

Taranaki Regional Council

2019/2020 Annual Plan

CONSULTATION DOCUMENT

Working with people | caring for Taranaki



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About this Consultation Document:

The Council is preparing its 2019/2020 Annual Plan. This is the Consultation Document prepared in conjunction with the 2019/2020 Annual Plan Statement of Proposal, which can be found on the Council’s website (www.trc.govt.nz).

The Council is seeking your views on proposals around Yarrow Stadium.

Otherwise, the proposals for 2019/2020, as set out in the 2018/2028 Long-Term Plan, are being delivered upon.

Consultation is open until 23 April 2019 (Tuesday after Easter).

Decision time has arrived

The Taranaki Regional Council again proposes a ‘business as planned’ approach in the coming financial year – but with **Yarrow Stadium** an important exception.

We intend to continue with the programmes and budgets set out in last year’s 10-year plan. When we consulted the community on these last year, we noted that we’d also need to have a conversation on the Stadium’s future once details, options and costings were clear.

The time has come and the purpose of this Consultation Document is to consult the Taranaki community on that one single issue, the future of Yarrow Stadium. We acknowledge that many of you are anxious to see a solution identified and implemented, and feel it has taken too long to get to this point. That sentiment is understandable. The Council, too, is keen to move forward as quickly as possible.

However, complex engineering and geotechnical issues have emerged from the closure of both the Stadium’s stands after they were found to be quake-prone. Specialists have needed time to assess and analyse the problems and potential solutions. The Council has also needed to consult economic and financial analysts to satisfy ourselves that any preferred solutions are cost-effective, affordable and sustainable.

So a lot has been going on, and the work continues. Although potential solutions are developed enough to put to the community, expect refinements and revisions as the specialists delve further.

The options, with their pros and cons, and costs, are set out on these pages and also summarised in a table on page 5.

In a nutshell, the Council is committed to returning Yarrow Stadium to operational capability as soon as reasonably possible. We believe the region deserves no less. Our preferred option is to repair the stands and update some of the facilities at the same time (Option 2). We’d need to borrow up to \$55 million, which would be repaid over 25 years from a targeted rate that would vary according to constituency. Households would pay \$51 to \$76 a year, depending on location. This is up from the existing \$11 to \$20 a year.

For another \$14 million we could also incorporate enlarged and extra hospitality spaces (Option 4). Expert analysis suggests this would be a sound investment popular with event promoters and spectators alike. But we’d need outside funding support, because \$55 million is the most the Council can and should prudently borrow. We’re talking to potential co-funders and we hope they will take note of the community’s reaction to the options presented here. We can also incorporate the extra improvements if a co-funding partner emerges after work on Option 2 gets under way.

So Option 2 has to be our preferred option – we can go ahead with it but leave the door open for Option 4.

We are convinced of the Stadium’s value to the community, as borne out in a new economic analysis by Business and Economic Research Ltd (BERL). Its main findings are also summarised in these pages. Read the full analysis at www.trc.govt.nz/yarrow1 and a BERL report on repair options at www.trc.govt.nz/yarrow2.

Please read on. Our decision on Yarrow Stadium will have a big impact on the region now and into the future. We welcome and will consider carefully your informed feedback.



David MacLeod
Chairman



Basil Chamberlain
Chief Executive

What we do

In the 2019/2020 Annual Plan, the Council intends to maintain a strong focus on its core activities, as established and consulted on in the 2018/2028 Long-Term Plan.

No significant changes are proposed to what was consulted on and adopted in respect of these activities (with the exception of Yarrow Stadium) in the 2018/2028 Long Term Plan. Consultation is therefore not being invited at this time about these other activities.

The Council's activities are in key areas that largely define and shape the region's economy and society – environmental regulation and enforcement; resource management; biosecurity and biodiversity; transport; recreation, culture and heritage; hazard management; and governance of Port Taranaki.

The Council's activities are delivered through a range of policies, plans and strategies, and through our flagship programmes – most notably Towards Predator-Free Taranaki and the Riparian Management Programme. Through its work, the Council is improving lifestyles, supporting livelihoods and taking Taranaki forward.

Improving lifestyles	Supporting livelihoods	Taking Taranaki Forward
<ul style="list-style-type: none"> ▶ Checking river health ▶ Testing marine life ▶ Monitoring swimming spots ▶ Ensuring clean air ▶ World-class gardens: <ul style="list-style-type: none"> • Pukeiti • Tūpare • Hollard Gardens ▶ Public bus services ▶ Investing in Yarrow Stadium ▶ Assisting Puke Ariki, heritage and culture 	<ul style="list-style-type: none"> ▶ Towards Predator-Free Taranaki ▶ Regulating use of natural resources ▶ Reporting environmental performance ▶ Enforcing environmental standards ▶ Flood protection ▶ Monitoring nature's extremes ▶ Sustainable farming ▶ Riparian planting ▶ Riparian fencing ▶ Protecting wetlands ▶ Protecting soil ▶ Removing predators ▶ Targeting pest plants 	<ul style="list-style-type: none"> ▶ Supporting community initiatives ▶ Restoring native habitats ▶ Connecting people ▶ Planning for the future ▶ Owning Port Taranaki ▶ Building scientific knowledge ▶ Educating future generations



Yarrow Stadium – the story so far

THE COMMUNITY AND THE STADIUM

Yarrow Stadium has been a popular venue for a wide range of well-attended events. With its stunning backdrop of Mt Taranaki, it was the region's proud showcase to the nation and the world as it hosted four All Blacks tests, three World Cup rugby internationals and numerous Super Rugby, Ranfurly Shield and domestic rugby championship fixtures.

But the stadium's use has by no means been restricted to top-level rugby. It has been embraced by the regional community for a broad spectrum of events.

Its contribution to regional well-being and wealth is documented in a new economic study by Business and Economic Research Ltd (BERL). BERL's key findings include:

- The Stadium has been worth \$100 million to Taranaki over 15 years – about half in direct spending and half in flow-on spending (extra goods and services provided to stadium-goers).
- Community use, as measured by attendance at major events, doubled between 2014 and 2017.
- Rugby is important to Taranaki – it has the highest regional per capita participation rate in NZ, and the highest women's participation rate. Between 2003 and 2017, rugby fans spent \$48 million getting to and attending matches at the Stadium.
- Other major sporting events at the Stadium have included pre-season NRL league fixtures, Under-20 World Cup and Phoenix soccer fixtures, Twenty20 cricket fixtures and demonstration motorsport events (Crusty Demons, Nitro Circus, Monster Trucks).

- Community events at the stadium from 2014 to 2017 included 20 functions, 69 conferences/meetings, eight expos/exhibitions, 68 community sports events and 14 other community events.

BERL expects the 'future stream of value shall be considerably larger' if the Stadium is repaired and some improvements made. See the full BERL report at www.trc.govt.nz/yarrow1. An additional BERL report analyses the potential of the options presented here – see www.trc.govt.nz/yarrow2.

THE COUNCIL AND THE STADIUM

The Taranaki Events Centre Trust, a private body set up for the specific purpose, developed and built the Stadium almost 20 years ago at what was Rugby Park. In 2001, after public consultation and enabling legislation by Parliament, the Council provided \$9.6 million to support the Trust in its endeavours. The initial grant came from internal borrowings, which were repaid from regional rates over the subsequent 10 years.

In 2003 the New Plymouth District Council also provided funding to enable improvements to be made in preparation for the Rugby World Cup. The NPDC also assumed effective ownership of the Stadium by taking control of the Trust, which was renamed Yarrow Stadium Trust.

The TRC's initial loan was totally repaid by 2012. But although the Stadium's day-to-day running costs were being met by the NPDC, there was no funding source for maintenance and development.

So the TRC decided to continue its existing rating arrangements for the Stadium and direct the proceeds to maintenance and development, now that the original loan had been repaid. To facilitate this, it took control of the Yarrow Stadium Trust (now called Taranaki Stadium Trust), giving TRC effective ownership of the facility, and entered into a formal partnership with NPDC as operator.

TRC's funding under this arrangement has subsequently been used to fund projects such as the new scoreboard screen, urgent roof repairs, and expanding hospitality facilities at the Stadium.

EARTHQUAKE-PRONE STANDS

When new hospitality suites were being built in 2017, the West Stand's foundations were found to have been damaged in the November 2016 Kaikoura earthquake. This damage was subsequently fixed, and no earthquake damage was found at the East Stand.

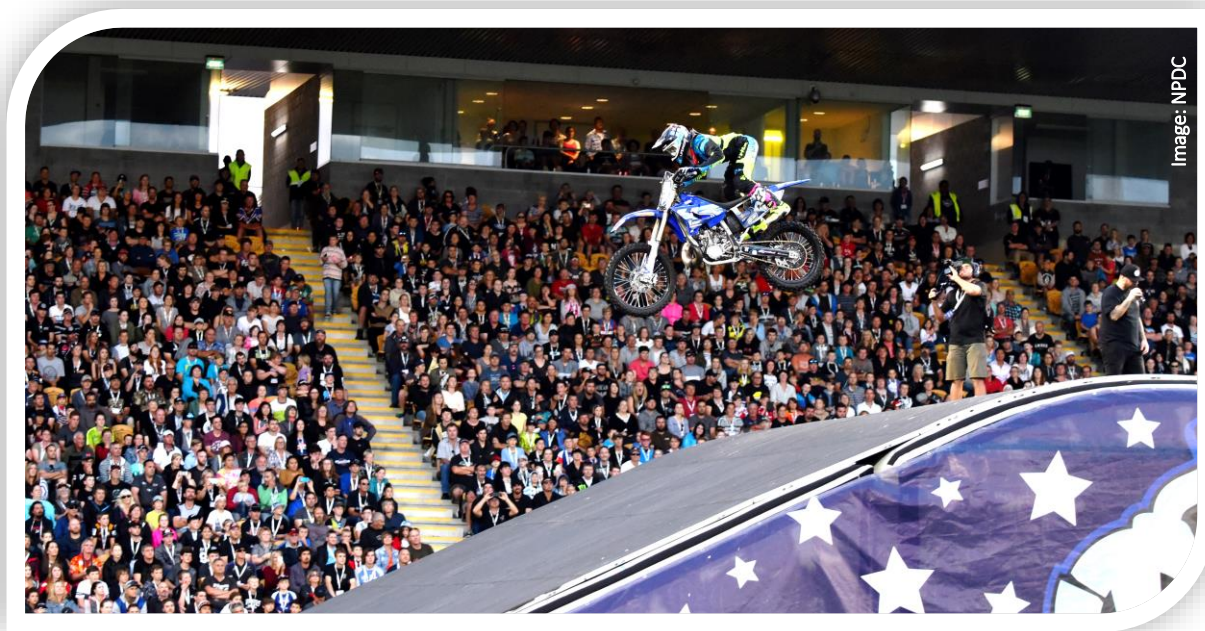
However, the discovery of damage to the West Stand indicated there might be ongoing risks, and an earthquake assessment was commissioned for both stands.

The East Stand was identified as earthquake-prone in November 2017, and the West Stand was identified as earthquake-prone in May 2018. Both were closed as a matter of public safety. There is only a relatively low risk of a significant earthquake occurring during an event when the stands are fully occupied. But when faced with the severe earthquake-prone designations provided by the Building Control Authority, the Council cannot gamble with people's lives.

FUNDING OPTIONS

The Council is prepared to borrow up to \$55 million to fund a solution for Yarrow Stadium, but no more. Anything more would be getting too close to our borrowing limit, and it would not be prudent to leave ourselves unable to respond to unforeseen issues in the future.

Some will say that servicing such a loan is too much of a burden for ratepayers and that we are unfairly saddling future ratepayers with debt. The Council acknowledges that people are entitled to hold this view, but notes that the rates burden would amount to \$76 a year for households in North Taranaki and New Plymouth, and \$51 for those in Stratford and South Taranaki. And the Stadium will be enjoyed by future generations as well as current ratepayers.



The Council believes that overall, the region would be poorer without a venue of the standard of Yarrow Stadium. BERL's economic analysis provides data that fully confirms the Council's view.

Others will say that we should seize this opportunity to remodel the Stadium, making it usable for a wider range of sporting codes and perhaps even putting a roof over the pitch.

We would all appreciate and enjoy such a facility. But it would require funding support from another party or parties.

We would welcome such support if it could allow us to expand the Stadium's capacity and usage as envisaged in Option 4 for which around another \$14 million would be needed. Discussions so far with other parties have been constructive but not been fruitful. We trust that these parties will take note of the community's reaction to the proposals set out here.

So Option 2 has to be our preferred option – we can go ahead with it but leave the door open for Option 4 if outside funding becomes available in the next 18 months.

The more elaborate \$100-million-plus options would need to be led as well as substantially funded by another party or parties. Physical work could not begin until these were secured, and possibilities look very limited. BERL has also confirmed that the less expensive options offer more investment value than the bigger options. To put it another way, it's highly questionable whether the more expensive options would be worth the cost.

The Council also continues to investigate liability issues, but the prospects of financial compensation are unclear at best.

The options

This table summarises the options. More information on each option can be found on subsequent pages.

OPTIONS »	1	2 *	3	4 **	5&6 ***	7&8 ****
	Demolish Stands, grass banks	Repair stands, update facilities	As for Option 2, with extra seating	As for Option 3, plus new facilities	Improved/new Stands & Terraces	New Stadium, with or without roof
Can be implemented in 2-3 years	✓	✓	✓	✓	✓	✗
Good as or better than before	✗	✓	✓	✓	✓	✓
Okay for international sport	✗	✓	✓	✓	✓	✓
Comparable with similar regions	✗	✓	✓	✓	✓	✓
Within TRC financial limits	✓	✓	✗	✗	✗	✗
Total estimated cost	\$6m	Up to \$55m	\$57m	\$69m	\$121m - \$133m	\$167m - \$271m
Benefit-cost ratio	0.1	3.8	3.8	4.0	2.6	1.4
Annual cost per household (North = New Plymouth & North Taranaki; South = Stratford & South Taranaki)	North: \$22 South: \$15	North: \$76 South: \$51	North: \$78 South: \$52	North: \$91 South: \$61	North: \$148-\$161 South: \$91-\$108	North: \$198-\$312 South: \$133-\$210
Commercial and industrial ratepayers (NP and NT only)	\$125	\$428	\$441	\$515	\$836 - \$910	\$1121 - \$1764

* Preferred option. Variations considered and dismissed by the Council include fixing East Stand and either demolishing the West Stand (\$50.2m), or removing its roof (\$56.1m). See overview of options.

** Possible preferred option if supported by co-funder.

*** New East Stand, new South Terrace, extended West Stand (\$121m) OR new East and North Stands, extended West Stand, new South Terrace (\$133m). See overview of options.

**** Completely rebuilt Stadium \$167m; rebuilt Stadium with roof \$271m. See overview of options.



A note about costs

Cost estimates for the options were developed in a comprehensive and professional process of design, engineering and quantity surveying.

After an option is selected and as the necessary services are procured, an 'Early Contractor Involvement' process will be used to refine the way the project is delivered and to arrive at a final budget. The project delivery process and budget will be subject to normal governance and management oversight before they are implemented.

Operational costs (depreciation, maintenance, insurance and so on) and capital costs for the preferred option are provided for in the Council's 2019/2020 Annual Plan Statement of Proposal. For Options 3 to 8, there would be additional operational costs that have not been provided for, as these options are beyond the Council's ability to fund on its own.

Overview of options

The community rightfully expects a full range of possible improvements and enhancements to have been investigated as we prepared options for consideration. This expectation is reflected in the options presented here. A quick analysis of costs and benefits suggests that Options 2 to 4 are the only ones that can realistically be achieved or mostly achieved within the cost limit and within a reasonable timeframe.

Further information Options 2, 3 and 4 can be found in the next section. Architectural master plans of all options can be found at the back of this document.

OPTION 1: DEMOLISH BOTH STANDS, REPLACE THEM WITH GRASSED BANKS

Details; pros and cons: Demolish and remove both stands and replace them with grassed banks. This option is the cheapest and fastest but effectively ensures that no national or international events are held at the Stadium. There will be no covered seating and the overall capacity of the ground is reduced. The only seating options would be the existing North and South Terraces. There are no hospitality options. This would be a significant step backwards for the social cohesion of the region and economic activity would be reduced.

Estimated cost: \$6m. (Ratio of benefit to cost: 0.1)

OPTION 2 (PREFERRED OPTION): REPAIR STANDS AND UPDATE FACILITIES

Details; pros and cons: Repair/reinstate the two stands, relocate gym and changing facilities to a new building and a range of updates. This returns the stands to use and brings the stadium/venue up to a modern standard. There is a new layout for the East Stand. On the downside, there will be little evidence of any change to the Stadium, and the use and capacity of hospitality areas remain limited. This project is the preferred option. SEE NEXT SECTION FOR MORE DETAILS

Estimated cost: Up to \$55m. (Ratio of benefit to cost: 3.8)

Variations: The Council considered but discounted two variations to Option 2: demolishing the West Stand and fixing the East Stand (\$50.2m) or fixing the East Stand and removing the roof from the West Stand (\$56.1m). The total cost of the either is similar to that of Option 2, but the loss in the level of service is significant. Both options would reduce the covered seating capacity and make the venue unattractive for national and international events.

OPTION 3: REPAIR STANDS WITH EXTRA SEATING CAPACITY

Details; pros and cons: This option is essentially another variation of Option 2, with the addition of four rows of uncovered permanent seating in front of the East and West Stands. This would increase the seating capacity of the stadium, making it more attractive for event organisers. The weaknesses in option 2 remain. SEE NEXT SECTION FOR MORE DETAILS

Estimated cost: \$57m (Ratio of benefit to cost: 3.8)

OPTION 4 (POTENTIAL PREFERRED OPTION): REPAIR STANDS WITH EXTRA SEATING AND ADDITIONAL COMMUNITY FACILITIES

Details; pros and cons: This option is the same as option 3 but an with an extended East Stand including bigger Legends Lounge, an additional lounge above main concourse (new Level 3), and extra space on the ground floor and main concourse to relieving congestion at big events. This would make the Stadium more likely to attract major sporting events and more versatile, able to host a wider range of non-sport community and commercial events. The Council is likely to favour this option if a co-funding partner emerges. SEE NEXT SECTION FOR MORE DETAILS

Estimated cost: \$69m. (Ratio of benefit to cost: 4.0)

The following four options are well beyond the Council's financial limit.

OPTION 5: NEW EAST STAND, EXTENDED WEST STAND, NEW SOUTH TERRACE

Details; pros and cons: Repair and extend capacity of West Stand, replace East Stand with new structure with more capacity, build a new South Terrace (with pitch 1 moved south to be closer). A new East Stand and an enhanced West Stand would significantly increase the capacity and the number of covered seats. This would make the venue more financially attractive for larger national and international events. It would also widen the potential for community use and increase the space available for hospitality, conferences, expos and so on. However, the cost is well outside the Council's financial limit.

Estimated cost: \$121m. (Ratio of benefit to cost: 2.6)

OPTION 6: NEW EAST STAND, EXTENDED WEST STAND, NEW NORTH STAND, NEW SOUTH TERRACE

Details; pros and cons: This option is the same as Option 5 plus a new uncovered North Stand. This would increase the attractiveness of the venue for national and international events. The stands and South Terrace would all be close to pitch 1, offering spectators a more intimate viewing experience. All the advantages/benefits of Option 5 apply to this option. There is a small reduction in total capacity due to the removal of standing areas. Effectively, the Stadium becomes an all-seater venue. However, as with the previous option, the cost is well outside the Council's financial limit.

Estimated cost: \$133m.

OPTION 7: NEW STADIUM

Details; pros and cons: Develop a new stadium on the existing site with covered stands north, east and west and uncovered stand in the south. The main pitch would align with the mountain. This is a complete new build option. Pitch 2 is relocated. This option caters for all community use options (expos, conferences and so on), as well as being financially attractive for national and international events. The construction of a new stadium will mean that current uses will need to be relocated for 2 to 3 years. The cost is well outside the Council's financial limit.

Estimated cost: \$167m.

OPTION 8: NEW STADIUM WITH ROOF

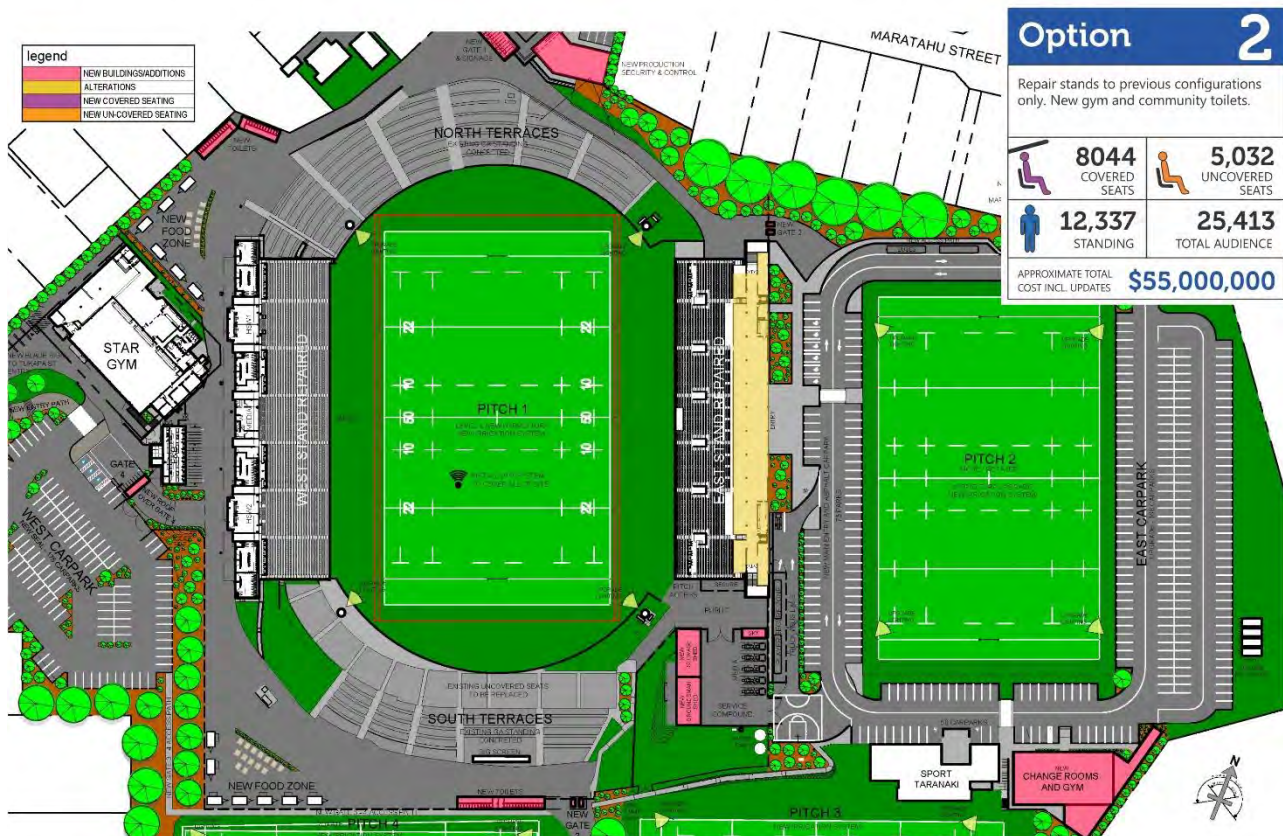
Details; pros and cons: The same as option 7 plus a roof over the new stadium. This would provide a true all-weather venue. This pros and cons for option 7 apply to this option.

Estimated cost: \$271m. (Ratio of benefit to cost: 1.4)

More details on the most likely options

Given the Council's upper borrowing limit of \$55m, the more realistic choices are Options 2, 3 or 4 if the region wants a fit-for-purpose Stadium.

OPTION 2 (PREFERRED OPTION): REPAIR STANDS AND UPDATE FACILITIES



What's involved

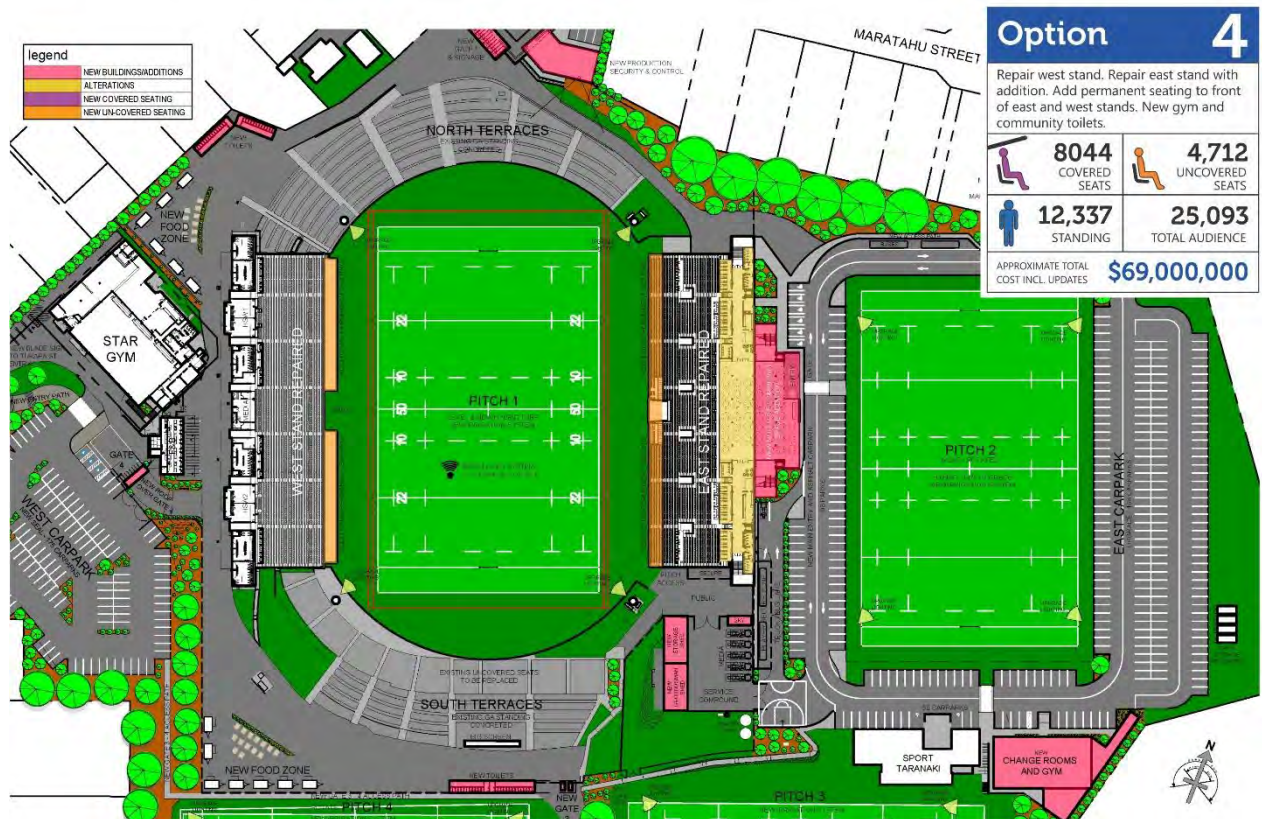
- Repairing and reinstating both main stands.
- Relocating of gym and changing rooms to another building (bottom right corner on map above)
- Reconfiguring/modernising East Stand ground floor.
- Updating a range of facilities, depending on the final cost of repairs to the stands. Priorities are:
 - Extra food & beverage retail space, extra toilet facilities.
 - Wi-fi & audio-visual technology upgrades.
 - Seal west carpark, improve its lighting.
 - LED lights for main pitch (current lights are approaching end-of-life).
 - Upgrade east car park and team drop-off area.
 - Entry gate improvements.
 - Replace South Terrace seating.

This work essentially restores what previously existed, with some facilities updated. Reconfiguring the East Stand ground floor allows the inclusion of extra facilities such as a sampling room.

Cost: Up to \$55m (ratio of benefits to cost: 3.8).

This has to be the Council's preferred option, given its \$55m funding limit. The Council can start on Option 2 but switch to Option 4 should external funding become available within 18 months.

OPTION 4 (POTENTIAL PREFERRED OPTION): REPAIR STANDS WITH EXTRA SEATING AND ADDITIONAL COMMUNITY FACILITIES



What's involved

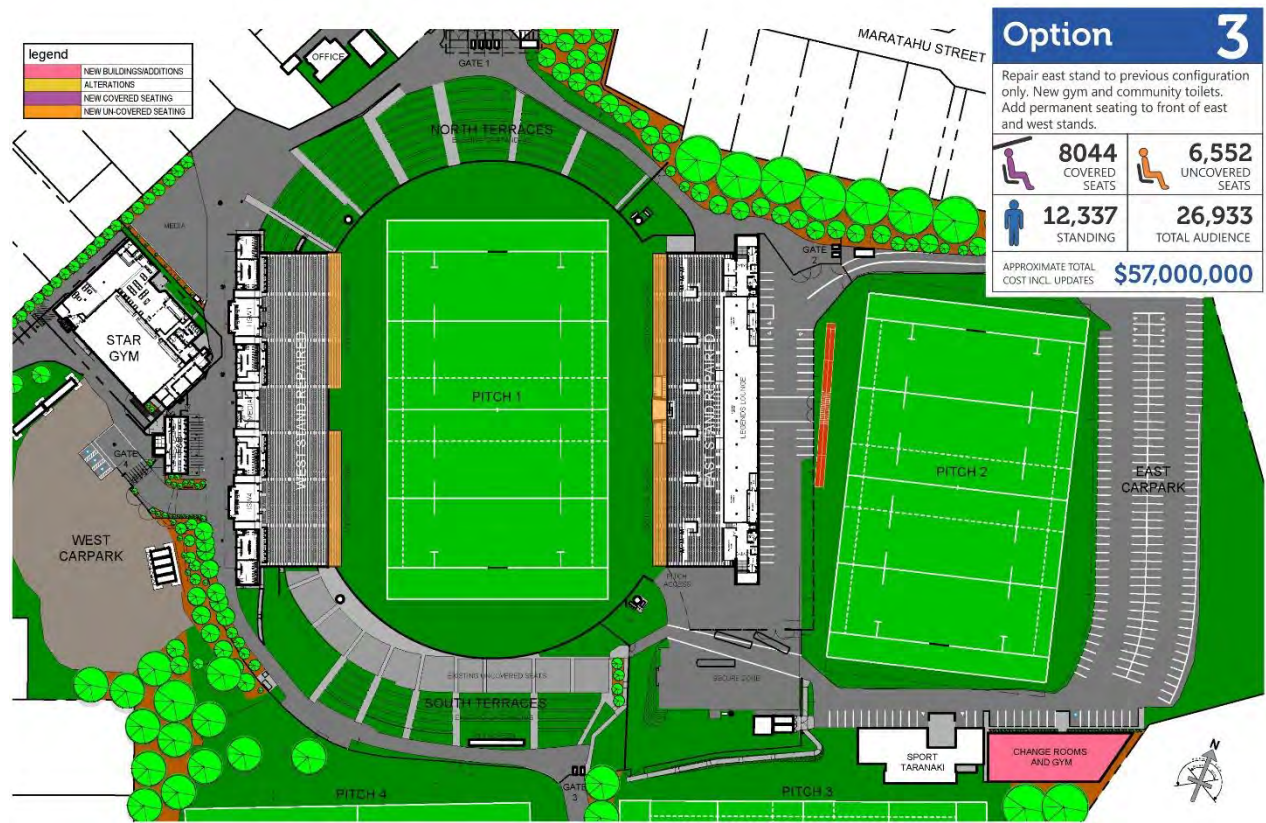
- All of the work outlined in Option 2.
- Adding permanent uncovered seating (shaded brown on map above) to front of each stand.
- Full-height extension to back of East Stand, allowing for:
 - Expanded Legends Lounge.
 - New hospitality lounge on mezzanine above East Stand main concourse (effectively a new Level 3).
 - More space on the ground floor and main concourse to alleviate congestion.

This work would future-proof the Stadium by taking it a step beyond what previously existed, with many potential benefits for patrons and event organisers alike. The expanded hospitality areas will increase revenue opportunities for event organisers, creating the potential for one or two more international sporting events annually than would otherwise be the case under Option 2. The Stadium would also be more suitable for a wider range of non-sport functions and community and commercial events, with the potential for 100 or more extra events annually. This would take pressure off other venues in New Plymouth. This option returned the best score in an analysis of costs and benefits carried out by BERL, and was also recommended by design consultants.

Cost: \$69m (ratio of benefits to cost: 4.0).

The Council would prefer this option if outside funding was secured to meet the shortfall between the Council's upper limit of \$55m and the total cost of \$69m. The Council can start on Option 2 but switch to Option 4 should external funding become available within 18 months.

OPTION 3: REPAIR STANDS WITH EXTRA SEATING CAPACITY



What's involved

- All of the work outlined in Option 2.
- Adding permanent uncovered seating (shaded brown on map above) to front of each stand.

This work essentially restores what previously existed, with the addition of four rows of seating in front of each stand, and with some Stadium facilities updated. Reconfiguring the East Stand ground floor allows the inclusion of extra facilities such as sampling room. The extra uncovered seating would allow bigger crowds at sporting events, although they would not command the same premium as covered seating.

Cost: \$57m (ratio of benefits to cost: 3.8).

This option adds \$1.3m the cost of Option 2, but the ratio of benefits to cost remains the same at 3.8. This suggests that the extra investment would not be worth the return. The Council considers it more worthwhile to move to Option 4 if external funding becomes available.

Rating/Funding

The Council would need to borrow the necessary funds to bring Yarrow Stadium back to operational capacity. For the preferred option, up to \$55 million would be borrowed over the period of the reinstatement project, to be on-lent to the Taranaki Stadium Trust. This debt would be fully repaid (interest and principal) over 25 years. The repayment would be funded by increasing the existing Yarrow Stadium rating mechanisms, with some minor changes.

NO CHANGE TO HOW COSTS ARE SHARED

Unchanged would be the revenue and financing policy for Yarrow Stadium. Since 2001, Yarrow Stadium funding has been apportioned across the region, with 78% of the funding coming from the New Plymouth and North Taranaki constituencies, 5% of the funding from the Stratford constituency and 17% from the South Taranaki constituency. There is no proposal to change this mechanism, as it recovers funding from across the region in proportions that were developed by independent economists (BERL) based upon the approximate level of benefits received in each part of the region. The existing funding policy would continue for this reinstatement/repair project.

SINGLE CHARGE INSTEAD OF COMBINATION

What is being proposed is to move from a combination of fixed charges (part of the uniform annual general charge, or UAGC) and targeted land value differential rates (New Plymouth and North Taranaki constituencies), to a targeted annual fixed charge that recovers the same amount from each ratepayer in a constituency. These fixed charges will be consistent with the funding policy allocations outlined above.

WHAT IT WOULD MEAN FOR YOUR RATES

For **Stratford** and **South Taranaki** constituencies, each ratepayer has paid \$11 a year for Yarrow Stadium as part of their UAGC. The Council now proposes to create a targeted annual fixed charge of \$50.98 per ratepayer in Stratford and South Taranaki.

For **New Plymouth** and **North Taranaki** constituencies, each residential, farming and small-holding ratepayer has paid, on average, \$20 a year for Yarrow Stadium. This has been a combination of \$11 from the UAGC and a differential rate based upon the land value of each property. The Council now proposes to replace these with a targeted fixed annual charge of \$75.81. For industrial and commercial ratepayers, each land holder has paid, on average, \$100 a year for Yarrow Stadium. Again, this has been a combination of \$11 from the UAGC and a differential rate based upon the land value of each property. The Council now proposes to replace these with a targeted fixed annual charge of \$428.30.

These targeted charges can be summarised as follows:

	New Plymouth/North Taranaki	Stratford / South Taranaki
Residential, farming and small holding ratepayers	\$75.81 annually	\$50.98 annually
Industrial and commercial ratepayers	\$428.30 annually	\$50.98 annually



The forecast for 2019/2020 was for a general rates increase of 3.7% (2018/2028 Long-Term Plan). The removal of the UAGC component and the creation of targeted annual fixed charges means that the general rate change for 2019/2020 will be 0% rather than the 3.7% forecast.

For our external borrowing, we are proposing to take part in the Local Government Funding Agency (LGFA) Scheme. This scheme, used by most councils across the country, is able to raise debt on behalf of local authorities on terms that are more favourable than if they raised the debt directly. We believe the benefits of lower borrowing costs outweigh any costs and risks associated with the scheme. A discussion of these costs and benefits is set out in a statement of proposal which can be found on the Council's website – www.trc.govt.nz/LGFA.

Have your say

Tell us what you think

You can have your say online, by email or through the post. And if you want to, you can come along and explain your views personally to Councillors.

All submissions will be carefully considered before final decisions are made.

If you want more information, see the Annual Plan Statement of Proposal at www.trc.govt.nz, or you can inspect a copy at the Council office at 47 Cloten Road Stratford, or at District Council service centres or libraries. You can also call us on 0800 736 222.

Making a submission

Submissions must be received by **4pm on Tuesday 23 April (Tuesday after Easter)**.

Online: www.trc.govt.nz

Email: info@trc.govt.nz ('Annual Plan submission' in subject field)

Post: Annual Plan Submission
Chief Executive
Taranaki Regional Council
Private Bag 713
STRATFORD 4352

(The attached submission form can be used for postal submissions.)

What happens next?

Submissions open: 18 March 2019

Submissions close: 23 April 2019

Hearing of and deliberation on submissions: 13/14 May 2019.

Adoption of *2019/2020 Annual Plan*: 21 May 2019.

2019/2020 Annual Plan becomes operative: 1 July 2019.

Submission form

SUBMITTER

Title (please circle) Dr Mr Mrs Ms Miss Other (please specify)

First name Surname

Organisation/group (if applicable)

Postal address (Please provide full postal address, including rural delivery and postcode)

_____ Postcode

Phone (daytime) _____ Mobile

Email _____

I wish to present my submission personally at a hearing scheduled for 13/14 May

Yes No

Signed _____

YOUR SUBMISSION

Note that your submission and any information you supply as part of it is considered public information and will be available in reports and documents relating to this process and will be published on our website, www.trc.govt.nz.

YARROW STADIUM

Which is your preferred option for the future of Yarrow Stadium?

Tick one of these boxes:

- Option 1:** Demolish stands, grass banks
- Option 2:** Repair stands and update facilities
This is the Council's preferred option
- Option 3:** Repair stands, add extra uncovered seating
- Option 4:** Repair stands, add extra seating, add community facilities
This is a potential preferred option if a co-funding partner emerges
- Option 5:** New East Stand, extended West Stand, new South Terrace
- Option 6:** New East Stand, extended West Stand, new North Stand, new South Terrace
- Option 7:** New Stadium
- Option 8:** New Stadium with roof

COMMENTS

ADDITIONAL COMMENTS

Lined area for additional comments, consisting of multiple horizontal dotted lines.

Questions & answers

Background & history

Why have the public waited so long to see options and costings?

Complex engineering and geotechnical issues emerged from the closure of both the Stadium's stands when they were found to be quake-prone. Specialists have needed time to assess and analyse the problems and potential solutions. The Council has also needed to consult economic and financial analysts to satisfy ourselves that any preferred solutions are cost-effective, affordable and sustainable. So a lot has been going on, and the work continues.

Who built the Stadium? The Council?

The Stadium was originally developed by and built for the Taranaki Events Centre Trust, a private body set up for the specific purpose. The TRC provided funding support, as did NPDC a few years later. The Trust came under the control of the NPDC in 2003, and then the TRC took control of it in 2013 as part of arrangements to ensure maintenance and development was adequately funded into the future. The Trust is now called the Taranaki Stadium Trust, and the Stadium is operated by NPDC under a formal partnership agreement between the parties.

Shouldn't the original designers and builders be liable to meet the cost of fixing the stands? What about insurance?

The Taranaki Stadium Trust continues to investigate liability issues. The relevant legislation includes time limits on such claims. The prospects of financial compensation are unclear at best. It's important to note that the stands have not been closed because of actual damage that has occurred, so there is no basis to claim damage insurance. The stands have been closed because they were found to be prone to severe damage in an earthquake, which would threaten the lives of spectators or workers using them at the time.

Options & funding

Why does the Council prefer Option 2? Why is Option 4 a 'potential' preferred option?

Option 2 restores what previously existed, with updates to some of the facilities. It will cost up to \$55m and the Council can afford to go it alone. So we can get started. However, should additional funding support become available within 18 months of work starting, we can switch to Option 4 because the initial step for both options is reinstating the West Stand.

Option 4 is a 'potential' preferred option because if funding challenges didn't exist, it is likely to have been the Council's first choice because it offers slightly better value and more opportunities for the future.

Another advantage is a ranked list of potential additional updates, which allows us leeway if the final cost of fixing the stands varies up or down from original estimates. We will get through as much of this list as possible at a cost of up to \$55m.

What are the extra benefits of Option 4?

Option 4 brings an expansion to the Legends Lounge, a new hospitality lounge on a mezzanine above the main concourse (effectively creating a new level 3), an 'official' main entry area to the stadium and improved access for patrons to the upper floors. Expanding the entertainment/hospitality area would considerably enhance the stadium's value and attractiveness to the organisers of top-class sporting events and other types of events. The new and larger spaces to the East Stand, as well as additional seating provided in the premium areas (front of the East and West Stands) would make the stadium more attractive to event promoters because of the potential for them to increase ticket yields.

For sports and entertainment events that take place on the pitch (e.g. Nitro Circus, a concert, NRL pre-season, A-League) it is expected that an additional 1 to 2 events per year could be secured. It could also be argued that Option 4 would provide a better chance of success of securing an All Blacks test match over Option 2.

The Option 4 additions will also make the venue more suitable for non-sporting functions – conferences, meetings, dinners, weddings, product launches and so on. It would take pressure off other urban New Plymouth venues such as TSB Stadium. BERL has assessed Option 4's ratio of benefits to cost at 4.0, the best of all the options.

Expanding the capability and use of the Stadium would significantly increase its revenue, to the benefit of the operator (NPDC).

Why is the TRC limited to \$55m?

The Council has the ability to borrow up to \$80m. But it would not be prudent to borrow to this limit and leave ourselves unable to respond to unforeseen issues in the future. As the Stadium issue illustrates, unexpected adverse events can and do occur.

Who are the potential co-funders for Option 4?

We have been talking to local and national organisations that are of appropriate scale, and these conversations are continuing. We trust these parties will take note of the community's reactions to the options we're putting forward.

If you move to Option 4, would rates go up to the level indicated in the table?

No. The TRC's rates would remain at the Option 2 level to service a loan of up to \$55m. The extra funding allowing us to move to Option 4 would come from elsewhere.

What about repairing just one stand and demolishing the other? Wouldn't that give us a useable venue at half the cost?

These ideas were investigated in considerable detail as possible variations of Option 2. They are simply not sensible ideas. The costs are not much different from Option 2, our preferred option, but would result in a Stadium with substantially reduced capacity and potential. Although each Stand has different issues (the West Stand's relate to ground stability, the East Stand's relate mainly to construction/engineering), the repairs in both cases are complex and the cost of each is about the same.

Which options offer the best value for money?

Business and Economic Research Ltd (BERL) were asked to assess the ratio of benefits to cost for the options. They found that Options 2 to 4 offer ratios ranging from 3.8 to 4, well ahead of Option 1 (demolition and grass banks) at 0.1. The ratio drops away for the more expensive options, ranging from 2.6 for Option 5 to 1.4 for Option 8 (new roofed stadium). The higher the ratio, the better the return.

Has the Council considered a new Stadium at another location?

Yes. But land would need to be acquired. New resource consents would be needed, which may be a lengthy process if neighbouring land owners object. (Venue-related resource consents for the current site are in place, and there are good relationships and regular communications with neighbours). Also the Yarrow Stadium empowering legislation restricts the Council to the current site. An amendment or new legislation would be needed. As recent examples have shown, this can also be a lengthy process. Also, the cost would be in the order of \$200m-plus.

Why not just walk away? Don't more and more people prefer to watch big sports events on TV in the comfort of their own home, rather than venturing out into the weather?

The Council believes that essentially abandoning the Stadium would be a significant step backwards for the region's economy and social cohesion. The BERL economic analysis confirms this view. Also, walking away would still involve a cost of \$6m. And the owners and operators of other venues would face increased demand and expenses because the Stadium would no longer be suitable for many of the community/commercial events it has hosted. Also, the improvements included in Option 4 are in part designed to make Stadium events more attractive to the public, for example with extra food options and toilet facilities available.

Why does the repair cost so much? It seems a lot of money.

That is the advice from a number of engineers and other specialists who have done a great deal of work assessing what is required. Although each Stand has different issues (the West Stand's relate to ground stability, the East Stand's relate mainly to construction/engineering), the repairs in both cases are complex and the cost of each is about the same.

Who was involved in developing the repair options?

Three engineering consultancies – Tse Taranaki and Associates Ltd, Calibre Group and BCD Group – collaborated to develop and peer review the structural repair options. Elliot Architects prepared the master plans, and other specialist experts provided advice as required on geotechnical issues, stadium/venue design and other matters. Venue users, both sport and non-sport, were also consulted.

What happens if costs blow out?

Having a ranked list of potential additional updates allows us leeway if the final cost of fixing the stands varies up or down from original estimates. We will get through as much of this list as possible at a cost of up to \$55m. As with any project, actual costs will become clearer once we go to market in a tendering process. But before we do that, we need to formally adopt a proposal as part of our Annual Plan. The public consultation process is a necessary and important step towards this.

Have you talked to the sports codes that use the Stadium? What about cricket?

Existing users including league, rugby and football have told us they are very keen for the Stadium to regain full operational capability so they and their followers can enjoy it as they did previously. We expect these organisations will also take advantage of the consultation process.

NZ Cricket has made it clear that it does not see the Stadium as a future venue for international fixtures. So it would not be viable to expand the pitch size in the hope of attracting international cricket matches.

Were others who use the Stadium consulted as the options were being prepared?

Yes. This included accessibility specialists, police, security operators, broadcasters, sports codes and community user groups.

Will it be one big contract for \$55m?

No. The project would be made up of a number of elements.



Image: NPDC

The path ahead

What are the next steps?

Consultation will run from 18 March to 23 April (the Tuesday after Easter). The Council will meet on 13/14 May to deliberate on the submissions, and to hear any submitters who want to put forward their case verbally. Decisions from this meeting will be fed into the Draft Annual Plan, which will be formally adopted at a meeting on 21 May. The 1919/2020 Annual Plan will become operative on 1 July.

Assuming you go ahead with Option 2 or 4, when would site work begin?

By summer 2019/2020, all going well, after detailed design work has been completed, the building consenting process attended to and tenders let.

Will the stadium have to be closed for all events during construction?

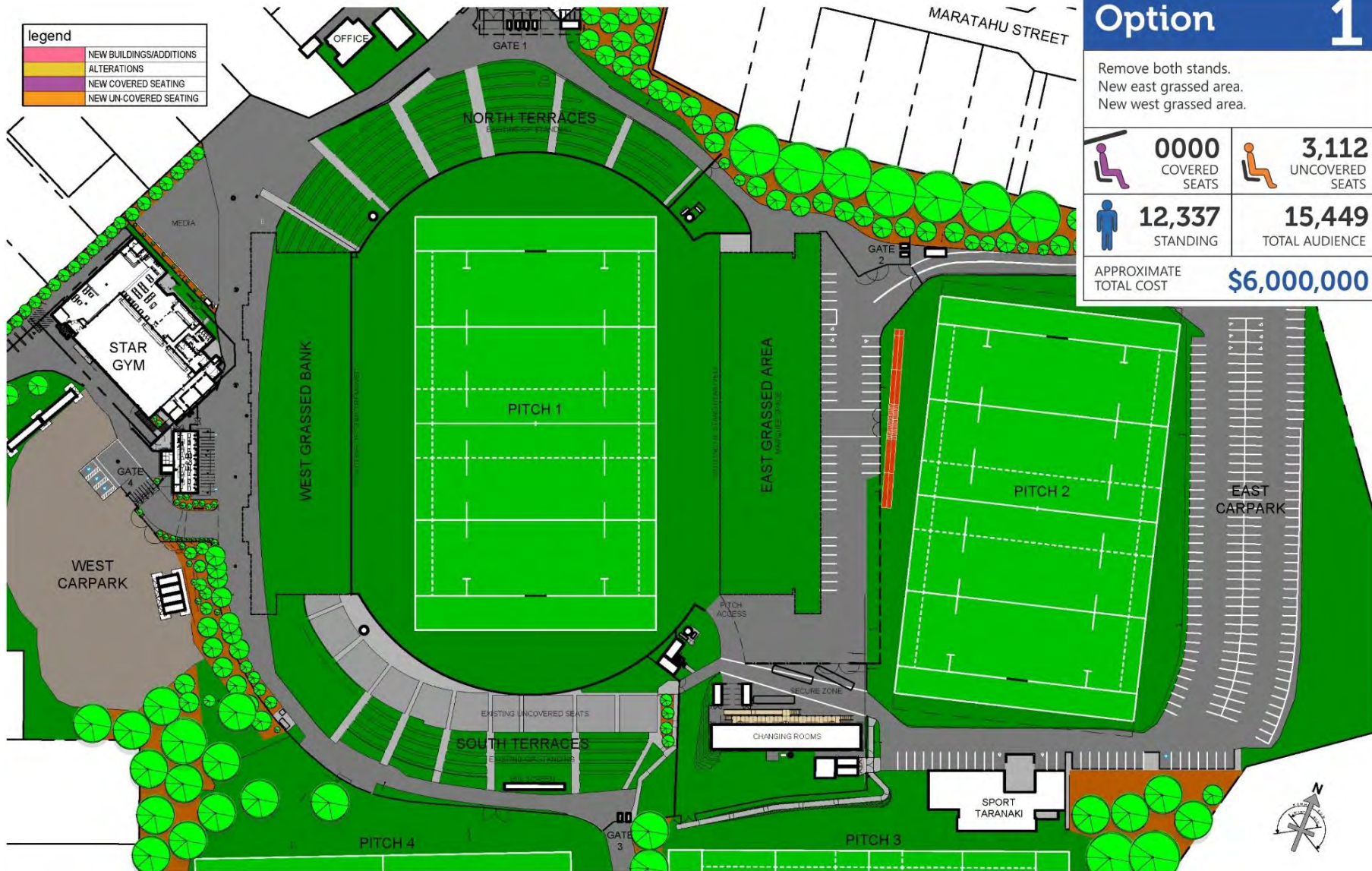
The aim is to stage the work so ground closure is not necessary. But temporary full closure may be necessary at some point. This will become clearer as project details are finalised.

When would we see big events return to Yarrow Stadium?

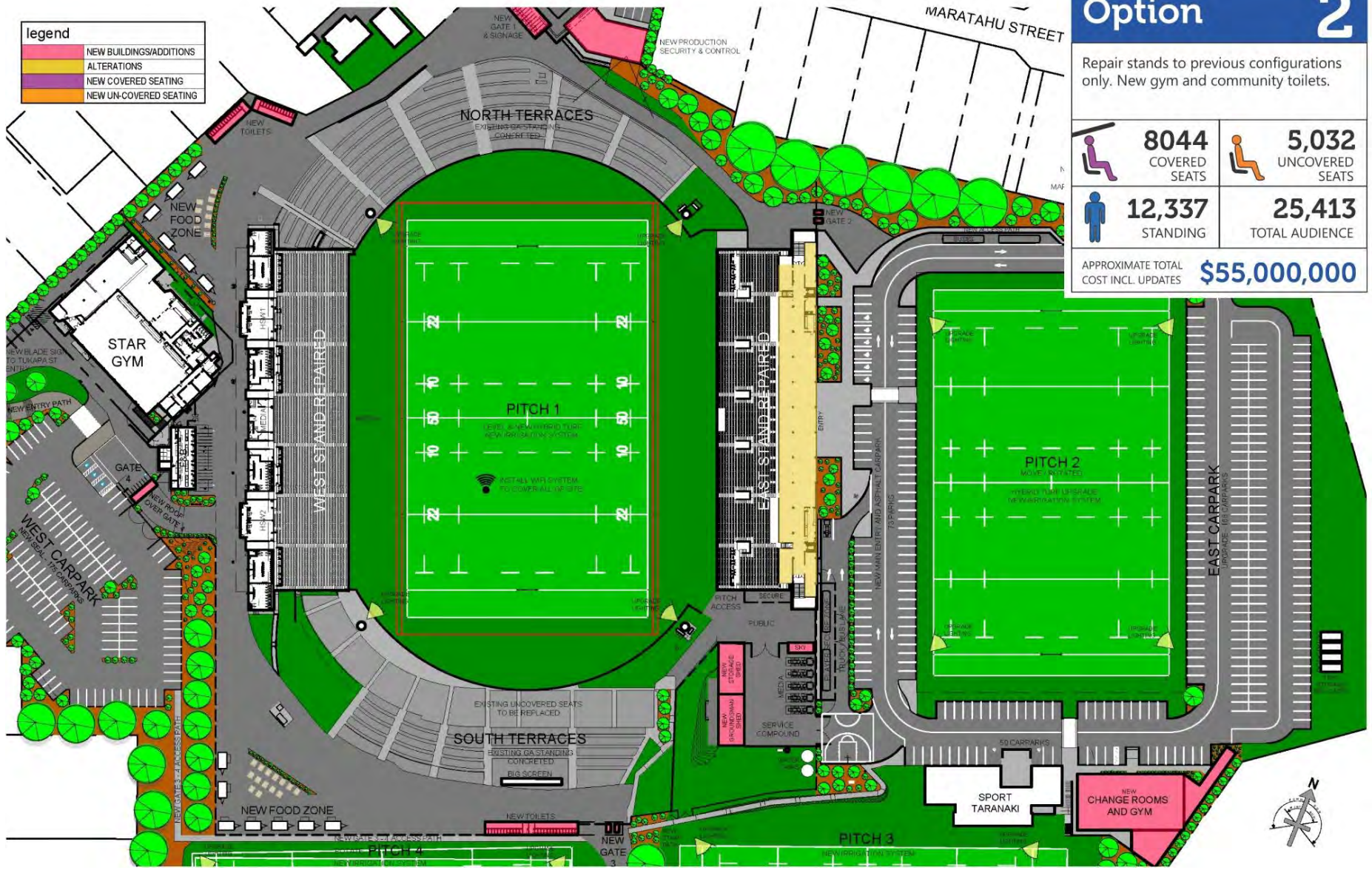
By summer 2022.

Access to images of each option: <https://extranet.trc.govt.nz/pydio/data/public/ac6d50>

Master Plan options prepared by Elliot Architects



legend	
	NEW BUILDINGS/ADDITIONS
	ALTERATIONS
	NEW COVERED SEATING
	NEW UN-COVERED SEATING






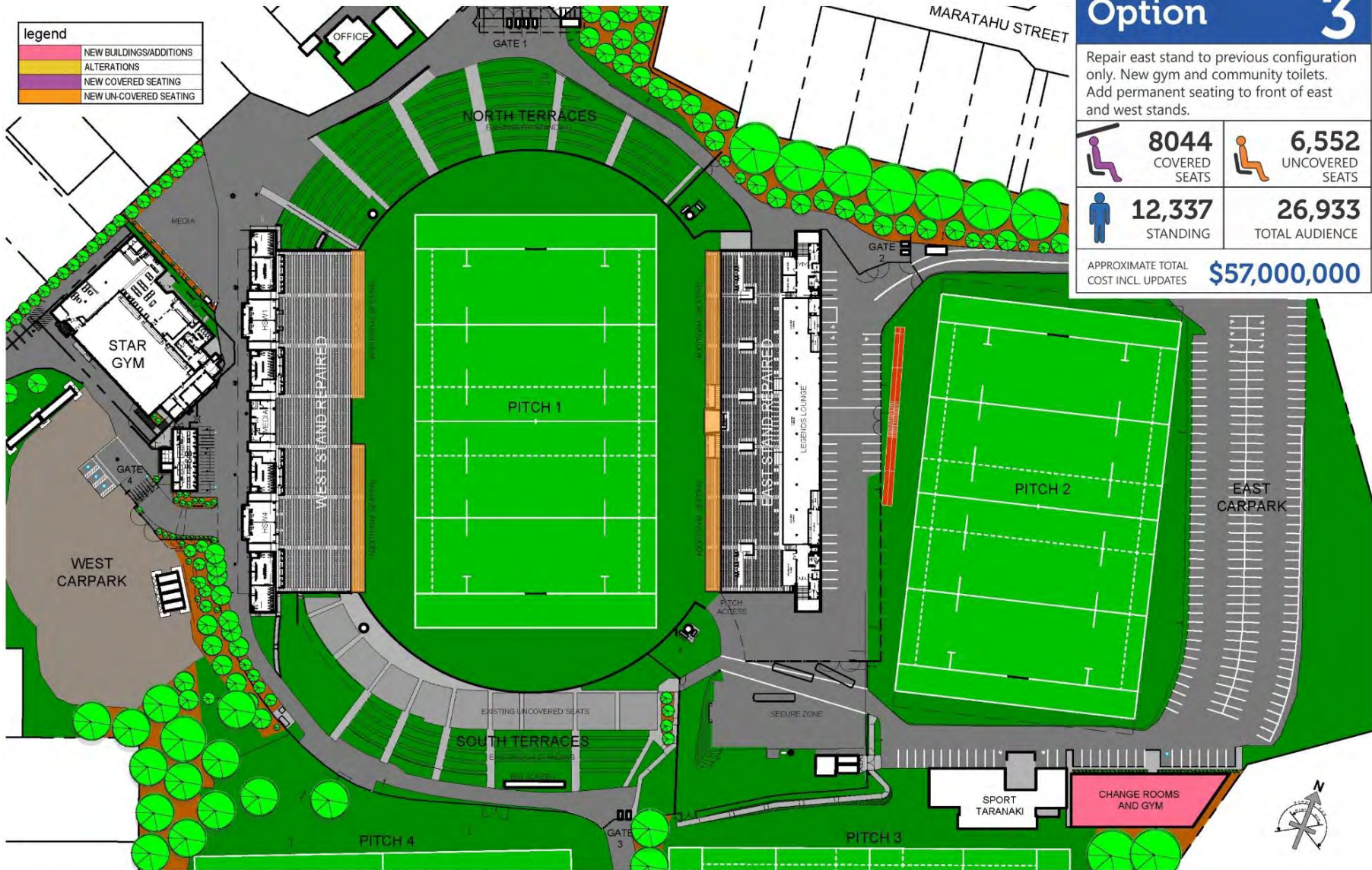
Option 2

Repair stands to previous configurations only. New gym and community toilets.

	8044 COVERED SEATS		5,032 UNCOVERED SEATS
	12,337 STANDING		25,413 TOTAL AUDIENCE




APPROXIMATE TOTAL COST INCL. UPDATES **\$55,000,000**

legend	
	NEW BUILDINGS/ADDITIONS
	ALTERATIONS
	NEW COVERED SEATING
	NEW UN-COVERED SEATING







Option 3

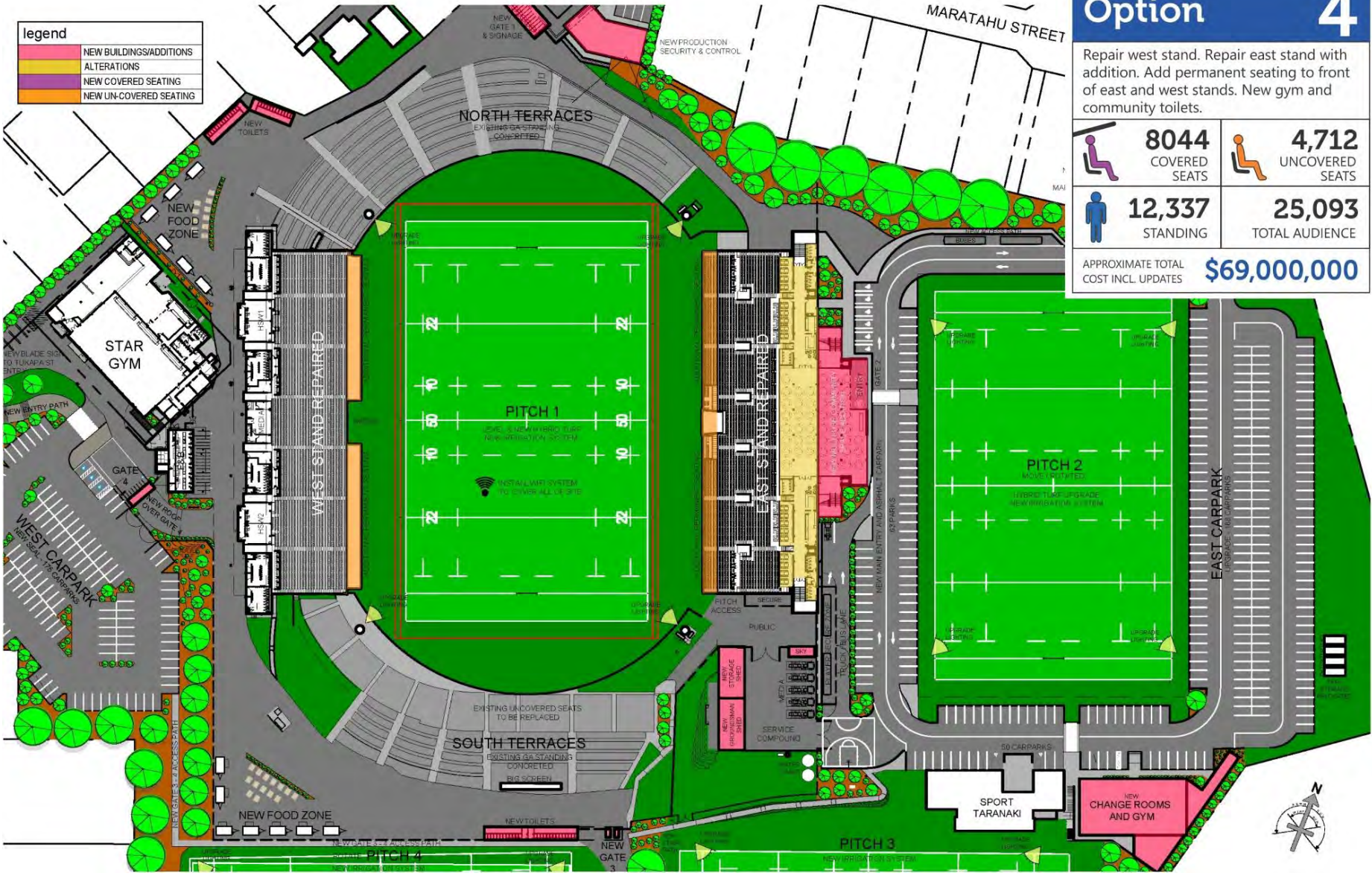
Repair east stand to previous configuration only. New gym and community toilets. Add permanent seating to front of east and west stands.

	8044 COVERED SEATS		6,552 UNCOVERED SEATS
	12,337 STANDING	26,933 TOTAL AUDIENCE	

APPROXIMATE TOTAL COST INCL. UPDATES **\$57,000,000**



legend	
	NEW BUILDINGS/ADDITIONS
	ALTERATIONS
	NEW COVERED SEATING
	NEW UN-COVERED SEATING



Option 4

Repair west stand. Repair east stand with addition. Add permanent seating to front of east and west stands. New gym and community toilets.





 **8044**
COVERED SEATS

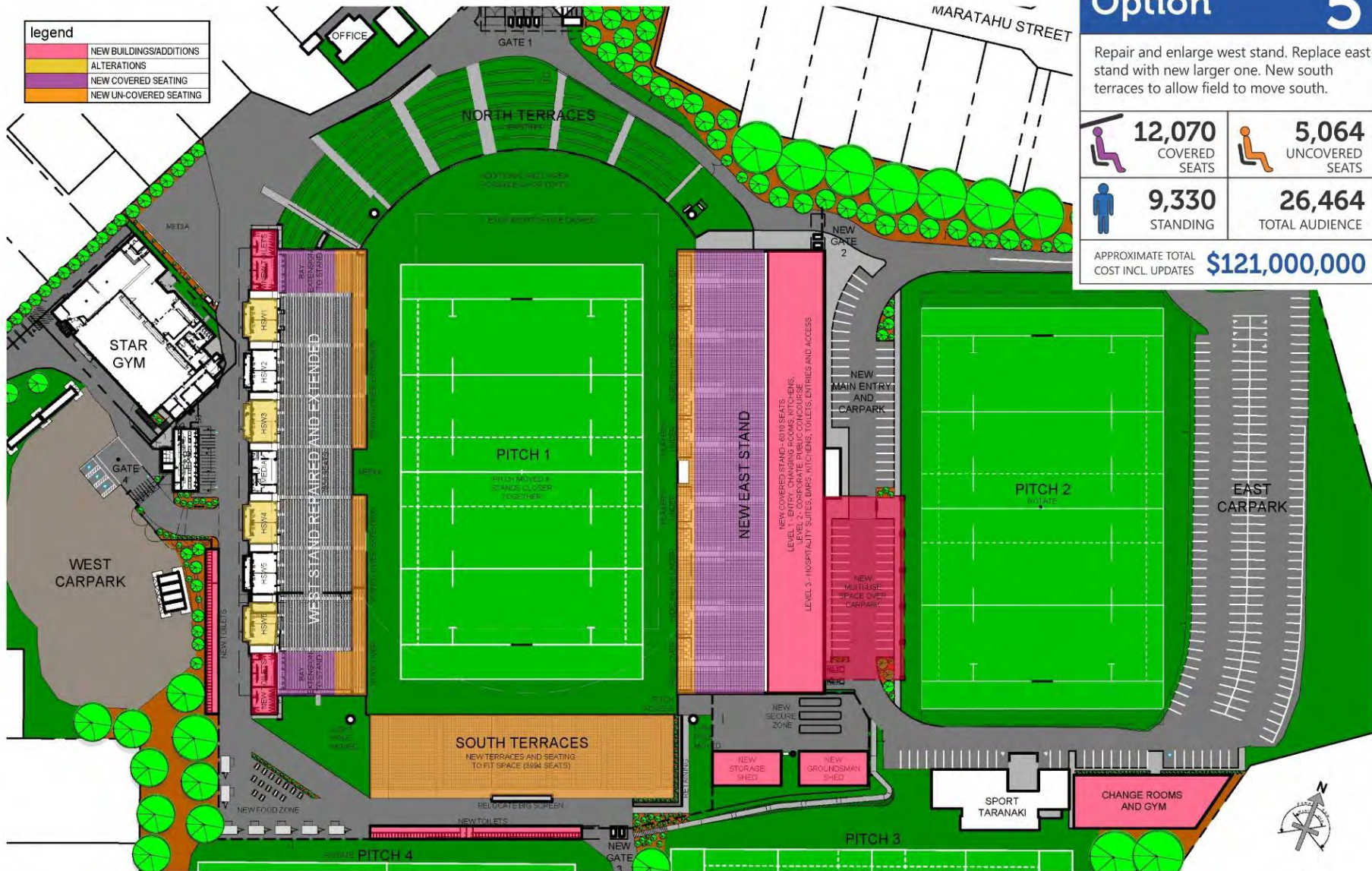
 **4,712**
UNCOVERED SEATS

 **12,337**
STANDING

25,093
TOTAL AUDIENCE




APPROXIMATE TOTAL COST INCL. UPDATES **\$69,000,000**

legend	
	NEW BUILDINGS/ADDITIONS
	ALTERATIONS
	NEW COVERED SEATING
	NEW UN-COVERED SEATING



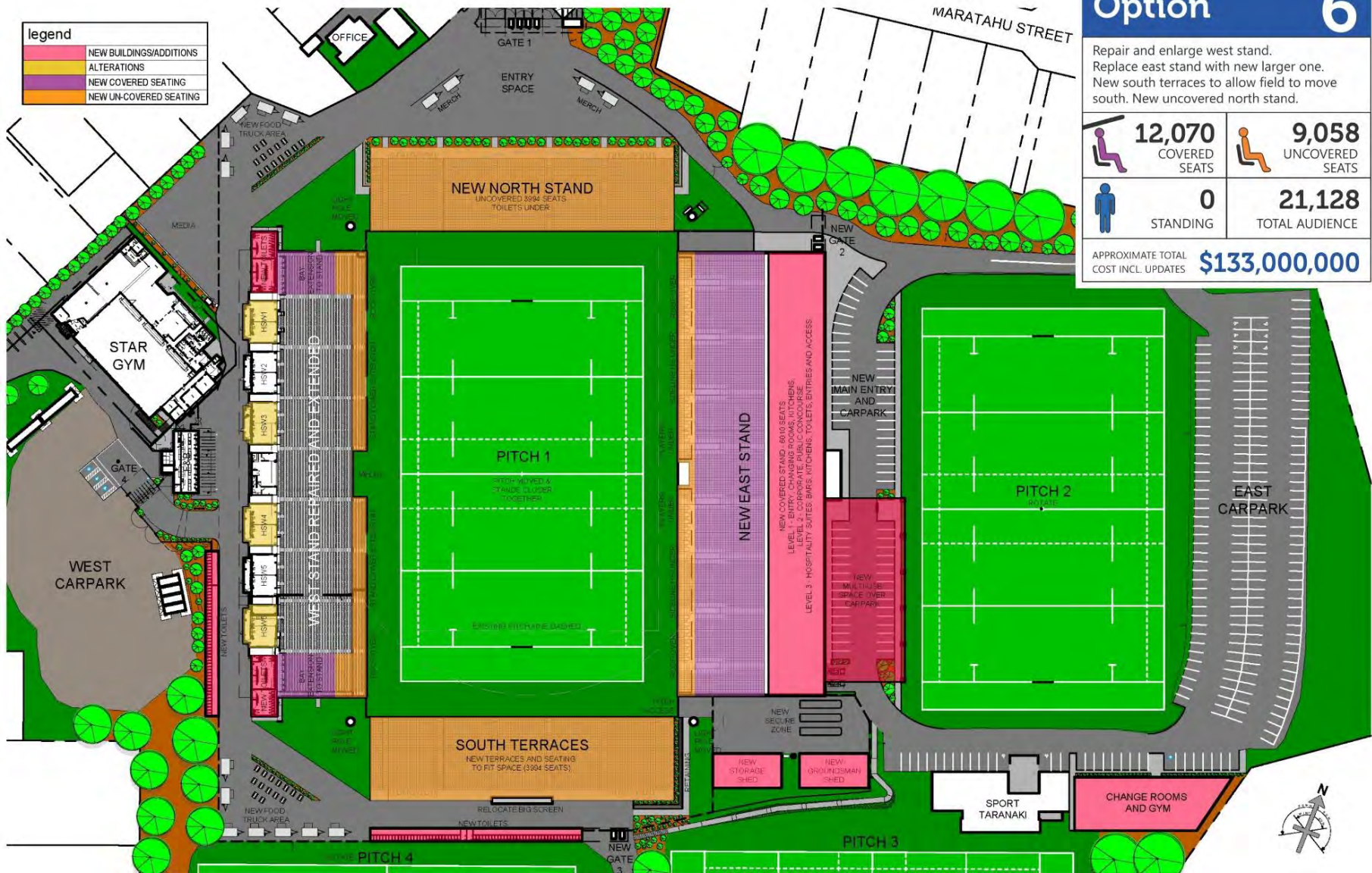
Option 5

Repair and enlarge west stand. Replace east stand with new larger one. New south terraces to allow field to move south.

	12,070 COVERED SEATS		5,064 UNCOVERED SEATS
	9,330 STANDING	26,464 TOTAL AUDIENCE	

APPROXIMATE TOTAL COST INCL. UPDATES **\$121,000,000**

Legend	
	NEW BUILDINGS/ADDITIONS
	ALTERATIONS
	NEW COVERED SEATING
	NEW UN-COVERED SEATING







Option
6

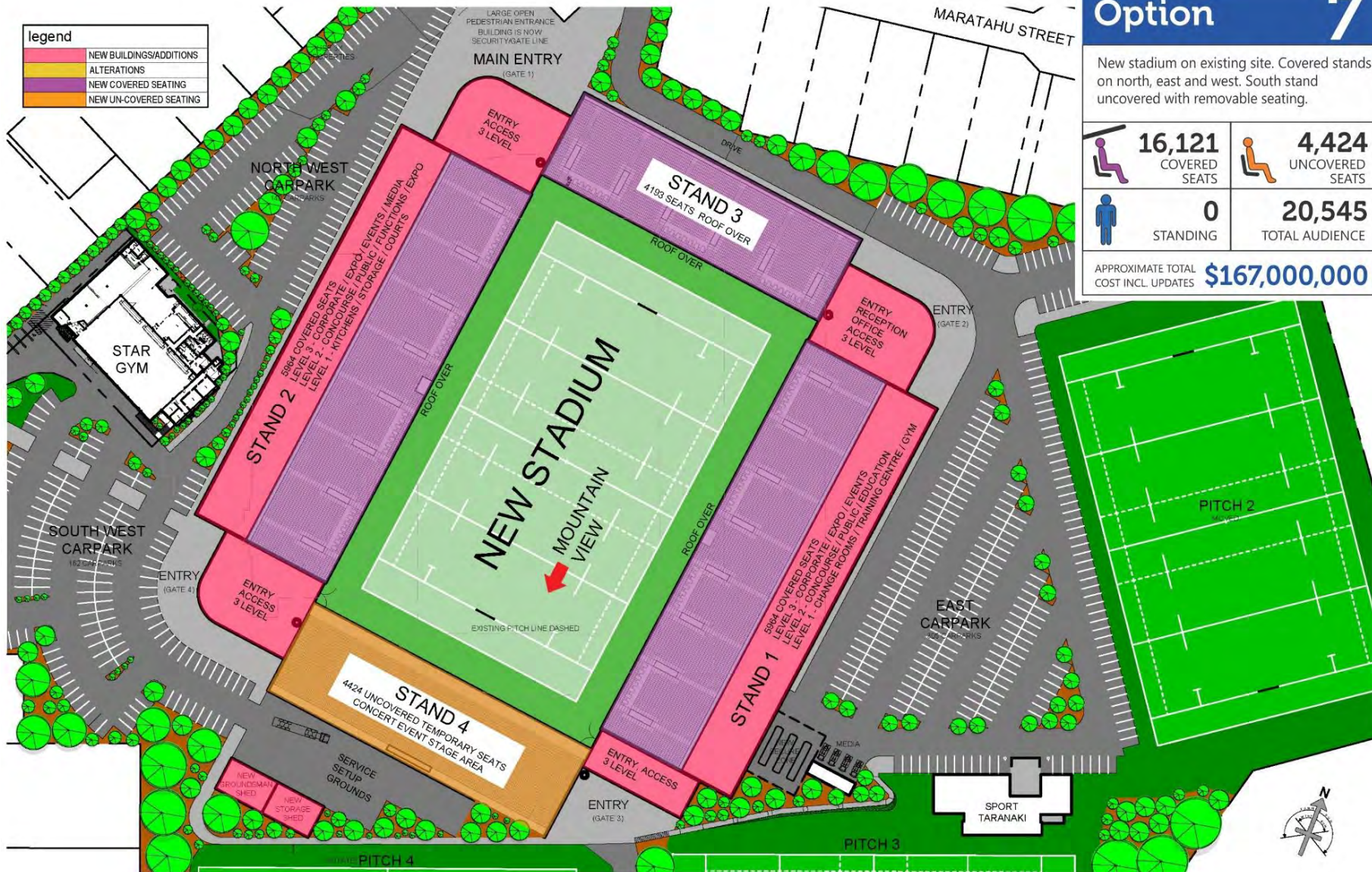
Repair and enlarge west stand.
Replace east stand with new larger one.
New south terraces to allow field to move south. New uncovered north stand.

♿ 12,070 COVERED SEATS	♿ 9,058 UNCOVERED SEATS
♿ 0 STANDING	♿ 21,128 TOTAL AUDIENCE

APPROXIMATE TOTAL COST INCL. UPDATES **\$133,000,000**



legend	
	NEW BUILDINGS/ADDITIONS
	ALTERATIONS
	NEW COVERED SEATING
	NEW UN-COVERED SEATING





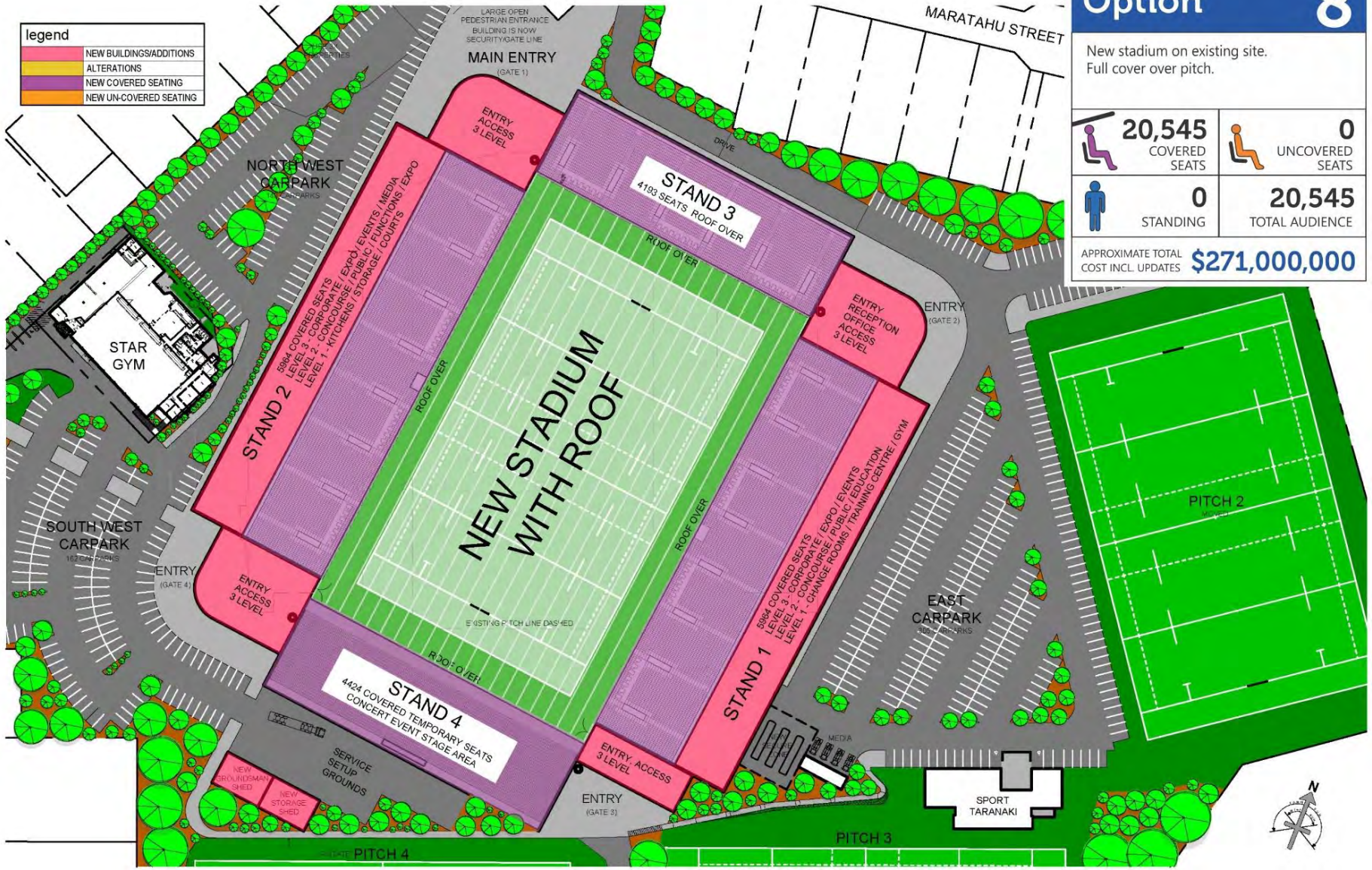
Option 7

New stadium on existing site. Covered stands on north, east and west. South stand uncovered with removable seating.

	16,121 COVERED SEATS		4,424 UNCOVERED SEATS
	0 STANDING		20,545 TOTAL AUDIENCE

APPROXIMATE TOTAL COST INCL. UPDATES **\$167,000,000**

legend	
	NEW BUILDINGS/ADDITIONS
	ALTERATIONS
	NEW COVERED SEATING
	NEW UN-COVERED SEATING



Option 8

New stadium on existing site.
Full cover over pitch.

	20,545 COVERED SEATS		0 UNCOVERED SEATS
	0 STANDING		20,545 TOTAL AUDIENCE

APPROXIMATE TOTAL COST INCL. UPDATES **\$271,000,000**