

Option 2

Theatre Royal and Heritage Facility Project



Retain stage house and back of house changing rooms and redevelop the combined back of house support services for the Theatre Royal and South Canterbury Museum. Develop car parking at the back of the site, retaining walls and truck lane.

In General

Though not the preferred option, this option does satisfy a large proportion of the stakeholder scope, retaining the stage house and original changing facilities – which will be refurbished - and adding extra accessible change facilities incorporated within the new portions of the building. The requirements of the stakeholders are mostly met with this Option and new theatre support facilities are designed into other areas of the new heritage building.

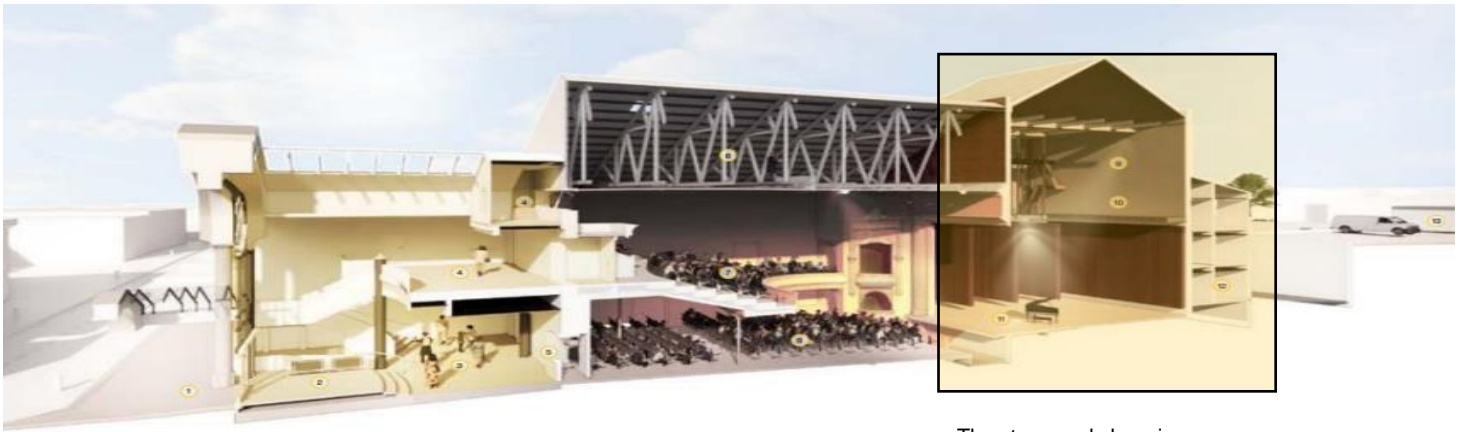
Return Brief Report - https://www.timaru.govt.nz/_data/assets/pdf_file/0018/561510/201204-Timaru-TR-and-HF-Return-Brief-Report.pdf

Scope and Functionality

Theatre Royal - With this option, the existing Theatre building is retained and strengthened, with the exception of the Amenities wing which is replaced, the stage itself is to be replaced and made level, and theatre systems are to be upgraded. Extension of the stage itself would not be possible with this option. Back of house changing facilities would be refurbished to a modern standard and extended into the new build, providing updated functional changes to the operational requirements of theatre. This option would allow for inclusion of large accessible changing facilities in the new part of the heritage facility.

Heritage Facility – The Heritage Facility will contain a new education space to enable the South Canterbury Museum to continue hosting school groups via their history education programme for district schools. The Heritage Facility will also host a large short term international gallery space that can host visiting art and museum shows as well as being used for community exhibitions, shows and small theatre and musical productions. This space also doubles as an extension of a new central atrium area that can be used for functions and a socialising space for large shows or events in the Theatre Royal.

The upper level will house the South Canterbury Museum and have an open area at the front of the building connecting to the upper level of the Theatre Royal, to enhance the movement and use of space around the overall building.



The stage and changing facilities are retained in this option and refurbished

- Legend
- 1 Stafford Street Entry Point
 - 2 Retail Entry
 - 3 Circulation
 - 4 Upper Theatre Foyer
 - 5 cloak Room
 - 6 Lower Auditorium
 - 7 Upper Auditorium
 - 8 Gentry
 - 9 Upper Fly Gallery
 - 10 Lower Fly Gallery
 - 11 Stage
 - 12 Dressing Room
 - 13 Parking



- Legend
- 1 Stafford Street Entry Point
 - 2 Wind Lobby
 - 3 Foyer
 - 4 Theatre Link
 - 5 Reception
 - 6 Temporary Exhibition Space
 - 7 Loading
 - 8 External Loading Bay
 - 9 Staff Office
 - 10 Lobby
 - 11 Permanent Exhibition Space
 - 12 Theatre Link
 - 13 Service Zone
 - 14 Parking



- Legend
- 1 Stafford Street
 - 2 Social / Waiting
 - 3 Education
 - 4 Kitchen
 - 5 Temporary Exhibition Space
 - 6 Workshop
 - 7 Staff / Office
 - 8 Services
 - 9 Permanent Exhibition Space
 - 10 Service Zone

Heritage

Heritage NZ have indicated that this option is their preferred choice as it retains the heritage fabric, and have suggested they would be amenable to the refurbishment of the entire Theatre Royal and support a resource consent for this work.

Resource Consent

The Theatre Royal building is listed as a Historic Place Category 2, with Heritage New Zealand and is listed as a Category B building under the Operative Timaru District Plan. As such, any alterations and additions to the building must be addressed through the resource consent process. As part of this process a detailed assessment of the effects of the proposal on the fabric of the heritage building must be carried out and written approval will be sought from Heritage New Zealand. This option will require a Resource Consent and the project team have engaged with an independent planner to complete the resource consent work.

Key Risks

1. There are fewer programme and cost implications associated with applying for a resource consent for this Option given it is likely to be supported by Heritage NZ, there are risks in any resource consent process, but to a lesser level than Option 1.

Programme

A high-level programme has been developed for this Option based on inputs from the Design & Build Contractor:

Confirmation of the Design Option and signing of Stage 1B Design	6 Dec 2022 – Feb 2023
Developed and Detailed Design + Consenting	Feb 2023 – Jan 2024
Main Works Construction	Feb 2024 – Q2 2025

Note - the above dates are approximate guides only and assume approval of a Design at the Council Meeting in December 2022.

Budget and Financial Implications

Option 2 – Project Budget Estimate of \$56.1M

Proceeding with this preferred option would be consistent with the key deliverables in the Funding Agreement with MBIE and \$11.6M will be funded for this project. Noting that the \$56.1M figure includes costs to date and MBIE funding contribution.

Rates impact:

	Option 2
Rate increase per year 2023-2031 before Theatre Royal increases	4.90%
Rate increase per year relating to Theatre Royal	0.74%
Rate increase per year required from 2023-2031	5.64%
Approximate increase to average residential property for this option, occurring progressively over the period of 2022/23 onwards, across the remaining life of the LTP 2023 - 2031.	\$17.14 per annum

Assuming our current assumptions on interest rates, inflation and rating base growth, and that this is funded from the general rate, the approximate increase to the average residential property for the additional \$56.1 million would be \$17.14 per annum in today's dollars, based on a 0.74% rates requirement increase. This increase would occur progressively over the period of 2023/24 onwards, across the remaining life of the LTP.

Net Debt to Revenue

The table below shows that while Council currently has a debt to revenue ratio of 2.1, this will need to be increased to 2.4 for Council to be within its self-imposed debt cap. Presently, the peak requirement to increase debt to 2.4 occurs in year 2026 of the LTP. However various changes within the program of works could bring this requirement further forward.

A financial strategy change to accommodate both the rates increase and debt cap increase would be required should this option proceed.

Debt Headroom:

The LTP had Council's self-imposed debt cap at a ratio of 2.1 for its debt to revenue cap. This was therefore maintaining a debt headroom of 0.7. The table below shows the impact on our debt headroom when increasing the total cost of the project to \$56.1 million over the remaining period of the LTP and incurring the extra debt associated with the cost increases.

Option	LTP Limit Set (Ratio)	LGFA Covenant (Ratio)	Peak Requirement (Ratio)	Headroom at Peak (Ratio)	Headroom at Peak (\$'000)
Option 2	2.1	2.8	2.40	0.40	57,985

The below shows the Theatre Royal and Heritage Facility Ground Level Floor Plan, showing the retained existing Back of House Facilities, but including an extension of Back of House Facilities in the new Heritage Facility (as noted below):

1. Refurbished Back of House Facilities
2. New accessible changing facilities and theatre facilities across three levels
3. New side stage area and storage facilities
4. New truck docking stage entry for museum and theatre services
5. New workshop facilities and toilets/kitchen for back of house use for museum and theatre
6. New amenities and shared circulation between Theatre and Heritage Facility

The area outlined in green is one continuous surface level area, which does not include the ground level of the back of house changing facilities. The Heritage Facility is accessible via lifts and stairs from this level.

