Appeal to City Hall for Entertainment Tax Exemption

REQUEST:

1. That Council recommend that all of VCI's concerts be exempt from the entertainment tax, at least for the 2005-06 season.

2. That Council recommend that redressment of a recent tax payment of $4,736.31 for 2004-05 be made to VCI, as requested in my letter of March 9th to Wayne Gulenchyn.

The grounds for both requests are as follows:

1. VCI can demonstrate that for 25 years, its mandate has been the creation of performance opportunities for Winnipeg musicians.

2. Over 60% of the musicians employed by VCI have been Winnipeggers over all VCI programs, on a regular basis, for 25 years.

3. These facts were fully recognized when VCI was first granted the amusement tax exemption several years ago. We are thus seeking renewal of the exemption on the same grounds.

Background on VCI

a) The majority of the Winnipeg musicians were presented on our Music-at-Noon series established in 1980, and on the Skywalk Concert & Lecture series established in 1990 at the Winnipeg Centennial Library. Both series are free-admission and serve a cultural outreach and community service function complementing that of VCI's major stakeholder, the University of Winnipeg. On the Skywalk series, there have been over 500 events, over 25, 000 patrons served, and hundreds of Winnipeg musicians employed since 1990.

b) In 1991, the Virtuosi Concerts series was established, co-presented by CBC and U of W, and produced by VCI. It features 8 chamber music concerts, all recorded for national broadcast on CBC FM, and internationally, on the internet, thus contributing to the enhancement of Winnipeg's national and international cultural profile. This is VCI's major ticket revenue series and helps to fund the other series featuring Winnipeg artists.

   The mandate of the Virtuosi series is to present the top Canadian artists and to include as many Winnipeg artists as feasible—i.e., those with an acknowledged national or international reputation or with a career in clear ascendancy. Ticket prices are comparable to similar concerts in other centres across Canada, where there is no entertainment tax to discourage attendance.

It is beneficial to Winnipeg artists to be affiliated with a series like Virtuosi Concerts which also features major stars from the outside. Parochialism does little good for an artist's career. The 60% local content rule, if strictly applied to the series would completely dilute the professional value of performing in a concert on this series!! Thus, an appearance the Virtuosi Concerts series has come to be acknowledged as a major positive element of a musician's resumé.

THUS: A close reading of the Entertainment Funding By-Law clearly indicates to me the following:

1. That Council can readily recognize that VCI's global mandate typically results in well over 60% of the musicians employed by VCI satisfying the local content requirement overall.

2. That Council should support VCI's argument that it is unfair and counter-productive to examine the local content requirement on a concert-by-concert basis, or on a series-by-series basis. *As was done at the time of the previous VCI exemption, Council should recommend that VCI's overall programming be examined to ensure that the 60% local content requirement is met overall.*

3. That Council should be guided directly by the Entertainment Funding By-Law, Schedule B, Clause 4 and Clause 5a, on P. 22:

    a) Where a separate VCI event may be seen to have limited local content, Council should consider that "the limited local content will complement and enhance the ability of the organization to produce entertainment and attract a broad audience."

    b) And further to Clause 2e: VCI renders a service to the downtown community and is of general benefit to the community as a whole, and the net revenues are used to further VCI's purpose of creating performance opportunities for Winnipeg musicians, on one series or another!.

4. Concerning the March 9 request for redressment of some $4700 to VCI for the 2004-05 season:
   Council should recommend either:
    a) that the exemption be applied retroactively, or
    b) that the prior exemption continue through 2004-05, as per VCI understandings that the exemption was still in effect.

   In the 2004-05 season, we suffered a rare shortfall of Winnipeg musicians overall due to the closure of the Winnipeg Centennial Library and the consequent suspension of the Skywalk series. The 20-concert Skywalk series would easily have resulted in VCI meeting the 60% local content requirement overall. It is an unfair penalty for the tax to be suddenly applied retroactively as it was because of a temporary disruption of our mandate through no fault of our own. A more detailed argument is provided in my letter of March 9th wherein I charge that this retroactive tax assessment ignores VCI's obvious historical commitment to Winnipeg artists, and that it was assessed only on the narrowest

of legalistic terms without regard for the damage to VCI's ability to continue to carry out its mandate—a mandate consistent with the underlying purpose of the Entertainment Funding By-Law—to encourage the employment of Winnipeg musicians.