

HUTT CITY COUNCILCITY DEVELOPMENT COMMITTEE

Report of a meeting held in the Wainuiomata Chambers, Wainuiomata Library, Queen Street, Wainuiomata on

Monday 19 October 2015 commencing at 5.30pm

PRESENT: Deputy Mayor D Bassett (Chair) Cr M Willard (Deputy Chair)
 Cr B Branch Cr M Cousins
 Cr A Finlayson Cr T Lewis
 Cr G McDonald
 Mayor WR Wallace (from 5.38pm)

APOLOGIES: Apologies were received from Cr C Milne and Cr M Shierlaw.
 An apology for lateness was received from Mayor WR Wallace.

IN ATTENDANCE: Cr C Barry
 Mr T Stallinger, Chief Executive
 Ms K Kelly, General Manager, Strategic Services
 Mrs J Raffills, General Manager, Governance and Regulatory
 Mr M Reid, General Manager, Community Services
 Mr P Healy, General Manager, Community Facilities Trust
 Ms M Laban, Community Projects and Relationship Manager
 Mr S Keatley, Community Facilities Manager
 Mr M Mercer, Sport and Recreation Manager
 Ms S Morton, Communications and Marketing Advisor
 Ms M Hewett, Group Executive Assistant to General Manager
 Ms S Haniel, Committee Advisor

PUBLIC BUSINESS**1. APOLOGIES**

The Chair said that Cr Shierlaw had declared a conflict of interest in item 4, Council Funding of Regional Bowls Centre, and tendered his apology for the meeting.

RESOLVED:**Minute No. CDC 15401(1)**

"That the apologies received from Cr Milne and Cr Shierlaw, and Mayor Wallace for lateness be accepted and leave of absence be granted."

2. PUBLIC COMMENT

Comments are recorded under the item to which they relate.

3. CONFLICT OF INTEREST DECLARATIONS

There were no conflict of interest declarations.

4. RECOMMENDATIONS TO COUNCIL

Council Funding of Regional Bowls Centre (15/1367)

Speaking under public comment, **Mr M Ellis, representing the Eastern Community Committee**, said that he supported the development of the Bowls Centre because the existing facility had been built in 1950's and was reaching the end of its life. He highlighted that the new Centre would be a modern facility for regional and international competitions which would bring economic wealth to the City. He added that, statistically, more people play bowls than rugby in New Zealand and the sport catered to those with disabilities and older people. He further said that if the funding was not approved, Council could lose \$2M of outside funding.

In response to questions from members, Mr Ellis said that the timing issues with regard to the sale of the assets did not appear to present a large financial risk to Council.

Mayor Wallace joined the meeting at 5.38pm

Speaking under public comment, **Mr T Heslin, Chair, representing the Eastern Community Committee**, said that he supported the development of Bowls Centre because it would develop bowls in Naenae, Lower Hutt and Wellington. He noted that younger people were playing bowls and added that it would be the best Centre in Australasia. He also noted that the Centre could be used for conferences, weddings and for other groups to meet, such as the Returned Services Association.

Speaking under public comment, **Mr J MacGregor, representing Bowls Wellington**, said that some bowling clubs had closed. He added that numbers had dropped and he supported the Bowling Centre because it was important that the sport continued to grow. He further said that major tournaments would come to an indoor facility in the Hutt Valley.

In response to a question from a member, Mr MacGregor said that there were two to three major bowling events in the Wellington region every year.

Speaking under public comment, **Mr R Evans, representing Maori Bowls**, supported the development of the Bowls Centre because the weather was unpredictable and an undercover green would be the venue of choice for major tournaments. He added that 400 people would be attending a bowls event in Wainuiomata and that families travelled to tournaments with the competitors.

Speaking under public comment, **Mr A Skene, representing the Community**

Facilities Trust (CFT), tabled a memorandum (attached as pages six and seven to these minutes) outlining progress on the Regional Bowls Centre. He said that the tender process was progressing well, that there were four live tenders all close in price, within 5% of the Quantity Surveyor's price and therefore within budget. He further said that the CFT had raised \$1.8M and confident that the pledges would be met.

In response to questions from members, Mr Skene said that geotechnical assessments had been taken into consideration in the design of the Centre, therefore the ground risk had been mitigated. He further said that the contingency sum was 5-6% which would be adequate given the high degree of design specification. He added that some of the funding pledges had been received as a cash grant and others would be received over a period of time. He further thanked Council for its continued support.

The General Manager Community Services elaborated on the report. He added that asset sales not realised in this financial year would be offset by normal Council carryovers and there was a low risk of the asset sales not proceeding.

In response to questions from members, the General Manager Community Services, said that the Bowling Centre would be a community facility and Council's marketing strategy would promote community buy-in. He added that the average age of people playing bowls was 42 years old and Council's community focus would be on youth.

In response to questions from members, the Chief Executive said that the practical concern for clubs would be that they could not vacate their land before they had the new club to move to. He further said that the proceeds from Council's asset sales would go into Council's Reserve Fund. He added that there was a low risk that the asset sales would not be approved. He further said that both Hutt Valley District Health Board and Boulcott Hospital had expressed strong interest in purchasing the part of reserve land at Mitchell Park which was occupied by the Naenae Bowling Club.

Cr Cousins said that Mitchell Park reserve land would go through a hearing process and then reported to Council. She added that if Council was not to approve a change to the status of the Mitchell Park land, then the issue would be referred back to the relevant committee.

The Chair noted the low risk of asset sales not proceeding, therefore the officers' recommendations reflected the degree of risk.

Mayor Wallace expressed support for the Bowls Centre and noted that it would be a world class facility for the Hutt Valley. He thanked the Chair and Deputy Chair of the Eastern Community Committee for speaking to the proposal.

Cr Branch said that Naenae had a number of facilities for youth, such as the computer clubhouse, leisure area, swimming pool, gym, and library, because Council had targeted funding towards youth in that area. She added that she

supported the Bowls Centre because residents of all ages, especially older people would have a facility for sporting activities.

Cr Willard said that New Zealanders in their 20's were winning international bowling tournaments and the Bowls Centre would have benefits for everybody in the community.

Cr McDonald expressed support for the Bowls Centre, and that it would provide a facility for younger adults and would be an asset for Naenae.

Cr Barry expressed concern regarding the process for the release of funds for the Bowls Centre. He added that he supported bowls in principle, however, he considered that the decision to release funds should not be made until the Copeland Street Reserve and Mitchell Park land sales had been approved by Council.

Mayor Wallace said that the Ombudsman's office's intention was not to hinder local government organisations from doing its democratically elected functions. He further said that officers would work with Councillors to alleviate concerns.

<u>RECOMMENDED:</u> (By Division)	Minute No. CDC 15402(1)
<i>"That the Committee recommends that Council:</i>	
<i>(i) approves the release of the balance of the budgeted \$4M funding to the Community Facilities Trust (CFT) to proceed with the development of the Regional Bowls Centre, subject to the balance of CFT fundraising being confirmed and an affordable contract value being negotiated;</i>	
<i>(ii) notes that although there is likely to be a budget variance in 2015/16 in respect of the timing of proceeds from the sale of a section of the Copeland Street Reserve and Mitchell Park, Officers are confident that this can be managed within Council's overall long term financial plan; and</i>	
<i>(iii) notes that there is a low risk of either or both of the sales of parts of Copeland Street Reserve and Mitchell Park not being approved in the future which would require Officers to manage Council's finances accordingly to meet long term financial strategy targets."</i>	

The motion was declared CARRIED by division with voting as follows:

<u>For</u>	<u>Against</u>
Deputy Mayor Bassett	Cr Lewis
Mayor Wallace	
Cr Cousins	
Cr Finlayson	
Cr McDonald	
Cr Willard	
Cr Branch	
<u>Total: 7</u>	<u>Total: 1</u>

5. QUESTIONS

There were no questions.

There being no further business the Chair declared the meeting closed at 6.39 pm.

Deputy Mayor D Bassett
CHAIR

CONFIRMED as a true and correct record
Dated this 15th day of December 2015



Date: 12 October 2015

To: The Chair and Committee Members
Community Development Committee
Hutt City Council

From: The Chair and Board of Trustees
Hutt City Community Facilities Trust

Subject: Regional Bowls Centre Walter Mildenhall Park UPDATE

1. This memorandum provides Council with the latest information relating to the CFT facility proposal to build a regional bowls centre at Walter Mildenhall Park. It is provided in summary form.

Planning & Tendering

2. CFT has obtained resource consent for the development. After a public consultation period no objections were received by Council planning officers. The consent which has been issued cannot be appealed, and contains conditions entirely favourable to the project.
3. The consultant project team lead by architects Tennant + Brown have completed detailed design, the final design and documentation stage. This was completed on time and on budget. The project has been rigorously value managed throughout the design phase with an independent quantity surveyor supplying price estimates at each design stage.
4. The CFT called for Expressions of Interest from potential building contractors in August 2015. Five companies, including three based in the Hutt Valley, were selected to proceed to the full tender stage. These companies were assessed as being capable, resourced and experienced in this construction type. Tenders for the build closed on Friday 9 October 2015. Four of the five companies lodged tender bids.
5. CFT lodged building consent on Friday 11 September 2015. We expect this to be issued by the end of October. Consenting officers within Council have not expressed any design concerns at this point.

Construction & Project Cost

6. The CFT construction budget for this project, including preliminary research covered by Council's \$250,000 - 2014 annual plan capital contribution, is \$6.25m. This covers professional fees, construction costs, landscaping costs relating to the build, contingency and associated fees.
7. The CFT is currently considering tender bids and seeking clarifications from the respective contractors. **Our initial assessment confirms that tender bids are in line with previous quantity surveyor price estimates and the facility can be built within the stated budget.** We are currently benefiting from a highly competitive construction market where tenders are

keenly priced, with contractors focused on delivering value driven bids in order to sustain their flow of ongoing work.

8. The CFT has contracted the consultant team on a fixed price contract. Similarly we will seek to negotiate a contract with the preferred contractor that further minimises the risk of cost escalations. Pending Council approval we will commence construction within 5 weeks.
9. The CFT will not seek further capital funds for this project from Council over and above the \$4m detailed in Council's 2015 Long Term Plan.

Fundraising

10. CFT has assumed responsibility for fundraising \$2m for this project. **To date we have received funding pledge commitments of \$1.55m.** We have a further funding application of \$200,000 pending consideration. We have four corporate proposals at various stages of negotiation and interest. Further applications and commercial partnership proposals will be lodged post construction commencing. **CFT fundraising coupled with Council's capital contribution exceeds the 90% funding threshold required by Council** before the Trust can appoint a successful contractor.

Contribution by the Bowls Fraternity

11. It is worth noting the capital contribution by the sport of bowls with this development. The Thorndon Bowls Charitable Trust has so far pledged \$550,000, and is considering a further application for \$200,000. The Park Avenue Bowling Club has commenced an \$180,000 refurbishment programme of the three natural turf greens and surrounds, that would adjoin the new complex, to bring them up to international standard. Both Park Avenue and Naenae Bowling Club are providing additional capital and existing infrastructure assets as part of the fit out of the new complex which would exceed \$200,000 in value. When combined the likely contribution by the sport will exceed \$1m.

Merger Process

12. Both bowling clubs and other stakeholders such as the Naenae RSA have been involved in merger talks for some months. Various sub-committees are working across matters relating to the greens renovation, constitutional issues, food, beverage and gaming, logistics, sport delivery and tournament schedules.
13. At this point, it is scheduled that the Park Avenue Bowling Club will close in the first week of November 2015. Members will move to the Naenae Bowling Club and will bowl out of that venue for the 2015/16 season. As stated above the PABC greens are currently being renovated and cannot be played on.

Council Criteria Satisfied

14. The CFT has confirmed through the tender process that it can build this facility for the sum we have set as our budget. We have raised the majority of the funds we need and we are poised, ready to go.