Agenda - Executive Policy Committee - May 7, 2008

Report - Standing Policy Committee on Protection and Community Services - April 28, 2008

Item No. 2 Donation of Leo Mol Sculptures to the City of Winnipeg
File PR-7.1

STANDING COMMITTEE RECOMMENDATION:

On April 28, 2008, the Standing Policy Committee on Protection and Community Services concurred in the recommendation of the Winnipeg Public Service, as amended, and submits the following to Council:

1. That the City of Winnipeg apply to the Canadian Cultural Property Export Review Board for Category 'B' Designation under the Cultural Property Export and Import Act with respect to 13 pieces of art offered as donation by Mr. Leo Mol.

2. That the City of Winnipeg accept the offer of Mr. Leo Mol to donate 13 sculptures upon confirmation of Category 'B' Designation under the Cultural Property Export and Import Act, and the offer of Leo Mol Garden Inc. to donate two sculptures also created by Leo Mol, all for display at the Leo Mol Sculpture Garden in Assiniboine Park.

3. That the Proper Officers of the City be authorized to do all things necessary, including completing Applications for Certification of Cultural Property, to meet requirements related to the acceptance of the donated gifts and the issuance of tax receipts.

Agenda - Executive Policy Committee - May 7, 2008

Report - Standing Policy Committee on Protection and Community Services - April 28, 2008

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On April 28, 2008, the Standing Policy Committee on Protection and Community Services concurred in the recommendation of the Winnipeg Public Service, as amended, namely:

- Add the following after the word "sculptures" in first line of Recommendation 2, namely:

  "upon confirmation of Category 'B' Designation under the Cultural Property Export and Import Act,"

and submitted the matter to the Executive Policy Committee and Council.

RE: Donation of Leo Mol Sculptures to the City of Winnipeg

FOR SUBMISSION TO:	Standing Policy Committee on Protection and Community Services
ORIGINAL REPORT SIGNED BY:	Clive Wightman, Director, Community Services Department
REPORT DATE:	April 9, 2008

RECOMMENDATIONS:

1. That the City of Winnipeg applies to the Canadian Cultural Property Export Review Board for Category 'B' Designation under the Cultural Property Export and Import Act with respect to 13 pieces of art offered as donation by Mr. Leo Mol.

2. That the City accepts the offer of Mr. Leo Mol to donate 13 sculptures and the offer of Leo Mol Garden Inc. to donate two sculptures also created by Leo Mol, all for display at the Leo Mol Sculpture Garden in Assiniboine Park.

3. That the proper officers of the City be authorized to do all things necessary, including completing Applications for Certification of Cultural Property, to meet requirements related to the acceptance of the donated gifts and the issuance of tax receipts.

Report Summary

Key Issues:

- Canada's Cultural Property Export and Import Act encourages and ensures the preservation in Canada of significant examples of its cultural, historical and scientific heritage. The Act provides special tax incentives to encourage Canadians to donate or sell important objects to public institutions in Canada.

- The Income Tax Act provides for an exemption of capital gains on *certified* cultural property that is donated to *designated* institutions or public authorities in Canada.

- The City of Winnipeg was designated as a Category 'B' public authority related to the works of art being donated for the Leo Mol Sculpture Garden in 1992. The designation was extended by the Government of Canada related to subsequent works by Leo Mol donated to the City of Winnipeg during the 1990's. A new application is required by the Cultural Property Export Review Board in relation to

the 13 works of art being donated by Leo Mol and for which the donor will seek a Cultural Property Income Tax Certificate.

- Two Leo Mol sculptures were purchased by private interests and donated to Leo Mol Sculpture Garden, Inc., the not-for-profit corporation that established and maintains the Leo Mol Garden in concert with the City of Winnipeg. Leo Mol Garden, Inc. is offering to donate these pieces to the City of Winnipeg. No tax receipts will be required or issued for these pieces.

- All 15 art pieces offered as donations to the City of Winnipeg are works by Leo Mol. All have been in place and on display at the Leo Mol Sculpture Garden in Assiniboine Park for several years.

Implications of the Recommendation(s):

General Implications

( ) None

(X) For the organization overall and/or for other departments

(X) For the community and/or organizations external to the City

( ) Involves a multi-year contract

Comment(s): Acceptance of the donations will result in issuance of tax receipts to Leo Mol. Ownership by the City of Winnipeg will ensure that the public will have continued access to these art works in the Leo Mol Sculpture Garden at Assiniboine Park.

Policy Implications

(X) No

( ) Yes

Comment(s):

Regulatory Implications

(X) None

( ) Eliminates or reduces regulatory impact

( ) Proposes regulatory impact

Comment(s):

Environmental Implications

(X) No

( ) Yes

Comment(s):

Human Resources Implications

(X) No

( ) Yes

Comment(s):

Financial Implications

(X) Within approved current and/or capital budget

( ) Current and/or capital budget adjustment required

Comment(s): Incidental and minor costs associated with application to the Federal Government for designation as a Category 'B' public authority are within approved budgets.
There are no costs associated with accepting the donations of art work by Leo Mol.

Report

REASON FOR THE REPORT:

Council approval is required for the City of Winnipeg to apply to the Canadian Cultural Property Export Review Board for Category 'B' Designation under the Cultural Property Export and Import Act.

The Standing Policy Committee on Protection and Community Services has the authority to accept donations designated for use in City parks.

HISTORY:

On June 12, 1991, the City entered into an Agreement with the artist, Leo Mol, wherein the City of Winnipeg agreed to develop an outdoor sculpture garden and indoor gallery at Assiniboine Park. In return, Leo Mol agreed to gift to the City an extensive collection of his sculptures and other art work.

Leo Mol Garden, Inc., was incorporated for the purpose of raising funds to assist in the construction and operation of the Sculpture Garden, and entered into an Agreement with the City on March 12, 1992, to operate and maintain the Garden for the enjoyment of the public.

As part of Council approvals regarding the Sculpture Garden, and under signature of the Mayor, the City applied to the Government of Canada for Category 'B' designation under the Cultural Property Export and Import Act. The designation was granted in 1992 and related exclusively to the proposed acquisition of a collection of sculptures and works of art for the Leo Mol Sculpture Garden and Gallery. The designation conferred legal status upon the City of Winnipeg to accept the donation and to apply to the Cultural Property Export Review Board for certification of the art pieces for tax purposes. Certification was approved and the donor received the appropriate tax receipts.

The Leo Mol Sculpture Garden was expanded (Phases ll and lll) under two subsequent agreements between the City of Winnipeg and Leo Mol Garden, Inc. in October, 1994 and January, 2004. The Government of Canada extended the designation of the City of Winnipeg as a Category 'B' public authority with respect to subsequent donations of works by Leo Mol donated to the City during the 1990's.

DISCUSSION:

Thirteen bronze sculptures and two terra-cotta sculptures, all produced by Leo Mol and all on display in the Leo Mol Sculpture Garden, have not yet been donated to the City of Winnipeg. Leo Mol owns 13 of the sculptures, 12 bronze and one terra-cotta, which he is offering to donate to the City of Winnipeg. In return, Mr. Mol expects to receive a Cultural Property Income Tax Certificate issued under the Income Tax Act. In order for issuance of such a receipt, the Cultural Property Export and Import Act requires that a public authority be designated at the time that cultural property is certified by the Canadian Cultural Property Export Review Board.

Leo Mol Garden, Inc. (Partners in the Park) staff has completed all requisite detailed documentation and work necessary for application to the Government of Canada. As

owners of the Leo Mol Sculpture Garden, application must be made by the City of Winnipeg. Once designation has been conferred upon the City, it will be in a legal position to accept the donation from Mr. Mol. Partners in the Park have also completed work required for the subsequent step in the process, having prepared the necessary documentation for the City to then apply for Certification of Cultural Property for each of the 13 pieces donated by Leo Mol.

Two sculptures, one bronze and one terra-cotta, were purchased by private interests from artist Leo Mol and donated to Leo Mol Garden, Inc. for display in the Leo Mol Sculpture Garden. In turn, Leo Mol Garden, Inc. is donating the pieces to the City of Winnipeg to become part of the permanent collection at Leo Mol Sculpture Garden. No tax receipts will be required or issued for this donation from a non-profit corporation to the City of Winnipeg.

Upon acceptance of the donated art works, the City of Winnipeg will own a total of 305 Leo Mol sculptures, ceramics, terra cotta works, oils, pastels and drawings on permanent and free-of-charge display at the Leo Mol Sculpture Garden and Gallery in Assiniboine Park.

Financial Impact Statement — Date: April 10, 2008

Project Name: **First Year of Program** **2008**

Donation of Leo Mol Sculptures to the City of Winnipeg

	2008	2009	2010	2011	2012
Capital					
Capital Expenditures Required					
Less: Existing Budgeted Costs					
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal					
Debt - External					
Grants (Enter Description Here)					
Reserves, Equity, Surplus					
Other - Enter Description Here					
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 900				
Less: Incremental Revenue/Recovery					
Net Cost/(Benefit)	$ 900	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	900				
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Incidental and minor costs associated with application to the Federal Government for designation are within approved budgets.

There are no costs associated with accepting the donations of art work by Leo Mol.

original signed by

Cindy Fernandes, Manager
Finance and Administrative Services

IN PREPARING THIS REPORT THERE WAS:

Internal Consultation With and Concurrence By:
Internal Services Department, Legal Services Division

External Consultation With:
Partners in the Park / Leo Mol Garden, Inc.

THIS REPORT SUBMITTED BY:

Community Services Department
Assiniboine Park Enterprise Division
Prepared by: Frank Caldwell, Manager, Assiniboine Park Enterprise
File No.