



City of Richmond

Report to Committee

To: General Purposes Committee **Date:** January 31, 2020
From: Jim V. Young, P. Eng. **File:** 11-7000-01/2019-Vol 01
 Director, Facilities and Project Development
 Marie Fenwick
 Director, Arts, Culture and Heritage Services
Re: Phoenix Net Loft Options

Staff Recommendation

That Council provide direction as to the preferred approach for the Phoenix Net Loft as described on pages 3 and 4 of the staff report titled "Phoenix Net Loft Options", dated January 31, 2020, from the Director, Facilities and Project Development and the Director, Arts, Culture and Heritage Services.

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Att. 4

REPORT CONCURRENCE		
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER
Finance Policy Planning	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	
SENIOR STAFF REPORT REVIEW	INITIALS: 	APPROVED BY CAO

Origin

On December 11, 2017, Council approved the 2018 Capital Budget which included \$11.5 million to complete the Phoenix Net Loft Preservation Project. Following an open and competitive procurement process, staff received a contractor's price of \$19.44 million which exceeds the Council approved budget by \$7.94 million.

Given the highly deteriorated condition of the Phoenix Net Loft, there is a high risk of collapse during the construction process. Procurement for construction services was publicly posted through BC Bid. Staff also contacted several contractors with heritage construction experience to advise them of the public request for services. Only one contractor responded to the BC Bid posting. Prospective contractors advised that the Phoenix Net Loft is a risky project that also has significant worker safety issues related to staff working over water. The price received reflects the high cost of managing these risks and worker safety issues.

The purpose of this report is to present Council with additional information on cost saving and preservation options, potential grant opportunities, a proposed public consultation process, and to seek Council direction on the preferred approach to the Phoenix Net Loft.

Analysis

Background

The project was approved based on the following scope as adopted by Council on April 16, 2018:

- The building be raised by approximately 0.9 metres resulting in a new first floor building elevation of 3.5 metres that will significantly improve the level of flood protection.
- The second floor be reconstructed at a lower elevation, thereby increasing the usable second floor area from approximately 6,900 sq. ft. to approximately 10,300 sq. ft. for a total usable area of 20,600 sq. ft.
- The roof be replaced with corrugated tin, which is the same as the Britannia Shipyard Building.
- Concrete or steel piles be used in order to preserve the flexibility to convert the Phoenix Net Loft to other uses and enable it to meet current building code seismic standards, which is a requirement for full public occupancy.

The scope for preservation does not include the improvements or costs for internal space programming. Potential internal space programming options and order of magnitude costs can be found in Table 2 of Attachment 4. The order of magnitude estimate of these additional costs are \$9 - \$16 million which would increase the total project cost to an estimated \$28.44 – \$35.44 million.

The Phoenix Net Loft is located on a water lot leased from the province for a 30 year period, effective as of 2017.

The Phoenix Net Loft is listed on the City of Richmond's Heritage Inventory but is not part of the Britannia Shipyards National Historic Site and is not a City or nationally designated heritage site. Buildings included on the Heritage Inventory list are considered to be important heritage resources which contribute to the City's heritage character, but are not formally protected. For background information on the facility, please refer to Attachment 1 – Phoenix Net Loft – Heritage Value Considerations.

Cost Saving Options for the Phoenix Net Loft

Staff explored several cost saving options for Council’s consideration as outlined in Table 1. Currently, Council has approved preservation of the Phoenix Net Loft. The contractor’s price is \$19.44 million which exceeds the Council approved budget by \$7.94 million. All cost saving measures noted in Table 1 are considered order of magnitude in accuracy and would require further advancement of the design and/or tendering to refine estimates. Based on the Heritage Value Considerations for the Phoenix Net Loft included in Attachment 1 in this report, Options 2 and 3 will negatively impact the heritage value of the building due to the decrease in building massing and interior volume.

Table 1: Summary of Potential Cost Saving Options for Preservation of the Phoenix Net Loft

OPTIONS	IMPACT	TOTAL PROJECT COST (2020 \$)
<p>Option 1 – Eliminate Second Floor Occupancy This option will reduce costs related to structural, electrical and mechanical.</p>	<p>\$1.5 million cost reduction</p>	<p>\$17.94 million</p>
<p>Option 2 – 70% Building Length and Retain Second Floor Occupancy This option reduces the length of the current structure from 46 metres to approximately 32 metres. (Refer to Attachment 2 for length preservation graphics)</p>	<p>\$3.0 million cost reduction</p>	<p>\$16.44 million</p>
<p>Option 3 – 40% Building Length and Eliminate Second Floor Occupancy This option reduces the length of the current structure from 46 metres to approximately 18.4 metres and eliminates second floor occupancy. (Refer to Attachment 2 for length preservation graphics)</p>	<p>\$7.94 million cost reduction</p>	<p>\$11.5 million</p>

Additional Preservation Alternatives

Staff explored several other preservation alternatives as described in a letter to Mayor and Council from Councillor Harold Steves (Attachment 3). These alternatives are described further below and are not recommended given increased project costs.

Foundation Similar to Steveston Harbour Authority Waterfront

The waterfront buildings along the adjacent Steveston Harbour Authority (SHA) property previously had their pile foundations in-filled to form a solid foundation. Staff met with the SHA General Manager and the Engineer who managed the project to discuss the completed work and to further define the efforts involved to re-create this for the Phoenix Net Loft. Through this investigation, along with inputs from structural and environmental engineers, Scott Construction

determined that while feasible to implement, this alternative foundation would carry a significant premium and would increase the cost of the preservation project by \$7.16 million, for a total cost of \$26.6 million.

To implement this alternative foundation, in-depth environmental assessment work would have to be completed to facilitate the City's re-application for a Forests, Lands, Natural Resource Operations (FLNRO) permit. This permit is a requirement for the work to proceed and typically takes two years to obtain the necessary approvals.

Lead Paint Abatement and Reuse of the Existing Plank Siding

Due to the substantial lead paint contamination of the existing wood plank siding, the current preservation scope has accounted for the complete replacement with materials of similar appearance. If the desire is to reuse the existing siding, an extensive abatement process will have to be implemented which would carry added costs for treatment and handling of the contaminated material. This process may not be successful given the depth of the lead paint contamination in the existing siding. Scott Construction indicated that this alternative approach would increase the cost of the preservation project by \$2.36 million, for a total cost of \$21.8 million.

Demolition

The estimated cost for demolition is \$1.4 million. The remaining \$10.1 million, less design costs incurred to date, would be returned to the original funding source for future projects.

Additional Funding Opportunities

In addition to pursuing cost saving measures, staff explored potential options for additional funding to support the project. Depending on the final Council approved program plan for the Phoenix Net Loft, there are two grants which may be able to help fund work on the facility.

The Government of Canada *Cultural Spaces Fund* supports the improvement of physical conditions for arts, heritage, culture and creative innovation, including renovation and construction projects, the acquisition of specialized equipment and feasibility studies related to cultural spaces. The fund's support for an individual project is up to 50 per cent of total eligible expenses up to a maximum of \$15 million for a construction or renovation project. Applications are received on an on-going basis.

Heritage BC administers the *Heritage Legacy Fund* which was established through a grant from the Province of British Columbia for projects involving the preservation, rehabilitation, and/or restoration of a built community heritage resource. This program provides financial contributions of up to 50 per cent of eligible projects up to a maximum of \$25,000 and the next application intake will be Spring 2020.

Steveston Heritage Sites Interpretive Plan

Staff are currently working with community stakeholders to develop a Steveston Heritage Sites Interpretive Plan (Interpretive Plan). The Interpretive Plan will confirm the audience, stories and interpretive methods used across all the heritage sites in Steveston – including Britannia Shipyards. Specifically, the Interpretive Plan will inform the future operations at the Britannia

Shipyards, including offering potential program options for the future use of the Phoenix Net Loft space which could augment overall site operation. The Interpretive Plan is expected to be completed in the third quarter of 2020.

Proposed Public Consultation Process

A proposed public consultation process is detailed in Attachment 4 – Phoenix Net Loft - Proposed Public Consultation Process. Order of magnitude costs for the implementation of potential programs, in addition to base preservation costs, are also presented in Attachment 4.

Financial Impact

The financial impact is dependent on which option(s) Council chooses and any changes would be reflected accordingly in the amended Consolidated 5 Year Financial Plan. The provided costing has been escalated to 2020 dollars and is subject to market condition increases if the work is not awarded within the same year.

Conclusion

Following an open and competitive procurement process, the City was unable to secure a contractor to deliver the scope of work adopted by Council for the Phoenix Net Loft Preservation project within the approved budget.

Staff have researched and presented several options for Council’s consideration and are seeking direction on Council’s preferred approach prior to proceeding with next steps.

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- Att. 1: Phoenix Net Loft – Heritage Value Considerations
- 2: Phoenix Net Loft – Length Remaining
- 3: Letter to Mayor and Council from Councillor Harold Steves
- 4: Phoenix Net Loft – Proposed Public Consultation Process

Phoenix Net Loft - Heritage Value Considerations

In 2015, Donald Luxton and Associates, Cultural and Heritage Resources Management Consultants, prepared a Conservation Review for the Britannia Shipyards National Historic Site and the Phoenix Net Loft. This document provides background information on the historic context of Steveston, a history of Britannia Shipyards, a Statement of Significance for the site, and Statements of Significance for individual buildings, including the Seine Net Loft and the Phoenix Net Loft.

The Conservation Review states that the heritage value of the Phoenix Net Loft is found in its historical association to the canning and fishing industries in Steveston. The Phoenix Cannery was built by Marshall English in 1882, and the Phoenix Net Loft was constructed circa 1943, later than the original cannery buildings.

The Phoenix Net Loft is one of the last surviving structures associated with the Phoenix Cannery. The use, repair and storage of fishing nets was an integral part of the fishing industry, and the Phoenix Net Loft has aesthetic value as a good example of a structure constructed solely as a net mending and storage facility. Its massive size, large internal space and wood piling foundation as a response to its location on the riverfront represent its use as a net loft. The size of the building is a key component of demonstrating its use as a net mending facility, able to accommodate nets of significant length. It operated as a net storage and repair facility until the early 2000's when the City acquired the building from BC Packers as part of the rezoning considerations.

The Conservation Review further identifies the building's character-defining elements as:

- Heavy timber construction
- Large rectangular massing
- Gabled hip roof with shingle cladding
- Board and batten siding
- Regularly spaced, four-pane windows
- Shed additions on the west side
- Massive interior volume
- Wood door, floor, posts, beams, rafters, ceiling and staircase

To retain the heritage character of the building, the Conservation Review recommends that each of these aspects be conserved, with a preference for repairing original elements.

There are a number of different ways that heritage assets are evaluated around the world. While neither Canada nor the Province of British Columbia has specific evaluation criteria, the proposed criteria below takes significant direction from Parks Canada and their work in regards to the National Historic Sites Program. Parks Canada recognizes that the heritage value is subjective and determined by local communities. Within this context, sites are evaluated by both their *Significance* and their *Integrity*.

Significance Criteria

- **Associative** – The resource is closely and meaningfully associated with one or more of theme, event, period of time, culture, institution, person, community, or tradition considered important in the city’s history.
- **Contextual** – The resource is important in the historic development of the neighbourhood or city. The resource, by virtue of its location, its symbolism, or some other element, serves to communicate the heritage of Richmond to a broad audience.
- **Tangible** – The resource is important in demonstrating aesthetic characteristics and/or represents an important creative achievement in design, architecture, planning, construction, materials, or technology. The resource possesses uncommon, rare or endangered aspects of the city’s cultural history.

Integrity Criteria

- **Location** is the place where the heritage resource was constructed or the site where a historic activity or event occurred.
- **Design** is the combination of elements that create the form, plan, space, structure and style of the resource.
- **Environment** is the physical setting of the heritage resource.
- **Historic fabric** is the physical elements that were combined or deposited during a particular period(s) or time frame and in a particular pattern or configuration to form the heritage resource. Historic fabric may be obscured by later interventions.
- **Workmanship** is the physical evidence of the crafts of a particular culture or people during any given period in history. It is important because it can provide information about technological practices and aesthetic principles.
- **Feeling** is the resource’s expression of the aesthetic or historic sense of a particular period of time.
- **Association** is the direct link between an important historic event, person, or original use and the heritage resource.

Using the information from the 2015 Conservation Review and considering the Phoenix Net Loft in the context of the significance and integrity criteria detailed above, staff found that while the Phoenix Net Loft meets many of these criteria, many of these same criteria are also met and demonstrated in the adjacent Seine Net Loft. The heritage value of both the Seine Net Loft and the Phoenix Net Loft is found in their historical association to the canning and fishing industries in Steveston. The use, repair and storage of fishing nets was an integral part of the fishing industry and both the Seine and the Phoenix Net Loft have aesthetic value as good examples of structures constructed solely as a net mending and storage facility. Their massive size, large internal space and wood piling foundation represent their use as net lofts.

Phoenix Net Loft - Length Remaining



Full Size



70% Remaining



40% Remaining

To: Mayor and Council From: Councillor Harold Steves

For those who may not have been involved away back in 1998 - 2000 the donation of the Phoenix Net Loft to the city was the only amenity the city received from the BC Packers rezoning. It was a compromise proposed by the Richmond First members of Council and accepted by Council. The Steveston Fisheries Alliance wanted to preserve the main Imperial Cannery building at the foot of No 1 Rd. The Imperial had an appraised Value of \$10 million and required \$1.5 million in repairs. The Steveston Fisheries Alliance had \$1.6 million in committed funds but still needed additional funds for new improvements. As the building was almost entirely on a Crown water lot Richmond Council agreed in principal to preservation of the building but the final approval was up to the Ujjal Dosangh government, who did nothing. Because it was intended for a seafood market and auction BCP did everything possible to stop it and the building was demolished. However, the rezoning of the site included the use of the Imperial Cannery building site for maritime mixed use. No residential use is permitted north of the building site and a new building could be constructed on the old Imperial Cannery site today.

The case made for the Phoenix Net Loft was that it was adjacent to the Britannia Shipyard and its preservation was important to maintain at least part of the original Cannery Row with full sized cannery buildings. As there would probably be a public outcry from ONNI residents if we attempted to rebuild the old Imperial Cannery the preservation of the Phoenix Net Gillnet Loft is even more important today.

The staff report raises some interesting questions.

1) There wouldn't be a wooden heritage building left in the country if the outside siding had to be removed because of lead paint. Here in Richmond the Steveston Museum, Steveston Court House, Branscombe House, McKinney House, Vermillion House and Steeves House at 4431 Steveston Hwy have all been restored with the lead paint intact. The Steveston United Church is about to be restored with lead paint intact. My own house is presently being restored and the carpenter doing the work wears a face mask at all times when sawing, sanding and painting lead painted siding. The Phoenix Seine Loft walls are entirely constructed of asbestos and it was determined that painting the walls was an acceptable solution. There is no need to replace the siding.

2) The staff report states that the current beams do not meet code for fire and seismic design. Neither did the beams in the Phoenix Seine Loft. It was determined that simply adding timber and planking was sufficient to meet those requirements. In the main Britannia Shipyard the number of beams was doubled. New beams using used timber were installed halfway between existing beams. Why can't the Phoenix Gillnet Loft be restored the same way?

3) The staff report states that 90 to 95% of the perimeter wall framing, roof trusses and planks and second floor decking are reusable. Only the piles and the first floor, with 30% salvageable, needs replacing. The main Britannia Shipyard piles, installed in 1889, were in far worse condition. Piles were excellent below ground. They were cut off at vground level and stubb piles and cross bracing installed/ Has this been considered?

Furthermore densification has to take place before steel pies are installed. The Kishi Boatworks and Murakami buildings had similar problems. The floors were removed, the ground underneath filled and compacted and a concrete foundation and floor installed. Federal Government policy it to put fill under waterfront buildings and wharves and they have been filling much of the Steveston Harbour Authority main site. the buildings are not being raised. Why not fill under the building and the adjacent area to the west and put in a concrete foundation and floor?

4) Why not choose an option where the building is restored like all of the others? The building site has value, probably about \$5-6 million. Put a metal roof on the building now to preserve it.

5) We have not determined a site for a Richmond Museum. The old Imperial Cannery site is an obvious location. However there would probably be public opposition. The Phoenix Gillnet Loft would also be a good site.

Recommendation: That staff consider alternatives that could reduce costs.

Phoenix Net Loft – Proposed Public Consultation Process

Fundamental to the development of any facility program is a public consultation process. The purposes of a public consultation process are:

- To ensure the building design and programming meet the current and future needs of the general public and stakeholder groups.
- To ensure the development process for the facility is transparent and provides opportunity for input into decision making where appropriate.
- To ensure the public is informed, engaged, and excited about the benefits to the community of the facility.

Several program options for the Phoenix Net Loft were explored as highlighted in Table 1 below, and are based on previous Council direction, including the July 18, 2013 referral that staff explore the “Potential use of the Phoenix Gillnet Lot Building as an Arts centre and other uses, including a restaurant.”

These programs were explored at a conceptual level for the purposes of developing materials suitable for a public consultation process and for developing high level cost estimates for these options. Costing assumes that a program is approved and implemented concurrently with the preservation project. If Council chooses to implement a program following completion of the preservation work, it is anticipated that the program implementation costs would increase.

Options for future use of the Phoenix Net Loft will also be informed by the Steveston Heritage Sites Interpretive Plan. Working with heritage stakeholders in Steveston, this Plan will identify the preferred interpretive methods and target audiences for each of Steveston’s heritage sites. From this, options for the use of the Phoenix Net Loft can be put forward for public consultation. These options may range from service amenities such as food service, gift shop, and/or washrooms, which support high visitation, to community cultural amenities that complement existing opportunities for Richmond residents and business owners.

It is possible that through the consultation process and further direction from Council, a hybrid of these uses may emerge. It should be noted that this additional work and cost, was not considered in the 2016–2026 “Richmond Major Facilities Projects” endorsed by Council on December 12, 2016.

Table 2: Costs for Proposed Programs

PROGRAM OPTION	DESCRIPTION	BASE PRESERVATION COST	ESTIMATED PROGRAM IMPLEMENTATION COST	TOTAL PROJECT COST
A	Seasonal multi-purpose space	\$19.44 million	\$0	\$19.44 million
B	Art studio and maker space	\$19.44 million	\$9 million	\$28.44 million
C	Interpretive centre	\$19.44 million	\$16 million	\$35.44 million
D	Artisanal education / public market	\$19.44 million	\$11 million	\$30.44 million
E	Other options	\$19.44 million	TBD	TBD

Option A - Seasonal Multi-Purpose Space – No Requirement for Climate Control

- The key feature of this concept is that it retains the open floor plan of the Phoenix Net Loft providing an open, flexible space.
- The key strength of this option is that the space would be suitable for community gatherings in the summer months such as indoor markets, music performances, community celebrations, and seasonal exhibits and events (that do not require climate control).

Option B - Artist Studio and Maker Space

- The key features of this concept are artist creation spaces (both private and shared), a maker workshop and a gallery-style exhibition space.
- It includes a provision for food service and a mix of public and private spaces.
- The key strengths of this option are twofold: to provide creation and exhibition spaces for local artists and to provide space for artists and the community to share tools and equipment.

Option C - Interpretive Centre

- This concept envisions a museum-style interpretive centre. Potential exhibit and program themes would be explored in the next phase of planning.
- It includes a provision for food service and a mix of public and private spaces.
- The key strength of this option is that it would provide opportunities to explore interpretive themes relevant to the site that are not currently explored at Britannia Shipyards or elsewhere in Steveston Village.

Option D - Artisanal Education/Public Market

- This concept showcases artisans and their crafts/trades through demonstration, education and retail sales.
- It includes a provision for food service and a mix of public and private spaces.
- The key strength of this option is that it welcomes the community and tourists while supporting the creation of diverse, cultural and creative businesses.

Pending Council authorization, staff propose the public consultation process as detailed in Table 2 below.

Table 2: Proposed Public Consultation Process

ENGAGEMENT METHOD	DESCRIPTION
Stakeholder Workshop	<p>A workshop will be held with invitations to key stakeholders including Britannia Shipyards Society, Steveston Historical Society, Richmond Arts Coalition, Richmond Artists Guild, Tourism Richmond, Richmond Chamber of Commerce, Richmond School District and the Steveston 20/20 Group.</p> <p>These direct consultation meetings will provide opportunities for stakeholder groups to provide input and receive and share information.</p> <p>These groups will also be invited to attend all public consultation opportunities associated with the process.</p>
Let's Talk Richmond	A Let's Talk Richmond Survey will be launched to gain input from the general public.
Community Open House at Britannia Shipyards	An Open House will be held to both educate the public about the project and to elicit ideas and feedback on the Facility Use Study.
Promotions via print and social media	All public consultation opportunities, including the Public Open House and the Let's Talk Richmond survey will be publicized via print and social media to ensure the widest audience possible is aware and engaged in the design process.
Direct promotions	Direct mail will be used to invite stakeholders and neighbours of the Phoenix Net Loft to the Open House and to participate in the Let's Talk Richmond Survey.

Following the public consultation, staff will report back to Council with a proposed Phoenix Net Loft Program Plan. Pending Council endorsement of this plan, staff will proceed with advanced planning including more detailed design and costing, the preparation of a business plan for operations, a capital submission and a resubmission to FLNRO to proceed with work for the new proposed uses. The FLNRO application process takes approximately two years to complete.

Costs associated with the public consultation process are included in the existing Council approved budget. Funding to implement any program option will be the subject of a future report to Council and a capital submission.