

**7.1 Aigantighe Art Gallery House Project - Interim Progress Report September 2020****Author:** Hamish Pettengell, Exhibition Curator/Project Manager**Authoriser:** Symon Leggett, Group Manager People and Digital**Recommendation**

That the Community Services Committee make the following recommendations to Council:

- Proceed with the House Gallery Project as agreed in the 2018-28 Long Term Plan and subject to meeting the subsidy funding milestones defined in the feasibility study; and
- Approve the use of depreciation funds to the House Gallery Project and an additional budget of \$100,000 be included in the draft Long Term Plan 2021 – 2031 to meet a 1/3 of the project cost; and
- Approve the project team to prepare applications for subsidy funding as outlined in the feasibility study and required for the House Gallery Project; and
- That Council progress the inclusion in the Long Term Plan 2021-2031 (for consultation) options 4, 5 and 6 of the feasibility study for the 1978/1995 extensions of the Aigantighe Art Gallery; and
- Proceed with concept designs and rough order costings for the 1978/1995 extensions of the Aigantighe Art Gallery for the purpose of preparing and as applicable consulting on the Long Term Plan 2021-2031.

**Purpose of Report**

- 1 The purpose of this report is to present the Community Services Committee with an interim progress report on the project to undertake strengthening of the Historic House component of the Aigantighe Art Gallery (House Gallery) and inform the Long Term Plan consultation options.

**Assessment of Significance**

- 2 Any decisions by the Council to advance the House Gallery Project is in keeping with the decisions of the Long Term Plan 2018-28 and the Annual Plan 2020/21 and not considered to be a significant decision in terms of the Council's Policy on Determining Significance.
- 3 The recommendation to consult through the Long Term Plan 2021-2031 the options for the 1978/1995 extensions of the Aigantighe Art Gallery is also seen as appropriate in terms of the Council's Policy on Determining Significance.

**Background**

Below is a high level overview of the projects progress to date:

- 4 Following the Building (Earthquake-prone Buildings) Amendment Act 2016 an initial seismic assessment (ISA) of the House Gallery found the building structure was 10% of New Building Standards (NBS) and is of very high seismic risk relative to a new building.

- 5 March 2017, due to the outcomes of the seismic assessment the Timaru District Council decided to close the House Gallery to ensure public and staff safety. All artworks displayed in the House Gallery were placed in storage.
- 6 May 2017, a detailed seismic assessment (DSA) was undertaken of the 1978 and 1995 extension of the Gallery. The findings of the DSA found the 1978 extension was 60% of NBS and is of medium seismic risk. The 1995 extension was found to be 80% of NBS and is of low seismic risk.
- 7 The DSA report highlighted issues with the seismic gap between the hexagonal gallery and the original House Gallery, plane loading of the main gallery and bracing of the hexagonal gallery structure.
- 8 August 2017, a design features report for the House Gallery was completed and a rough order of costs was provided based on this report.
- 9 In 2018 through the Long Term Plan process, the Council allocated \$600k in the 2019/2020 financial year to complete the strengthening of the House Gallery.
- 10 August 2019, the Gallery presented to Council an indicative project plan for the House Gallery Project and a terms of information for a Governance Group to provide oversight of the House Gallery Project.
- 11 August 2019, a draft detailed design for the House Gallery was completed. But due to the evolving complexities of the project and following further investigations, the decision was made not to progress with the draft detailed design as proposed. The Gallery believes it is prudent to undertake a new and more specialist approach to the project.
- 12 August 2019, a geotechnical investigation of the site was undertaken to confirm the foundation bearing capacities. This included consideration of the topographic features of the site, and suitable testing of the ground conditions. The results from the investigation were positive overall.
- 13 September 2019, the Gallery engaged Ian Bowman (a specialist heritage architect, historian and chairperson of International Council on Monuments and Sites, New Zealand) to draft a Heritage Assessment for the House Gallery - a compulsory requirement for the resource consent needed to undertake the House Gallery works.
- 14 October/November 2019, entered into discussions with the recommended Architect and Structural Engineer to ascertain their availability, but due to their existing workloads and the pending summer holiday period they were unable to commence until early 2020.
- 15 On 20 February 2020 the Project Team provided a tour of the House Gallery for councillors. In attendance was Mayor Bowen, Councillor Booth, Councillor Gilchrist and Councillor Piddington. The tour provided an opportunity to discuss the project and highlight some of the complexities facing the project. This resulted in a robust discussion about the project, its scope and potential costs. The tour also highlighted some of the issues with the 1978 and 1995 gallery extensions. Some of these issues include:
  - The design of the roof in the 1978 extension has issues with water ingress and needs replacement.
  - A lack of storage for the permanent collection.
  - Limited temperature and humidity control in the storage areas, impacting on the long term preservation of the collection.
  - Limited temperature and humidity control in the exhibition spaces that is not fit for purpose and limits exhibition loans.
  - The public bathroom has no disability access and does not meet current building standards.

- The loading bay has restricted access and hinders Gallery operations.
  - No dedicated workshop to prepare exhibitions.
  - No dedicated workshop for the care and conservation of the collection.
  - The entrance provides restrictive access.
  - No dedicated education/community space for the delivery of educational and public programmes.
  - Minor structural issues have been observed in the 1978 extension and associated saturated soils around the foundations that requires further investigation.
- 16 Overall the 1978 and 1995 gallery extensions hinders Gallery operations and no longer meets the needs of the community.
- 17 As a result of the tour it was suggested a more holistic approach should be considered for the project. An approach that considers the Gallery as a whole and not just the strengthening of the House Gallery as agreed in the 2018 - 2028 Long Term Plan.
- 18 Following the tour on February 21, 2020, the Timaru District Council Chief Executive implemented a pause on the procurement for the project.



Fig. 1 Aerial view of the Aigantighe Art Gallery

### Feasibility Study

- 19 Due to the pause on procurement, discussions with key stakeholders and the identified issues with the 1978 and 1995 extensions, Giblin Group was engaged to undertake a feasibility study of the Gallery facility.
- 20 The purpose of the feasibility study was to investigate a number of key areas including the strengthening options and costs of the House Gallery; an assessment of the overall suitability of the current facility to deliver operations; feasible options to improve service delivery; and the social and economic impacts of the project. The feasibility study is a global investigation of the Gallery facility that helps inform decisions around the House Gallery Project and future options to address the issues facing the 1978 and 1995 Gallery extensions.
- 21 A feasibility study has been received from Giblin Group and states the project to earthquake-strengthen and restore the House Gallery is found to be feasible based on the information supplied by the Aigantighe Art Gallery and Timaru District Council. Also subject to the successful implementation of a funding strategy and the appointment of qualified professionals to form a design/project team.
- 22 The feasibility study also noted that the Gallery stakeholders were overwhelmingly supportive of the Aigantighe Art Gallery remaining onsite with restoration of the House Gallery of the highest importance, followed by improvements to the 1978 gallery and 1995 storage extensions.
- 23 The feasibility study confirms that the Heritage Hub provides temporary exhibition space for the Art Gallery and Museum.
- 24 The draft feasibility study is provided in **Attachment 1** for the Council's reference.

### Architectural Design

- 25 To inform the feasibility study the Gallery engaged architect, Andrew Irving of Irving Smith Architects (ISA) and Ian Bowman (Heritage Advisor) on a time/cost basis to visit the site for a design-scoping workshop.
- 26 On 17 July 2020 Andrew Irving and Ian Bowman were onsite and met with the project team. As a result, the architect has produced separate scoping documents for the House Gallery and the 1978/1995 extensions.
- 27 One of the key findings from the scoping document for the House Gallery is the House building is in good condition for its age and well-constructed. It is therefore feasible to undertake the proposed earthquake strengthening and restoration works.
- 28 For the scoping document for the 1978/1995 extensions, the Gallery provided a brief outline of future facility requirements and a schedule of spaces. The schedule of spaces showed the Gallery has a current floor area of 723.56m<sup>2</sup>. Based on the future needs of the Gallery and comparative institutions it is estimated the Gallery will need an estimated floor area of 1200-1300m<sup>2</sup>. This information was used to test if the current site could be expanded to accommodate the future needs of the Gallery and the community
- 29 One of the key findings from the scoping documents for the 1978/1995 extensions is the Gallery's space requirements can be met within the constraints of the current site with the addition of a partial second level. A floor area of an estimated 1230 - 1330 square metres can be achieved with the inclusion of the House Gallery and without encroaching further into the garden at the North, or going closer to the eastern neighbouring property
- 30 The scoping document assumed a new building would replace the 1978/1995 and retaining the House Gallery. Further investigations are required to ascertain if the existing 1978 extension can

be retained and retrofitted into a new building to meet the Gallery's future needs. This option would be explored through the development of concept designs for the 1978/1995 extensions.

- 31 The future gallery requirements and schedule of spaces is provided in **Attachment 2** for the Council's reference.
- 32 The scoping documents for the House Gallery and the 1978/1995 extensions received from Irving Smith Architects are provided in **Attachment 3** for the Council's reference.

### **Structural Design**

- 33 Due to prior commitments the structural engineer, Dunning Thornton Consultants, (as recommended by the Heritage Advisor), were unable to attend the design-scoping workshop held on 17 July 2020 with the Project Team. However, the structural engineer has completed a desktop study of existing project documentation and the seismic strengthening options for the House Gallery. With feedback from the architect, it is has been recommended that it's feasible to review and revise the existing plans and produce suitable documents for the project.

**Options**

34 Through the feasibility study Giblin Group considered a number of possible options for the future of the House Gallery and the 1978/1995 extensions.

35 A summary of the possible options that have been analysed with indicative project costs are as follows:

	<b>Option</b>	<b>Option Discussion</b>	<b>Indicative project cost (for planning purposes only)</b>
1	Do nothing	<p>This option has been eliminated for the following reasons:</p> <ul style="list-style-type: none"> <li>• It does not address the issues or fulfil the identified needs of the Gallery, its users and staff or allow for the future needs of the community.</li> <li>• The issues around the House Gallery building structure are serious, and if nothing is done, the house would fall into ruin and would still need to be addressed.</li> </ul>	
2	Demolish House - maintain extension as is	<p>This option has been eliminated for the following reasons:</p> <ul style="list-style-type: none"> <li>• It does not address the issues or fulfil the identified needs of the Gallery, its users and staff, or allow for the future needs of the community to be met.</li> <li>• Stakeholders have stated they want the House Gallery to remain and vocally submitted to Council on their views.</li> <li>• The House Gallery is a heritage listed building and Heritage New Zealand are an affected party, who may oppose demolishing the House Gallery.</li> <li>• The original family who gifted the House may also oppose demolishing the House Gallery.</li> </ul>	
3	Earthquake Strengthen and restore House only - maintain extension as is	<p>This option has been eliminated for the following reasons:</p> <ul style="list-style-type: none"> <li>• It does not address the issues or fulfil the identified needs of the Gallery, its users and staff or allow for the future needs of the community to be met.</li> </ul>	\$3.0 -3.3m

		<ul style="list-style-type: none"> <li>• Would not address the identified issues with the 1978 extension and these would still need to be addressed in the near future.</li> </ul>	
4	Earthquake strengthen and restore House - maintain extension as is and develop an offsite storage facility	<p>This option is seen as feasible</p> <ul style="list-style-type: none"> <li>• This option would address the issues with the House Gallery and the current lack of collection storage.</li> <li>• The extension would still require refurbishment to fulfil some of the identified needs of the Gallery, and its users.</li> <li>• The identified issues with the 1978 extension would still need to be addressed in the near future.</li> </ul>	<p>\$3.0 -3.3m (House Gallery) Further cost investigations are required for the development of an offsite storage facility</p>
5	Earthquake strengthen and restore House with a partial refurbishment of the extension to address public amenities and workspaces and develop offsite storage facility	<p>This option is seen as feasible</p> <ul style="list-style-type: none"> <li>• This option would address the issues with the House, the current lack of storage and would partially meet some of the identified needs of the Gallery, and its users.</li> <li>• This option would not fully meet the identified future needs of the Gallery, the community and its users</li> </ul>	<p>\$3.0 -3.3m (House Gallery) Further cost investigations are required for the development of an offsite storage facility and refurbishment of the extension</p>
6	Earthquake strengthen and restore House – full redevelopment of the extension to include spaces for education creativity and more exhibition space. Consider developing offsite storage facility	<p>This option is seen as feasible</p> <ul style="list-style-type: none"> <li>• This option would fully meet the identified needs of the Gallery, its users and staff or allow for the future needs of the community.</li> <li>• Consider developing offsite storage facility to enable greater capacity of the site</li> </ul>	<p>\$3.0 -3.3m (House Gallery) \$5.5-\$6 .5m (Rebuild of the 1978 and 1995 extensions)</p>
7	Demolish existing buildings. Build new purpose-built gallery on the current site	<p>This option has been eliminated for the following reasons:</p> <ul style="list-style-type: none"> <li>• Stakeholders have stated they want the House to remain and vocally submitted to Council on their views.</li> </ul>	

		<ul style="list-style-type: none"> <li>• The House Gallery is a heritage listed building and Heritage New Zealand are an affected party, who may oppose demolishing the House Gallery.</li> <li>• The original family who gifted the House may also oppose demolishing the House Gallery.</li> <li>• The House Gallery is in good condition for its age and demolishing the existing buildings is not a sustainable design approach.</li> <li>• The cost of this option would be similar to option 6 and would deliver minimal savings.</li> <li>• The House Gallery provides a point of difference and is a tourist attraction in its own right.</li> </ul>	
8	Purpose built new art gallery in CBD and repurpose the current site	<p>This option has been discounted for the following reasons:</p> <ul style="list-style-type: none"> <li>• Stakeholders have stated they want the Gallery to remain on the current site.</li> <li>• The cost of purchasing a suitable site could be prohibitive and escalate project costs.</li> <li>• The House Gallery is a heritage listed building and Heritage New Zealand are an affected party, who may oppose demolishing the House Gallery.</li> <li>• The original family who gifted the House may also oppose repurposing the current site.</li> <li>• The Trust Deed restricts Council to either use the site as an Art Gallery or a green space for quiet reflection.</li> </ul>	The costs would be similar to Option 6.

36 The three options identified as being feasible are 4, 5 and 6. The options have also been analysed utilising the Treasury options framework applying the Gallery and project objectives, and confirming options 4, 5 and 6 as the most feasible.



**Preferred Option**

- 37 Overall the preferred option is to earthquake strengthen and restore the House Gallery with a full redevelopment of the extension, because it fully addresses current issues and future needs of the Art Gallery and the community.
- 38 All three feasible options identified in the feasibility study include the earthquake strengthening and restoration of the House Gallery. Also through the feasibility study stakeholder engagement, the House Gallery Project was identified as the priority. In addition the Council has already made provision for these works in the Long-Term Plan 2018-28. For these reasons it is recommended the House Gallery Project proceed immediately/ unimpeded, while the community's view on upgrading or replacing the extension buildings is sought through the next Long-Term Plan consultation round in 2021.

**Estimated Capital Expenditure**

- 39 Due to the limited availability of the Architect and Structural Engineer, the freeze on all procurement and the Covid-19 lockdown the Gallery has been unable to deliver a concept design and rough order of cost by mid-2020 as reported to Council on 26 November 2019.
- 40 Through the scoping documents delivered by the architect for the feasibility study it is recommended a project budget in the range of \$2.0 - \$2.3 million as a construction cost for the House Gallery Project. This cost excludes GST, consultancy fees, staff time and costs, consent and development contribution costs, network connections and upgrades (if required), legal fees and finance costs, fit-out costs, contingency, landscaping and site works. It is estimated the total project cost would in the range of \$3.0 - \$3.3 as an indicative cost.
- 41 For the 1978 and 1995 extension buildings it is recommended a project budget in the range of \$5.5 - \$6.5 million as a construction cost for a rebuild of the existing buildings, this excludes GST, consultancy fees, staff time and costs, consent and development contribution costs, network connections and upgrades (if required), legal fees and finance costs, fit-out costs, landscaping and site works. It is estimated the total project cost would in the range of \$7.8 - \$8.2 million as an indicative cost.
- 42 These costs are provided for planning purposes only. Preliminary or concept designs for the project need to be completed and costs verified by an experienced cost construction (QS) professional before the project costs can be confirmed.
- 43 Also some aspects of the project may result in more than one concept design and cost estimate, in order to confirm which design approach to engage.

**Financial and Funding Implications**

- 44 The funding is broken down into funding and subsidy funding outlining the different components.

**Funding**

- 45 In the current 2020/21 financial year; Aigantighe Art Gallery has an allocated capital budget of \$600,000. It is recommended the full capital budget is allocated to the project.
- 46 August 13 2019, Council accepted and endorsed the recommendations for any capital funding unused from another Community Services project, being the Timaru Library, to be transferred to the Aigantighe project. Due to a revised scope and project variations it is projected there will be no capital funding available for transfer to the House Gallery Project.
- 47 Currently the House Gallery has a depreciation reserves value of \$360,000, of which \$300,000 could be applied to the House Gallery Project and would help assist the Council achieve it's 1/3 contribution.

**Subsidy Funding**

- 48 The feasibility study provides two high level subsidy funding strategies, one for the House Gallery and one for the 1978/95 extensions. The funding strategy is based on 1/3 central government, 1/3 local government and 1/3 community funding and shows subsidy funding for the House Gallery Project and 1978/95 extensions is feasible with a 1/3 contribution from Timaru District Council.
- 49 It is recommended Council approve the use of existing depreciation funds of \$300,000 and approve the contribution of an additional \$100,000 in the draft Long Term Plan 2021- 2031 to meet the 1/3 contribution.
- 50 Below is an outline of the proposed capital and subsidy funding for the House Gallery Project

Source	Amount	Comment
Local Government		
Timaru District Council	\$1,000,000	\$600,000 allocated in the 2018-2028 Long Term Plan, \$300,000 from depreciation, \$100,000 contribution.
Central Government		
Ministry for Culture and Heritage Lottery Grants Environment and Heritage Committee	\$1,200,000	Ministry for Culture and Heritage application due mid-2021 Lottery Grants Environment and Heritage Committee application due early 2021
Community		
Community Trusts Private Trusts Gaming trusts Corporates Private individuals Community fundraising	\$1,000,000	Applications due 2021
<b>Total</b>	<b>\$3,200,000</b>	

- 51 The first identified funding application for the House Gallery Project is Lottery Grants - Environment and Heritage Fund for \$500,000. This fund opens 6 January 2021, closes 3 March 2021 and a decision meeting held on 2 June 2021. To be successful with an application to Lottery Grants, a resource consent for the House Gallery Project will be required. To meet this timeframe a resource consent application would need to be lodged by early December 2020 and the project would need to proceed immediately. If a funding application is not submitted within these timeframes, the next funding round would open in mid-2021, with a decision made in early 2022.
- 52 The feasibility study has also identified the Ministry for Culture and Heritage Regional Museums Policy for Capital Construction Projects could open in mid-2021. To support an application to the Ministry it is imperative the Gallery submit applications to Central and Community funders to show community support for the project. Also the Ministry is a fund of last resort and the project needs to show it has exhausted all options before applying.

- 53 If the Council is to proceed with a project to refurbish the 1978/95 extension, the Council would need to budget a \$2 - \$2.3m in the draft Long Term Plan 2021- 2031 to meet its 1/3 contribution. But this is subject to community consultation and the scope of the project endorsed in the Long Term Plan 2021- 2031.

### **Consultation**

- 54 The Gallery has undertaken extensive consultation throughout the lifecycle of the project, including the Long Term Plan 2018- 2028. Also through the feasibility study process a range of stakeholders were engaged including the Civic Trust, South Canterbury Art Society, Friends of the Aigantighe Art Gallery, South Canterbury Museum, Council representatives of the Governance Group, and members of the Grant family.

### **Relevant Legislation, Council Policy and Plans**

- 55 The Aigantighe Art Gallery Strengthening Project aligns with community needs and is consistent with the Council's policies and plans, including the Timaru District Council Long Term Plan 2018- 2028 and the Building (Earthquake-prone Buildings) Amendment Act 2016.

### **Conclusion**

- 56 The House Gallery Project has been signalled in Council's long term planning for a number of years and extensive explorative works have been completed to date. Notably through the feasibility study it has found the House Gallery Project is feasible subject to the successful implementation of a funding strategy and the appointment of qualified professionals to form a design/project team.
- 57 Overall the House Gallery is an iconic heritage building that is integral to the community's identity and to the operations of the Aigantighe Art Gallery. The House Gallery Project will enable the Gallery to meet growing community needs; it will engage, stimulate and inspire the community; and it will ensure the sustainable and future success of the Aigantighe Art Gallery.

### **Attachments**

- 1. Aigantighe Art Gallery Earthquake Strengthening Draft Feasibility Study - September 2020**
- 2. Aigantighe Art Gallery - Future Facility Requirements**
- 3. Irving Smith Architects Scoping Documents**