

PROJECT PROFILE - CENTENNIAL PLANETARIUM PROJECT

# Project Profile

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## *Centennial Planetarium*

### **RECOMMENDATION**

Approve a capital appropriation increase to Capital Budget Program 519 by \$2 million in 2016, \$10.9 million in 2017 and \$11.6 million in 2018, a total of \$24.5 million, for the Centennial Planetarium from the Cultural Municipal Sustainability Initiative program, subject to approval by the Government of Alberta, with no match funding requirement.

### **SUMMARY**

The Calgary Centennial Planetarium, completed in 1967, was Calgary's official project to mark the centenary of Canadian Confederation. It later served as Calgary's Science Centre from the 1980s until the TELUS World of Science vacated the building in 2011. It has been vacant ever since and requires significant renovation to bring it into compliance with current building codes before any other tenant would be able to take it over.

In accordance with the Council-approved West Area Redevelopment Plan and the City's stated desire "to be a role model for the creative use and adaptive re-use of City-owned heritage buildings and excellence in maintenance and restoration", and because Council has agreed that its heritage buildings should be made available for cultural use, Administration proposes to renovate the building in order to transform it into a multi-tenant cultural facility in celebration of Canada's 150<sup>th</sup> Anniversary in 2017.

Resulting from The City's 2013 Request for Expressions of Interest there is a cultural non-profit organization prepared to move in to a portion of the building as an "anchor tenant". Contemporary Calgary has raised funds to perform the necessary tenant improvements to a section of the building as a "Temporary Contemporary" art gallery. For the remainder of the space, The City would serve as facility manager, renting to other arts and cultural groups as required until such time as Contemporary Calgary is in a strong enough position, both organizationally and financially, to undertake a longer lease agreement and capital renovations for the entire facility.

The proposed capital project is a modernization of the entire Centennial Planetarium building and exterior perimeter in order to make the building habitable. This includes building code compliance, life safety, infrastructure and building services, circulation and public spaces, security, accessibility, restriction of access, parking, new fire access and revised waste handling, landscaping, and historic designations.

The project can be executed concurrently or in sequenced phases, dependent on need. Phase One includes creating a space within the Planetarium that can stand alone and operational while the remainder of the site is being worked on. Proposed construction includes upgrading

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the finishes in the area, adding washrooms and a janitorial room. An entrance vestibule will also be added on the south end in order to provide a main entrance for this space.

Concurrent abatement work of hazardous materials is included. Tenant improvements are not included in the project and any such improvements would be funded entirely by the tenant.

**Budget**

Construction Cost	\$17,244,500
Committed consultant & pre-construction fees	\$2,077,114
Hazmat Abatement & Specialist Consultants	\$549,800
Additional City Tender	\$1,798,040
Soft Costs (incl. DP & BP permits, Printing, Tender, Public Art 1%, Insurance)	\$884,226
CPMF contingency & escalation into 2017	\$1,180,342
<b>Total Cost Estimate</b>	<b>\$24,469,922</b>

**Project Schedule**

Construction start	2016 November 30
Project completion	2018 May 31

**PREVIOUS COUNCIL DIRECTION / POLICY**

2011 July 25 City *Owned Historic Building Management Plan* LAS2011-46 directed Administration to submit the Historic Building Management Plan for consideration by the Corporate Service Department for the 2012 – 2014 business plan and budget cycle. The Planetarium was named as one of the Historic Buildings. The 2012-14 Recreation budget provided for funding for the Planetarium to be maintained in cold storage for three years. Council also approved Planetarium holding costs of \$160 thousand per year for each of the four years in *Action Plan 2015 – 2018*.

2010 July Bylaw 17P2010, the West Village Area Redevelopment Plan (Section 5.6 Heritage) Redevelopment of West Village should align with the Vision and Principles of the Calgary Heritage Strategy (2008). This vision is “to create a visionary, credible, corporately aligned strategy which positions Calgary as a Canadian leader in Historic Preservation.” The Planetarium was one of three sites specifically named to “have significant heritage value, listed on Calgary’s Inventory of Evaluated Historic Resources.”

2007 May 07 Council endorsed the Centre City Plan, which stated in Policy 3, that “The City will serve as a role model for the creative use and adaptive re-use of City-owned heritage buildings and excellence in maintenance and restoration.” Additionally, Policy 4 of the plan states “The City will place a high priority on making its heritage buildings available for use by cultural and educational institutions, uses that have a difficult time finding space in the private market.”

2008 February 04 Calgary Heritage Strategy endorsed these policies.

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### **BACKGROUND**

2013 April 02 Administration issued a Request for Expressions of Interest for adaptive re-use of the Planetarium. In accordance with the Calgary Heritage Policy, R/EOI were sought from cultural institutions.

2014 March 06 Administration announced that Contemporary Calgary Art Society (The Society) was announced as the highest ranking proponent of the R/EOI, proposing to repurpose the vacant space into a public gallery for the visual arts. The Society was a newly formed entity through the amalgamation of the Art Gallery of Calgary (AGC), the Institute for Modern and Contemporary Art (IMCA) and the Museum of Contemporary Art Calgary (MOCA). The 2014 March 07 City announcement signaled the beginning of an extended due diligence process as a necessary step before granting any facility rights to the Society. Together Contemporary Calgary and Administration have agreed to the Society taking over a part of the building as “Temporary Contemporary” as an anchor tenant until it is able to take over the whole facility.

Contemporary Calgary’s ultimate plans for the facility are ambitious and will require an investment estimated to be double that of The City’s in order to bring the building up to standard as a modern gallery for contemporary art. The Society commissioned a consultant’s report from one of the world’s leading museum consultants to help shape its business plan and has begun to implement that plan. In the meantime, there is considerable interest from other cultural groups to rent portions of the building that will not be occupied by Contemporary Calgary. The transformation of the building into a multi-tenant cultural facility will enhance community vibrancy in the West Village, bringing visitors and cultural workers into the area.

### **RESULTING BENEFIT TO THE CITY**

#### **Social**

This project will preserve and enhance a rich cultural and historic legacy and will support the provision and preservation of available cultural space in the community. Many Calgarians have fond memories of visiting the Old Science Centre and the attendance at Contemporary Calgary’s annual events over the past two years have demonstrated a real interest in renewing the space as a new downtown cultural destination. By having a lively cultural space in place of an empty building, the surrounding neighbourhood will be re-vitalized.

#### **Environmental**

This project will contribute towards the rehabilitation of a City-designated heritage site and aligns with the proposed re-development of the West Village.

The project will follow The City’s *Sustainable Building Policy*.

#### **Economic**

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The renovation project will support the availability of cultural space as the West Village re-development occurs. A lively cultural destination has real economic impact, bringing visitors who spend on hotels, restaurants, parking and retail shops.

### **Financial Capacity**

#### **Current and Future Operating Budget**

It is recommended that Calgary Recreation continue to manage the building as a rental facility until such time as the anchor tenant is able to take over more of the building. The operating model will be cost-recovery and will include revenues from tenants and the adjacent City parking lot. Council has approved \$160 thousand per year to support the holding costs of the building until the end of 2018. This is augmented by revenues from the adjacent City parking lot. In 2015 the cost for maintaining the unoccupied building amounted to \$211 thousand.

Once the renovations have been completed, Calgary Recreation will be in a better position to assess the real operating costs for this rental facility.

#### **Current and Future Capital Budget**

A capital budget appropriation is required to increase Capital Budget Program 519 of \$24.5 million funded by Cultural MSI. The project draws on CMSI funds which are designated for cultural space. The capital budget for this project is \$2 million in 2016, \$10.9 million in 2017 and \$11.6 million in 2018.

### **Risk Assessment**

Neglecting to undertake the upgrade for life safety of this historic resource runs counter to Calgary's Heritage Strategy and the goal of the City to be seen as "a role model for the creative use and adaptive re-use of City-owned heritage buildings and excellence in maintenance and restoration." If renovation is not undertaken in a timely manner the building will continue to deteriorate resulting in potentially higher renovation costs in the future.

The ultimate operating model is intended to enable Contemporary Calgary Art Society to take over the building over time as the non-profit Society increases its management and fund raising capacity. Revenue from the anchor tenant may not initially recoup all holding costs but any incremental income from other tenants will correspondingly reduce The City's net costs in the future. Other groups have expressed interest in renting other spaces in the building and discussions are taking place to engage another significant tenant. Calgary Recreation's continued management of the building will maximize the use of the building as a cultural hub. The risk that Calgary Recreation may not be able to generate enough revenue from tenants to fully recover the costs of the operating the building is acknowledged. Space utilization and optimization strategies will be used to reduce this risk.

### **REASONS FOR RECOMMENDATION**

The project addresses critical renovation of a City-owned facility.

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The project enables the City to transform the unused planetarium into a multi-tenant cultural facility.

As Calgary's official project to mark the 100<sup>th</sup> Anniversary of Canada's Confederation, the Centennial Planetarium is of cultural and historic significance to Calgarians. As the 150<sup>th</sup> Anniversary of Confederation approaches in 2017, it is anticipated that the facility can be renovated in time to serve the community for years to come as a key cultural space.