

DATE OF MEETING | March 20, 2019 |

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**SUBJECT | HARBOUR CITY THEATRE (25 VICTORIA ROAD) – ASSET
MANAGEMENT UPDATE |**

OVERVIEW

Purpose of Report

To provide an update on the Harbour City Theatre building located at 25 Victoria Road from a maintenance and asset management perspective. |

Recommendation

That the report titled “Harbour City Theatre (25 Victoria Road) – Asset Management Update” dated 2019-MAR-20 be received for information. |

DISCUSSION

The theatre building located at 25 Victoria Road was purchased by the City in May 2008 for \$451,093 at the request of the Centre for the Arts Nanaimo (CAN).

After this acquisition, CAN operated 150 Commercial Street (CIBC Centre for the Arts Building) and 25 Victoria Road (Nanaimo Centre Stage) under separate license of use agreements. The license agreement allowing CAN to manage the building at 150 Commercial Street expired at the end of 2013. On 2013-OCT-21, Council approved a 10-year Management Agreement for 150 Commercial Street with the Nanaimo Art Gallery, leaving CAN to focus solely on the operation of 25 Victoria Road.

In the spring of 2014, CAN advised the City that it would not be able to continue operating the facility at 25 Victoria Road (effective 2014-JUN-30) due to an operational funding shortfall.

At its 2014-APR-07 meeting, Council directed Staff to issue a Request for Proposal (RFP) to manage 25 Victoria Road as a rehearsal and performance space with a maximum operating grant of \$11,350 per year.

At its meeting held 2014-JUN-16, Council selected the Harbour City Theatre Alliance to manage the Harbour City Theatre under a license agreement for a three-year term with the option for an additional two years. The license of use was renewed in 2017 and the final term expires on 2019-JUN-31.

A separate report regarding multi-year lease agreements for cultural facilities is on this agenda. A report regarding the Harbour City Theatre Alliance’s desire to continue operating under a new term of use agreement at 25 Victoria Road will be brought forward to Council in the near future for consideration.

Maintenance Cost Summary since City Acquisition:

For Council's reference, the following chart summarizes the upgrade and maintenance costs covered by the City at 25 Victoria Road since the 2008 purchase:

YEAR	COST	PROJECT
2008	\$74,002	Upgrade and maintenance costs including expanded sprinkler system, wheelchair ramp and washroom, expansion to large sprung stage, electrical and mechanical upgrades, fire-rated exit door and architectural fees. Also included repair to flat roofing section, HVAC repair, and additional sprinkler system repair.
2009	\$20,821	Flat roof upgrade.
2010-2011	\$39,313	Flood repairs.
2013-2014	\$200,081	Upgrade of exterior wall on east side facing onto Nicol Street, including brick siding.
2015	\$37,792	Sloped roof re-shingled and tower structure removed.
2015-2018	\$34,703	General maintenance related to HVAC/heating/plumbing/electrical and miscellaneous contractor services.
Total City Costs:	\$406,712	

Building Maintenance Budgeted for 2019:

The following maintenance projects have been budgeted for 2019:

YEAR	ESTIMATED COST	PROJECT
2019	\$11,500	Replace all windows with thermal aluminum framed windows as part of exterior work.
2019	\$281,600	Replace stucco wall cladding with a rain screen exterior insulated wall system – north and west elevations.
Total City Costs:	\$293,100	

Future Anticipated Building Maintenance Costs:

The following maintenance projects are anticipated over the next 20 years at 25 Victoria Road. It should be noted that future upgrade and renewal costs have not yet been fully identified as part of the Asset Management Plan process that will be taking place from 2019-2021. This evaluation could result in significant increase to the estimate noted below:

YEAR	ESTIMATED COST	PROJECT
2034	\$228,519	Flat roof replacement.
2040	\$62,002	Sloped roof replacement.
2020-2040	\$100,000	General maintenance related to HVAC/heating/plumbing/electrical and miscellaneous contractor services (assuming approx. \$5,000 / year).
Total Costs:	\$390,521	

SUMMARY POINTS

- The City of Nanaimo purchased the Harbour City Theatre (25 Victoria Road) in 2008 for \$451,093.
- The City invested \$406,712 into the theatre between 2008-2018.
- Total City investment (purchase and maintenance) to date is \$857,804.
- For 2019, the City has budgeted \$293,100 to complete two maintenance projects – window upgrade and building envelope upgrade.
- Anticipated costs over the next 20+ years include roofing and façade remediation projects, and general maintenance, estimated at \$390,521.
- A separate report regarding multi-year lease agreements for cultural facilities is on this agenda. A report regarding the Harbour City Theatre Alliance's desire to continue operating under a new term of use agreement at 25 Victoria Road will be brought forward to Council in the near future for consideration.

Submitted by:

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