated an estimated \$18.7M in revenues that were contributed directly to the Alberta government.

The Arts are also tied to mental wellness. Studies have found that engaging with the Arts alleviates anxiety, depression, and stress<sup>i</sup>. The Arts provide opportunities for people to come together in a setting that encourages personal interaction, promoting a sense of belonging and community. The Arts also offer a safe environment to express or reflect on difficult emotions.<sup>ii</sup> If there was ever a time that we needed to leverage all that we have at our disposal to ensure the wellbeing of our communities, the time would be now.

While government supports to date to help our organization have been appreciated, our primary goal is to return to delivering the high-quality art and culture experiences that Canadians have come to expect. While we are hopeful about 2021, there is still too much uncertainty, and realistically we do not expect operations to return to normal for two to three years. In order for arts and culture to be part of the lives of future generations, we must create a framework for its survival.

### **Recommendation 3 – That the Government of Canada work closely with Arts Commons to see the Arts Centre Transformation (ACT) project through to completion.**

On August 30, 2019, the former MP for Calgary Centre, Hon. Kent Hehr, publically announced the federal government's commitment to approve an \$80 million application to the Investing in Canada Infrastructure Program (ICIP) in support of Phase One of ACT.

As background, Arts Commons is the third largest arts centres in Canada, and for 34 years it has been a key contributor to the social, economic, cultural, and intellectual life and well-being of Calgarians and Albertans. Our success and the high usage of our facility has forced the facility to work much harder than the design originally intended, bringing all the major infrastructure to the end (and beyond) of lifecycle. As a result, ACT is envisioned to both expand capacity in an adjoining new building and renew the existing facility. Not only will this bring Arts Commons up to today's international standards for cultural centres and shine a light on Alberta's commitment to arts and culture—it would also create a more vibrant cultural ecosystem in which we can support more local artists and organizations, welcome more visitors to downtown Calgary, and create a more sustainable business model for all resident companies.

ACT comes in two phases. Phase 1 will convert an adjacent brownfield into 173,000 square feet of cultural space and support downtown residential development. Phase 1 will also house Arts Commons' resident companies while the current facility undergoes Phase 2, which will renew and transform the aging facility into a world-class arts, culture and public space for all Calgarians. In order to address these lifecycle issues, our organization has undertaken the Arts Commons Transformation (ACT) project. ACT addresses those lifecycle issues while creating new multipurpose venues that will respond to community priorities and market demand.

Calgary City Council has approved a funding strategy for the \$240 million Phase 1 of ACT, and we are humbled by The City of Calgary and Government of Alberta's collective confirmed contributions to date, together totaling \$160 million—thanks to a commitment of \$135 million from the Calgary Municipal Land Corporation's Community Revitalization Levy (CRL) and \$25 million from the Municipal Sustainability Initiative (MSI).

According to **Deloitte's 2019 Economic Contribution Analysis** of both phases of ACT, during construction an estimated \$424 million will be added to Alberta's GDP, 3,454 jobs will be

created that will generate \$263 million in labour income. Contributions to government revenues (taxes) as a direct result of construction is estimated to be \$30 million to the Government of Alberta.

We are ready to put Calgarians and Albertans to work by accelerating the job creations associated with ACT. Arts Commons, in collaboration with CMLC and The City of Calgary, have negotiated satisfactory terms that will permit the detailed design phase to begin in Q4 2020. Pending federal funding, construction of Phase One will begin in 2022, providing significant economic benefits during the COVID-19 economic recovery period.

We are particularly proud of the collective annual economic impact we have with our resident companies. According to Deloitte's 2019 Summary of Arts Commons Economic Contribution to Alberta's Economy, our collective annual operations contribute \$55 million in GDP, support 683 jobs (FTE), and generate \$5.5 million to government revenues.

Arts Commons has been contributing to the cultural and economic vibrancy of Alberta for decades. We are extremely proud of our local impact and global reputation. As all levels of Government continue their commitment to the wellbeing of Albertans during these challenging times, I respectfully request an opportunity to discuss with you how we can work together to ensure the Government of Canada fulfills its pledge so that Arts Commons can play a meaningful role in Canada's COVID-19 economic recovery and economic diversification strategy.

Arts Commons is requesting the support of the Government of Canada to ensure the successful completion of our funding strategy for Phase One of ACT by fulfilling its earlier pledge of providing \$80 million towards building one of the nation's most exciting cultural centres right here in Alberta.

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<sup>i</sup> <https://www.ucalgary.ca/news/brain-research-shows-arts-promote-mental-health>

<sup>ii</sup> <https://www.resetbrainandbody.com/blog/how-the-performing-arts-benefit-mental-health>