

## Attachment # 1

### **August 29 2022 Report to Regular Council – Massey Theatre Renovation Update**

# **REPORT**

## ***Engineering Services***

**To:** Mayor Cote and Members of Council      **Date:** August 29, 2022

**From:** Lisa Leblanc  
Director of Engineering Services      **File:** 05.1035.10  
(Doc# 2140574)

**Item #:** 2022-604

**Subject: Massey Theatre Renovation Update**

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### **RECOMMENDATION**

**THAT** Council receives this report for information.

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### **PURPOSE**

The purpose of this report is to provide an update of the Massey Theatre Renovation project. The report provides an overview of project milestones completed to date, and outlines the work plan of future works, including removal of the large gymnasium and supporting spaces as per the 2015 approved plan for the project.

### **SUMMARY**

The City of New Westminster is proceeding with the planned renovation of the Massey Theatre Complex. Work will include upgrades to the existing building to meet modern life safety and accessibility requirements, as well as the repurposing of former classrooms and the small gymnasium to support a variety of contemporary arts, cultural, and community uses.

The decision to move forward with the renovation supports the plans that were developed in 2015 when the Ministry of Education and School District began discussions with the City to transfer ownership of the Massey Theatre. The building and lands currently occupied by the Massey Theatre Complex, including the North Wing, will be retained under the ownership of the City of New Westminster.

As part of the renovation scope of work, and consistent with the original plan for the Complex, the Theatre renovation scope will include removal of the North Wing portion of

the Massey Theatre Complex, which includes the large gymnasium formerly used by the High School, and the former cafeteria and dance studio spaces.

The Massey Theatre Renovation project advances the City's commitment to the performing arts and delivers on strategic priorities identified in the Arts Strategy 2019 – 2024 and Theatre Strategy 2019. The City will continue to work with the Massey Theatre Society (MTS) as the facility operator and a key project stakeholder.

## **BACKGROUND**

### **Key Milestones**

In September 2015, an Agreement-in-Principle was struck with the Provincial Government and the School District regarding City ownership of the existing Massey Theatre. A media release was issued in April 2016 and is available in Attachment 1.

In November 2021, the City became the owners of the Massey Theatre Complex and surrounding land and signed a 25-year lease agreement with MTS to operate the Theatre and ancillary spaces within the lease space. The Massey Theatre Lease space is over 83,000 square feet (7,711 m<sup>2</sup>) over four floors and is situated on a site area of 187,856 square feet (17,452.4 m<sup>2</sup>). Attachment 2 shows the existing site and building plans.

### **Minimum Viable Option Scope**

In 2015, with an agreement in place, building assessments that were focused on the MTS lease space were completed. A "Minimum Viable Option" (MVO) scope of work was established that identified building upgrades necessary to keep the building safe and operational. Building assessments of the North Wing, including the large gymnasium and supporting spaces, were not investigated because the intention was to remove them at the time of renovation of the Theatre. A summary of the 2015 MVO scope is included in Attachment 3.

The 2015 MVO renovation costs were estimated and approved by Council as a Capital Plan amount of \$9.5M with an assumption to receive a Provincial Government contribution of \$1.19 million for the demolition of the North Wing and reconstruction of a new exterior wall. As time has passed, construction costs have escalated and the building has continued to age, while funding sources have reduced. A reassessment of the MVO including detailed building assessments will be carried out in the pre-design phase as shown in the approved work plan (Attachment 4). This work will reestablish the final scope possible within the current approved 2022-2026 5 Year Financial Plan Bylaw amount of \$14.1M. It is possible that renovation work will be completed in phases spanning four years from 2022 to December 2025.

## **Arts and Theatre Strategies**

The Arts Strategy 2019 – 2024 and Theatre Strategy 2019 identified the renovation of the Massey Theatre as a strategic priority for the City. Both strategies articulate goals and objectives that will be advanced through the renovation of the Massey Theatre. More information about the strategies is available in Attachment 5. Renovation to the Massey Theatre is also consistent with the current and past City Strategic Plans as per the area of Facilities, Infrastructure and Public Realm priorities.

## **The Massey Theatre Society**

The Theatre Strategy recognizes the key role of the Massey Theatre Society (MTS) as trustee and long-term operator of the Massey Theatre. The Massey Theatre and Complex Lease and Working Agreement is a 25-year lease between the City and MTS and the basis of extending the service life of the building. The Lease establishes MTS as a key partner.

Shared goals outlined in the Lease state that the City and Society will collaborate over the term of the Agreement through shared investment to improve and sustain the physical asset and its specialized functions for the use and enjoyment of all citizens of New Westminster, support the advancement of the arts and cultural sector in the City and region, and to activate and develop the facility to its fullest potential artistically, culturally and socially.

The Working Agreement includes a “Major Decisions” clause which commits to coordination and collaboration between the City and Society on capital improvements (City or Society-initiated) and any other intervention that will materially affect the operation of the Theatre.

## **Service Reconnection Work**

The demolition of the old High School and subsequent transfer of ownership of the Theatre complex to the City requires that the Massey Theatre’s utility, security and fire protection services operate independently. Commencing in September 2021, this service reconnection work has been functionally completed, enabling operation of the Massey Theatre independent from the High School. It is expected to be fully signed-off in Fall 2022 pending final approval of the electrical distribution system.

## **EXISTING POLICY AND PRACTICE**

The following corporate policies and agreements relate directly to the Massey Theatre.

- 2021 Massey Theatre Lease and Working Agreement
- 2019 City of New Westminster Theatre Strategy
- 2019 – 2024 Arts Strategy

Corporate level policy will be applied in considering the financing strategy for the Theatre Renovation:

- 2017 Corporate Asset Management Policy
- 2009 Corporate Reserve Policy

In considering scope of work for the Theatre Renovation, applicability of the following climate related policies will be considered:

- 2021 Green Building Policy for Civic Buildings
- 2021 Efficient Equipment Selection Policy
- 2020 Corporate Energy and Emissions Reduction Strategy (CEERS)
- 2019 Climate Action Budgeting Framework – Bold Step 1

The recently adopted eMobility Strategy and the updated Public Art Policy also need to be considered.

## **ANALYSIS**

To operate for another 25 years, the Massey Theatre requires significant upgrades to achieve Building Code compliance and provide an acceptable level of life safety, accessibility, operational efficiency and overall functionality. Staff performed an initial analysis that determined that the North Wing, including large gymnasium, cafeteria and dance studio spaces, should not be added to the scope of work for the Theatre renovation. Key findings to support this recommendation were:

Strategic goal alignment – providing only basic upgrades to the Theatre per the 2015 MVO scope aligns with the City's commitment under the 2019 Theatre Strategy, Arts Strategy 2019 – 2024, and 2021 Lease and Working Agreement with MTS.

Budget alignment – in current market conditions, the base MVO scope already likely exceeds the available project budget of \$14.1 million, and significant scope review and value engineering will be required to keep the project within budget. Retaining the North Wing and completing the necessary Building Code and life safety improvements would require additional budget that is not included in the City's approved 5 year Financial Plan.

Value and Suitability – As noted in the Financial Implications section of this report, increasing the overall project budget to incorporate works necessary to retain the North Wing will present financial challenges that are not readily resolved within the timeframe of the Massey Theatre Renovation project. Early analysis suggests that the assumed renovation cost for the North Wing would not represent significant financial savings as contrasted against new construction once issues related to functional obsolescence, life-safety, accessibility, energy performance, and building code compliance are considered. Furthermore, a comprehensive business case to support the retention and programming of the gymnasium and adjacent spaces has not been sufficiently developed. It is noted that the City's inventory of gymnasium space will be increasing by approximately 7,427 square feet (690m<sup>2</sup>) in 2023/24 with the completion of the təməsewtxw Aquatic and Community Centre project.

The land upon which the North Wing of the Massey Complex resides, will be retained by the City and will be available to support future civic priorities.

### **MASSEY THEATRE RENOVATION WORK PLAN**

Summarized in Attachment 4 are the key assumptions, dates and activities associated with the work plan. The initial objective is to complete building investigations, refine project scope and phasing strategy, update Class D cost estimates, and develop draft finance strategy prior to end of 2022, in alignment with the 2023 Budget and 2023-2027 5-year Financial Plan process. Design development and preparation of tender documents will then progress through 2023, and the project will be awarded for construction early in 2024. All construction will be targeted for completion by early 2026.

### **SUSTAINABILITY IMPLICATIONS**

The 2015 MVO was approved prior to declaration of a climate emergency and prior to adoption of the City's various environmental, energy and GHG emissions reduction policies.

It is now necessary to explicitly consider the City's current policies and establish the corresponding project requirements and scope inclusions. Findings will be reported by staff to Council as detailed planning progresses.

### **MASSEY THEATRE OPERATIONAL IMPACTS DURING CONSTRUCTION**

To mitigate impact to MTS operations and viability, a multi-phased construction schedule requiring only short-term and defined Theatre closures has been assumed. Multi-phased construction will take longer and bring higher costs. Conversely, a single construction phase brings schedule and cost advantages, but requires an extended and full closure of the Theatre which will significantly impact operations and displace not-for-profit and cultural users. In alignment with the terms of the Lease and Working Agreement, City staff are committed to reaching agreement with MTS on the final construction phasing strategy, Theatre closures, and other "Major Decisions".

### **FINANCIAL IMPLICATIONS**

The 2022-2026 Approved 5 Year Financial Plan includes \$14.1M for the Massey Theatre Renovation project to be funded from the City's Facility Reserves. To date Council has approved over \$4M in Capital Budget Funding to advance critical works and service connections.

Early pre-design work, including final scope development and cost estimates, is critical to avoid growing financial risk such as cost escalation of approximately 1% per month. At the same time, the City has not been successful in securing grant funding for projects of this type. The ability to borrow more and/or utilize City's asset replacement reserves will

be a challenge. Short- and long-range funding strategies will be required if the Massey Theatre Renovation Capital Plan needs to grow beyond \$14.1M.

The work plan included in Attachment 4 of this report is designed to produce the information needed to develop a proper understanding of building conditions, which will inform the final scope and estimated cost of the project. From here, informed decisions regarding project scope, schedule and cost baselines can be made. These include decisions relating to variances from City policy and practice, as well as decisions to support a comprehensive financial strategy to fund the project.

### **INTERDEPARTMENTAL LIAISON**

This report was prepared collaboratively with the Finance Department, Office of the CAO (Community Arts and Theatre) and, the Parks and Recreation Department.

### **OPTIONS**

There are two options for Council's consideration, they are:

1. Receive this report for information;
2. Provide staff with different direction.

Staff recommend Option 1.

### **CONCLUSION**

The City is moving ahead with the Massey Theatre Renovation project based on the Minimum Viable Option scope which was developed in 2015 and approved by Council in 2016. Retention and renovation of the North Wing, including former large gymnasium, cafeteria and dance studio spaces, will not be included in the scope of works; cost to remove that portion of the building is included in the amount noted in the 5 year Financial Plan. The approved work plan contained in this report enables staff to advance the Massey Theatre Renovation project in a timely, rational and informed manner, with a commitment to engage with the Massey Theatre Society and seek direction from Council at key decision points in the pre-design, scope development and planning phases.

### **ATTACHMENTS**

- Attachment 1 - 2016 Media Release re: Agreement-in-Principle
- Attachment 2 - Building Plans
- Attachment 3 - 2015 MVO and 2016 Council Resolution
- Attachment 4 - 2022 Work Plan
- Attachment 5 - Arts and Theatre Strategies

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## **APPROVALS**

This report was prepared by:

Alex Godfrey, Project Manager with Turnbull Construction Project Management

Lisa Leblanc, Director of Engineering

This report was reviewed by:

Harji Varn, Director of Finance

Dean Gibson, Director of Parks and Recreation

Corrinne Garrett, Senior Manager of Recreation Services and Programs

Todd Ayotte, Manager Community Arts and Theatre

Christy Mereigh, Manager Strategic projects

This report was approved by:

Lisa Spitale, Chief Administrative Officer



## Attachment # 1

### **2016 Media Release Agreement-in-Principle**

Posted On:  
April 4, 2016

## ACTION PLAN FOR RETENTION OF MASSEY THEATRE ESTABLISHED

New Westminster – Last fall the City of New Westminster and the School District #40 (SD40) worked collaboratively with the BC Ministry of Education to develop an agreement in principle for the City of New Westminster to assume the ownership of the existing Massey Theatre. The agreement in principle would see the City assuming ownership of the existing Massey Theatre and responsibility for necessary upgrades. Since that time, work has been underway to develop an action plan for the necessary upgrades to occur which will be presented at a Regular Session of Council later today.

“We have been working hard with SD40 and Ministry officials to develop an option for a plan of action that supports the school district’s work to replace NWSS and also provides for the retention of the Massey Theatre,” said Mayor Jonathan X. Côté. “We recognize the cultural value of Massey Theatre, not only to our city, but our region and we are excited to present a plan that accomplishes this objective.”

Key components of the agreement in principle include:

- the existing 1,260 seat Massey Theatre along with the land under the Theatre will be gifted to the City of New Westminster;
- the BC Ministry of Education is to finance the demolition of the existing gymnasium and reinstatement of the Theatre’s exterior wall;
- the Province will work collaboratively with the City of New Westminster to identify funding sources for future seismic upgrades to the Theatre.

“The Board appreciates that there are many demands on education funding and resources, so our focus must remain on building and operating a brand new, modern high school,” said Jonina Campbell, SD40 Board Chair. “Throughout this process, the School Board and the City of New Westminster have been unfailing in our commitment to this challenging project and we are excited that, by working together, we were able to develop an option that we believe is a win-win.”

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For further information please contact:

Blair Fryer, Communications and Economic Development Manager  
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Jonina Campbell, SD40 Board Chair  
[jcampbell@sd40.bc.ca](mailto:jcampbell@sd40.bc.ca)

## Attachment # 2

### **Building Plans**

BRITISH COLUMBIA LAND SURVEYOR'S CERTIFICATE  
OF LOCATION SHOWING A BUILDING ON PROPOSED LOT A  
DISTRICT LOTS 2055 AND 5678 GROUP 1 NWD PLAN EPP109420

CIVIC ADDRESS  
#725 EIGHTH AVENUE  
NEW WESTMINSTER, B.C.

LEGEND  
SCALE 1:250  
5 0 5 10 15  
ALL DISTANCES ARE IN METRES  
DIMENSIONS ARE MEASURED  
AT GRADE, TO VERTICAL FACE  
OF EXTERIOR BUILDING WALLS  
UNLESS INDICATED OTHERWISE.



THIS CERTIFICATE IS VALID ONLY UNDER THE ORIGINAL TERMS AND CONDITIONS OF OUR CONTRACT WITH THE PARTY FOR WHICH IT WAS PREPARED, AND AS SUCH ONLY ON THE DATE CERTIFIED HEREON. SUBSEQUENT ADDITIONS AND MODIFICATIONS TO TITLE, PROPERTY LINES, OR IMPROVEMENTS AND THE PASSAGE OF TIME WILL CAUSE IT TO BE INVALID AND OUT OF DATE.

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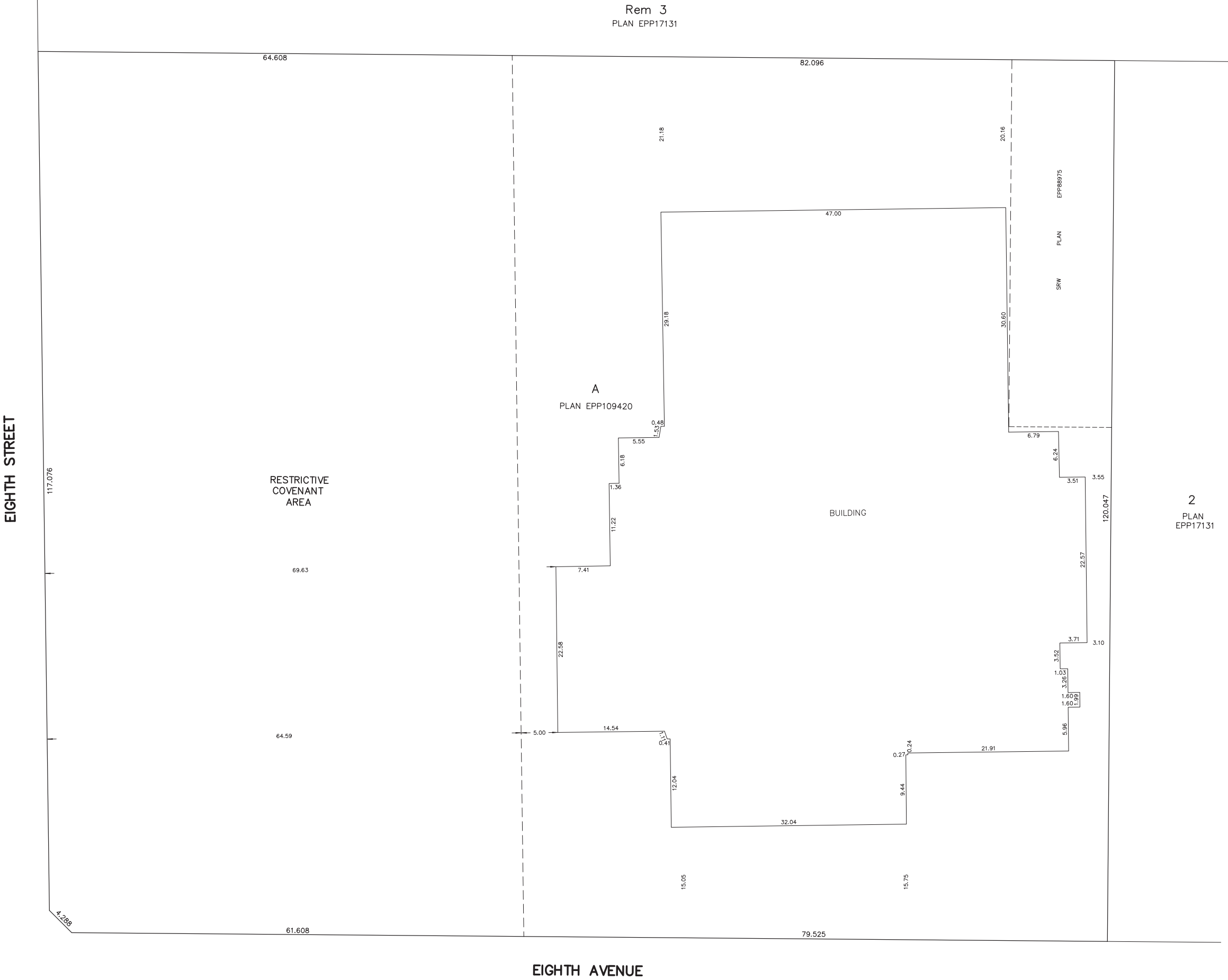


RESTRICTED COVENANT ADDED: JUNE 22, 2021  
DATE OF SURVEY: JUNE 15, 2021

Sebastiano  
Loconte  
BGXM66

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BC LAND SURVEYOR (#945)  
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CADFILE: 16034-017-CERT-001.DWG



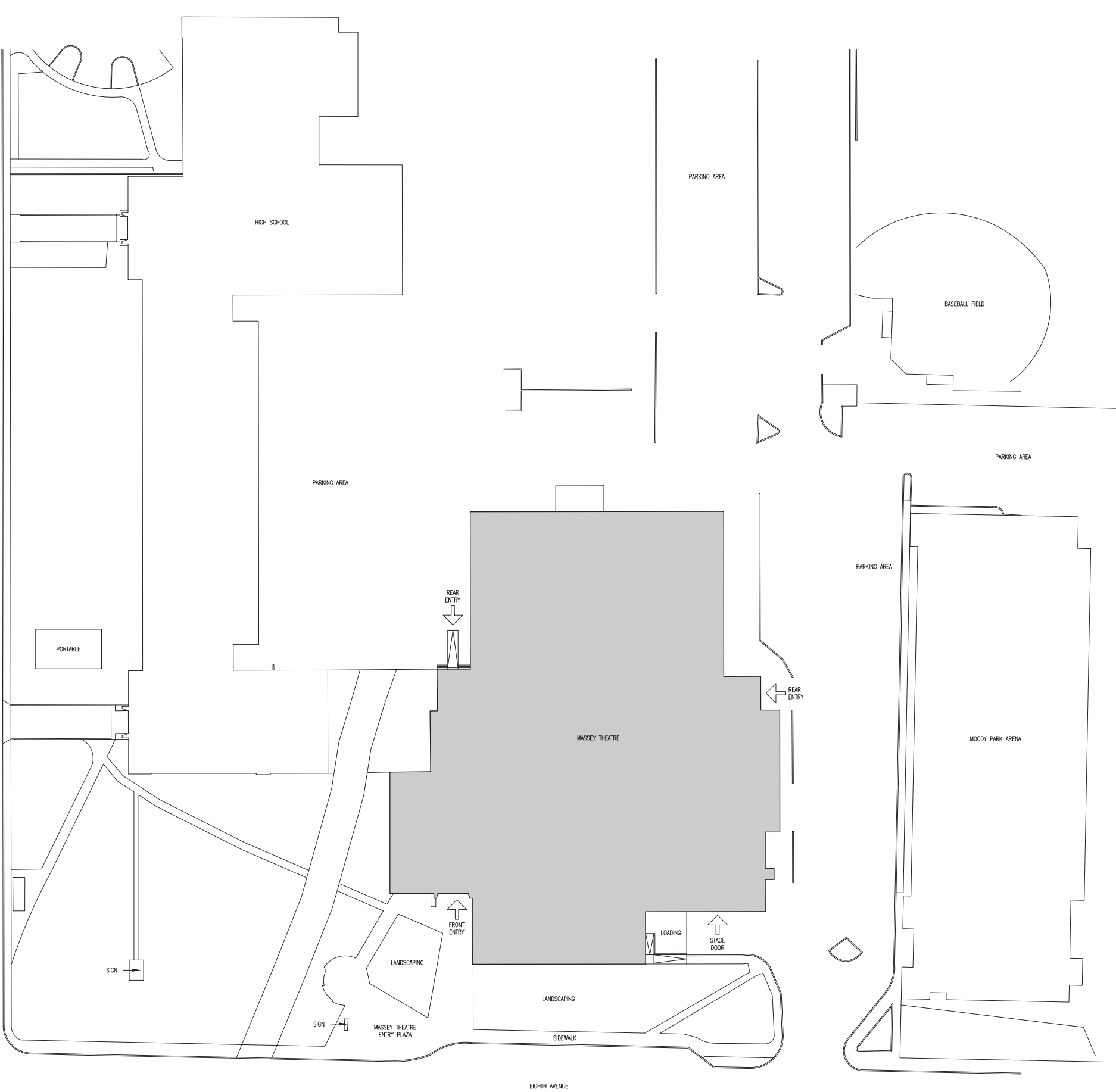
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PROJECT ADDRESS  
735 EIGHTH AVENUE  
NEW WESTMINSTER, BC  
V3M 2R2

PROJECT MASSEY THEATRE				
DRAWING TITLE SITE PLAN — EXISTING			PROJECT NUMBER 18-32	
			DWG. NO. A100	
DATE APR 2021	SCALE 1/32"=1'-0"	DRAWN AT	CHECKED HC	



North Wing of the Massey Theatre Complex  
(Area in pink to be removed)

Basement Service Space

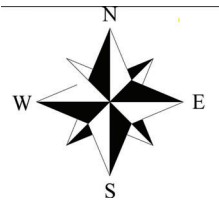
Dance Studio

School Cafeteria

Demolition Line

Massey Theatre Society Lease Space  
(Area in blue to be renovated)

Basement Plan



PROJECT ADDRESS  
735 EIGHTH AVENUE  
NEW WESTMINSTER, BC  
V3M 2R2

PROJECT MASSEY THEATRE			
DRAWING TITLE BASEMENT PLAN — EXISTING		PROJECT NUMBER	
		DWG. NO.	
DATE JAN 2019	SCALE 1/16"=1'-0"	DRAWN IK	CHECKED HC

North Wing of the Massey Theatre Complex  
(Area in pink to be removed)

Gymnasium

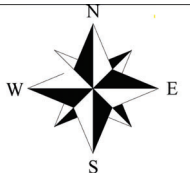
Demolition line

Massey Theatre Society  
Lease Space  
(Area in blue to be renovated)

Main Floor Plan

PROJECT ADDRESS  
735 EIGHTH AVENUE  
NEW WESTMINSTER, BC  
V3M 2R2

PROJECT MASSEY THEATRE			
DRAWING TITLE MAIN FLOOR PLAN — EXISTING		PROJECT NUMBER 32	
		DWG. NO.	
DATE JAN 2019	SCALE 1/16"=1'-0"	DRAWN IK	CHECKED HC



## Attachment # 3

### **2015 MVO and 2016 Council Resolution**



The 2015 MVO scope definition included:

1. The Theatre will have electrical, fire alarm, water service, communication and security systems independent from the NWSS.
2. The Theatre will be upgraded with new disabled access (including a new elevator and a lift) and new handrails.
3. The lobby and washrooms will be refurbished.
4. All other interior areas in the building will be repainted.
5. Fire/life safety items, such as new emergency lighting, new exit signs, a new stage smoke venting system and new fire rated doors, will be addressed.
6. A HVAC system will be added in the Plaskett Gallery and main floor Theatre lobby and HVAC equipment and boilers, now well beyond their life expectancy, will be replaced.
7. A new exterior wall will need to be constructed where the theatre building meets the large gymnasium (after demolition of the large gymnasium).
8. Renovations will require the controlled removal and abatement of asbestos and lead containing materials and finishes.
9. Roofing will be replaced and a portion of the exterior stucco cladding will be reinforced to prevent further delamination.

On April 4 2016, Council approved the MVO and adopted the resolution to retain, own and renovate the Massey Theatre excluding the North Wing (large gymnasium, cafeteria, dance studio and supporting spaces).

# Attachment # 4

## **2022 Work Plan**

Summarized below is the work plan for the balance of year, to support presenting Council with a proposed scope and budget early in 2023 for their consideration as part of the budget approval process. The work plan is based on the following initial assumptions which will be adjusted, and reported back to Council as the project progresses:

- A 25-year service life for the building asset
- MVO scope only – basic upgrades for life safety, accessibility and Building Code compliance to be a “good landlord”, as well as key building integrity upgrades (e.g. building envelope)
- City policies will be considered, including 2019 Theatre Strategy, climate-related policies, and public art policy. Any recommended variances to policy will be reported to Council for consideration,
- Project Manager will work with MTS to identify potential phasing efficiencies while striving to maintain a level of operational continuity through construction.

<b>Phase 1.1 Project Initiation</b>	<b>Jun – Jul 2022</b>
Work Plan, PM Plans & Project Charter 1.1	Jun – Aug 2022
Update to Council	Aug 29 2022
<b>Phase 1.2 Project Planning &amp; Pre-Design</b>	<b>Sep 2022 – Jan 2023</b>
Engage Design Team & Refine Building Investigations	Sep – Oct 2022
Refine Scope Options & Phasing Strategy	Oct 2022 – Nov 2022
Refine Class D Cost Estimate & Finance Strategy	Nov 2022
Stage Gate 2 – Sponsor Sign-Off, incl. FIPRTF	Dec 2022
Council Decision – Final Scope Definition, Draft Finance Strategy & Approval to Proceed	Jan 2023
<b>Phase 1.3 Concept Design</b>	<b>Jan – Mar 2023</b>
Develop Concept Design Package	Jan – Feb 2023
Finalize Cost Estimate & Finance Strategy*	Feb 2023
Stage Gate 3 – Sponsor Sign-Off, inc. FIPRTF	Mar 2023
<b>Phase 2 Schematic Design &amp; Design Development</b>	<b>Mar – Oct 2023</b>
<b>Phase 3 Contract Documents, inc. GC Contract Award</b>	<b>Oct 2023 – Jan 2024</b>
<b>Phase 4 Implementation and Construction – Phased</b>	<b>Jan 2024 – Dec 2025</b>
<b>Phase 5 Commissioning / Ongoing Operations</b>	<b>Dec 2025</b>

\*Third party funding applications not included. If 3<sup>rd</sup> party funding is pursued, project schedule will be delayed due to application process.

## Attachment # 5

### **Arts and Theatre Strategies**

The City has a long history of supporting performing arts and culture. The Massey Theatre, along with the Anvil Theatre and Bernie Legge Theatre, provides the crucial infrastructure to attract and host theatrical performances in the City.

The Arts Strategy 2019 – 2024 was developed to articulate the vision that will direct City decisions and implementation actions for the performing arts in the City.

Extensive stakeholder engagement for the Arts Strategy began in 2016. Results indicated that the City's existing theatre assets were of varying age, condition, functionality and unique programming potential. They also indicated that the Massey Theatre was among the most utilized cultural facilities in the City, and played an important role in community-building, local business and economic development.

The final Arts Strategy 2019-2024 was approved by Council on December 10, 2018 and is available at the following web address:

[https://www.newwestcity.ca/database/files/library/2019\\_Arts\\_Strategy\\_Final.pdf](https://www.newwestcity.ca/database/files/library/2019_Arts_Strategy_Final.pdf).

A separate Theatre Strategy was completed in 2019 to guide the City's governance of these specialized assets. The Theatre Strategy identifies a need to bring the Massey Theatre to modern standards in order to support its vision as a Performing Arts Centre, a community gathering place and a regional destination. The Theatre Strategy goals, objectives and strategic priorities are aligned with the Arts Strategy.

The final Theatre Strategy 2019 was approved by Council on December 9, 2019 and is available at the following web address:

[https://www.newwestcity.ca/database/files/library/New Westminster Theatre Strategy 2019 \(Final\).pdf](https://www.newwestcity.ca/database/files/library/New_Westminster_Theatre_Strategy_2019_(Final).pdf)

Together, the Arts and Theatre Strategies establish the need for a major renovation of the Massey Theatre as a strategic priority to ensure the health and future growth of the performing arts in the City. Both Strategies articulate goals and objectives that will be advanced by the Massey Theatre Renovation project.