

7. FUTURE USE OF THE ROBERT McDOUGALL ART GALLERY

Officer responsible
Legal Services Manager

Authors
Peter Mitchell, DDI 941-8549, Julie Sadler, DDI 941-8438

INTRODUCTION

The purpose of this report is to advise the Council of the outcome of the recent consultation process regarding future use of the Robert McDougall Art Gallery after the McDougall Art Gallery is vacated by the Council.

BACKGROUND

At its meeting on 28 June 2001 the Council considered a report from the Legal Services Manager regarding the need to promote a local bill in relation to the Robert McDougall Art Gallery. In terms of the three options set out as to what the Bill can provide for, the Council effectively resolved to proceed with option (b), namely, that the list of activities which the Council may lease the building be specified in the Bill itself.

The Council then went on to resolve that a local bill be promoted which would enable the Art Gallery to be used by the Canterbury Museum Trust Board for the display of works of art or the display of similar items.

The Council also resolved that the views of the public be sought on this proposal regarding use by the Canterbury Museum Trust Board and that the views of the public be sought on alternative compatible uses. The consultation process was undertaken by the Council in February to April of this year. The primary purpose of the consultation process was to identify what activities should be listed in a Bill yet to be drafted.

It will be appreciated that the importance of identifying the purposes for which the land can be let is that if it is subsequently found there are other purposes for which the Council may wish to lease the land which are not listed in the Act then the Council would need to go back to Parliament at a future date to seek an amendment to the Act of Parliament.

ANALYSIS OF SUBMISSIONS

As a result of the public consultation process 199 submissions were received.

The submissions can be broken down as follows:

- (a) Support for use by the Canterbury Museum – 146.
- (b) Support for use by the Friends of Botanic Gardens – 33.
- (c) Combination of (a) and (b) – 5.
- (d) An exhibition gallery for other community groups – 12.
- (e) Sports Museum – 1.
- (f) Ice-cream Parlour – 1.
- (g) Use of the atrium for musical performances – 1.

PROPERTY UNIT COMMENTS ON THE ROBERT MCDUGALL ART GALLERY

The original building was built in 1932 and is constructed of concrete foundations and foundation walls, concrete columns, floors and roof slabs, brick walls to the perimeter. A new wing was added in the 1970s. In the early 1980s the basement areas were excavated and storage and work areas constructed. The building is air conditioned to all areas. Air conditioning was installed in 1992-94 to the general area and to the basement in 1995. Sprinkler and smoke detection systems were installed in 1996-97. A basement lift was installed in 1996. In 1994 the Design Services Unit of the Council completed a report on earthquake strengthening. That report highlighted several shortcomings, together with costs and recommendations to upgrade the building. As a result earthquake securing works were completed to parapets, chimney, carpenter's workshop and water tank. No strengthening works were done.

It is anticipated that any change in use or application for alterations would require strengthening works to be completed. Other upgrades to air conditioning (designed for open plan currently) and fire systems may be required. The earthquake strengthening options were priced at \$1,182,000 in 1994. Inflation adjusted, this figure in 2002 would be \$1,384,000.

In terms of the annual operating cost, the market expectation is that the tenant pays all operating expenses, either by way of a net lease or gross lease including market rent plus a balance representing the operating expenses and inflationary provision. Typical tenant operating expenses include rates, insurance, gas and water, rubbish collection, fire systems maintenance, HVAC, lift and other service contracts, cleaning and maintenance, toilet provisioning, grounds maintenance, car parking and yard repairs, management fees and Building Act 1991 charges.

The landlord's responsibility extends to structural work and replacement (capital works). These items are all subject to negotiation between landlord and tenant. The likely operating expenses based on historical actuals are as follows:

Rates	-	\$10,000
Insurance	-	\$5,800
Maintenance	-	\$60,000
Fire Maintenance	-	\$2,000
Air conditioning	-	\$10,000
Lift	-	\$7,500
Building Act	-	\$2,000
Management fees	-	\$6,000

The maintenance costs are high and it is likely that this total includes some maintenance which would not be a tenant's responsibility. Unfortunately, a breakdown of these costs is not available.

Non-recoverable expenses include depreciation, legal fees, structural, replacement works and exterior waterproofing works. The tenant would be totally responsible for 'in tenancy expenses' such as electricity, telephones and other utilities as well as reinstatement at the end of the lease term.

There has been no independent assessment of market rent to date.

SITE INSPECTIONS

Prior to the hearing, Councillors inspected the Robert McDougall Art Gallery, the former RSA Bowling Club building, North Hagley Park, the Botanic Gardens Information Centre, staff facilities, library and herbarium.

THE HEARING

The Subcommittee met on 29 May to hear the submissions. The following 16 submitters appeared in support of their submissions:

Mr T P Seay (grandson of the late Robert McDougall)
Mr Ian Cumberpatch, Institute of Architects
Mr Anthony Wright, Director, Canterbury Museum
Mrs Annette Harris and Mr L D Hayward, Friends of the Museum
Mr John R Allison
Mr Ralph Ross, Shirley Residents Group
Rev Bill Wallace and Ghazala Anwar
Cathy Hemsworth, National Sports Museum
Mrs Janet Begg
Mr Hamish Douch
Mr Michael Hamblett
Mr Roger Murdoch
Mr Cameron Moore and Professor David Given, Friends of the Botanic Gardens

Generally, the proposals for the future use of the McDougall building fell into three categories:

- Use by the Canterbury Museum.
- Use by the Botanic Gardens and Friends group for botanical purposes.
- Use for display purposes by art and craft groups, photographic society, sport museum and for small concerts.

The submissions and presentations were of a high standard and it was evident that submitters had put a good deal of thought and effort into their submissions. The Subcommittee would like to record its appreciation to all those who contributed to the consultation process.

DISCUSSION

The Committee reconvened on 30 May 2002 and 6 August 2002 to consider the issues raised by the submitters and to finalise its report to the Council.

The Subcommittee noted that its primary role, having considered the public submissions, was to identify the purposes for which the Robert McDougall Art Gallery should be used after the gallery is vacated by the Council.

In addressing this issue, the Subcommittee took a range of factors into consideration, including:

- The McDougall building had been purpose-built for an art gallery and the Council had spent considerable sums in upgrading the lighting, air conditioning and security systems to the standard required for the display and protection of works of art.
- A moral obligation to honour the wishes of the late Robert McDougall. Mr Seay advised the Subcommittee that his grandfather was a devotee of the visual arts and he would have wished the building to be retained as an art gallery.
- Two major organisations - the Canterbury Museum and the Botanic Gardens - have a pressing need for more space. However, alternative sites are available for a purpose-built facility for Botanic Gardens purposes, whereas this is not an option for the Museum.
- The issues and concerns raised in the submissions relating to the Museum's use of the building were not insuperable and could be addressed through the lease agreement. These matters included access to the McDougall building from the Botanic Gardens, use by other groups and the future name of the building.

Although not part of its brief, the Subcommittee has also decided to comment on three further issues which emerged during the site visit or at the hearing, namely:

1. The standard of accommodation of Botanic Gardens staff.
2. The provision of headquarters for the Friends of the Botanic Gardens.
3. The provision of a purpose-built building, to enable a number of initiatives suggested by the Friends of the Botanic Gardens to be implemented.

In the course of the site visit a number of buildings were inspected, including staff accommodation and the former RSA Bowling Club building. Councillors were not impressed with the standard of staff accommodation and believe that steps should be taken to improve the conditions some staff are working under.

The Subcommittee noted that the Friends of the Botanic Gardens require a base for their activities and consider that the RSA Bowling Club building, if upgraded, would be suitable for this purpose.

The submission from the Friends of the Botanic Gardens highlighted the need for a suitable building to undertake a range of activities not currently possible owing to the lack of suitable facilities. These include:

- Education and study area
- Research facilities
- Housing for the herbarium and archival material
- Library facilities
- Permanent displays for greater botanical awareness
- Information centre (for Rolleston Avenue entrance)
- Sufficient quality retail space

The Subcommittee considered that it would be inappropriate to use the Art Gallery building for these activities given that the building was built expressly for an art gallery and a substantial amount had been spent by the Council in the last decade to bring it up to the standard required for the display and protection of works of art.

In the Subcommittee's view a purpose-built facility is required in the Botanic Gardens for the above activities.

CONCLUSIONS

Having given due consideration to the issues raised in the submissions and the above factors, the Subcommittee reached the following conclusions:

1. In view of the fact that the gallery was gifted to the people of Christchurch, the building should remain in the ownership of the Christchurch City Council.
2. The building should be leased to the Canterbury Museum as a "Gallery principally for the display of Canterbury art and craft", subject to (inter alia):
 - The present Gardens entranceway being maintained as an entrance to and exit from the building.
 - The building being known as the Robert McDougall Gallery.
 - The Centre Court of the gallery being made available for community art, craft and similar displays and musical performances.
3. An inter-unit project team should be established to develop a long-term vision and development strategy for the Botanic Gardens taking into account the issues raised in the submission from the Friends of the Botanic Gardens and the need to provide improved working conditions for Botanic Gardens staff.
4. The former RSA Bowling Club building should be upgraded and made available as a base for the Friends of the Botanic Gardens.

The Subcommittee requested staff to prepare a draft bill and lease for its consideration. Both documents were before the Subcommittee at its meeting on 6 August 2002.

DRAFT BILL

The Legal Services Manager commented:

Attached is a draft Christchurch City Council (Robert McDougall Gallery) Land Vesting Bill intended to give effect to recommendation 2 of the Subcommittee's recommendations.

Key provisions of the Bill are:

1. Clause 5(1) vests the McDougall Gallery land in the Council as a local purpose reserve under the Reserves Act 1977.
2. Clause 6(a) provides that the Gallery is to be used principally for the purposes of a "... *display of Canterbury art and craft.*"
3. Clause 7(1) provides that the Council may grant a lease or licence of the McDougall building on such terms and conditions as it thinks fit, within the power specified in Clause 6.
4. Clause 7(4) provides the Council shall not have the power to sell the land.
5. Clause 8 provides that nothing in the Bill is to affect the existing heritage listings of the McDougall Art Gallery under the City Plan, or by the Historic Places Trust.
6. Clause 11 repeals the 1925 local Act.

If the Bill in the draft form is accepted by the Council, then in accordance with normal practice, the draft will be circulated to government departments and to interested groups within Christchurch for comment and feedback.

On this particular occasion, it is envisaged that the persons who made submissions in the consultation process may also make comments on the wording of the Bill itself.

It is preferable that issues the submitters may raise are known to the Council before it publicly notifies the Bill, rather than after. It is normal practice for government departments to make submissions or comments which change the wording of the Bill, and for this reason I would recommend that the Subcommittee continue in existence so that if I need further instructions as a result of comments from the public or from government departments, then the Subcommittee can meet to discuss any particular issue and finalise the wording of the Bill before it is publicly notified by the Council.

DRAFT LEASE

Also before the Subcommittee was a draft deed of lease between the Council and the Canterbury Museum. The key provisions of the draft lease include:

- A rent to be sought from the tenant in accordance with Council policy. The cost of all outgoings under the lease to be recoverable from the tenant.
- The Gardens' entranceway to be maintained as an entrance to and exit from the building.
- 'Business Use' of the premises to be consistent with clause 6 of the Bill.
- A requirement for the tenant to give reasonable access to the building (or the Museum) for temporary use by community and cultural groups for the display of community art, craft and similar activities at the tenant's discretion. The tenant must enter into a licence with any community group which is to use the area.
- During the term of the lease the building to be known as the "Robert McDougall Gallery".
- The Council to prepare an Asset Management Plan for the premises. It is anticipated that the Council will undertake the maintenance for the premises and then on-charge the costs to the tenant. How this will be managed will be detailed in the Asset Management Plan.
- The conservation issues of the building will be dealt with in the lease. A separate conservation covenant has not been drafted for the building. However, the Legal Services Unit reached the view that it would be better to have the lease include all matters normally covered by a conservation covenant rather than having a separate conservation covenant as this will avoid the potential for inconsistencies and confusion.

It is considered that it would not be appropriate for further work to be carried out on the draft lease at this stage because the lease cannot be signed until the Bill has been enacted (which may take 12-18 months). The terms of the Bill itself may change through the parliamentary process, and as the terms of the lease need to be in accordance with the Bill, there would seem to be little point in spending further time finalising the terms of a lease which may be affected by the parliamentary process. The lease can be finalised after the Bill has been enacted.

The Strategy and Finance Committee has requested staff to report direct to the Council, following consultation with the Director of the Canterbury Museum, defining more precisely the purposes for which the Gallery can be used by the Museum. The report will be circulated to Councillors prior to the meeting.

At the Committee meeting discussion also took place on the possible need to strengthen the building and the Committee has requested staff to clarify whether part of the Council's \$8M grant to the Canterbury Museum was to be used for this purpose. This matter will be the subject of a report to the Committee's September meeting.

- Recommendation:**
1. That all submitters be thanked for their contribution to the public consultation.
 2. That the Robert McDougall Gallery remain in the ownership of the Christchurch City Council and be leased to the Canterbury Museum as a gallery for purposes to be resolved at the Council meeting.
 3. That the Council promote a local bill generally in the form attached.

4. That the Robert McDougall Gallery Subcommittee be authorised to finalise the wording of the Bill after comment has been received from the public and government departments and before public notification by the Council in accordance with Parliament's Standing Orders.
5. That an inter-unit project team, in association with the Garden City Advisory Subcommittee, develop a long-term strategy for the Botanic Gardens taking into account the issues raised in the submission from the Friends of the Botanic Gardens.
6. That the Legal Services Manager report to the Strategy and Finance Committee on the timetable for the enactment of the local bill and occupancy issues.
7. That the Legal Services Manager report to the Arts, Culture and Heritage Committee regarding the conservation of the building and its heritage features.