

**Project title: WELLINGTON BASKETBALL ASSOCIATION –
REQUEST FOR FUNDING**

KAA: RECREATION & LEISURE

1. Project summary

Wellington Basketball Association (WBA) is seeking funding from Council for the upgrading of the Southwest Stadium at the National Dance and Drama Centre as an interim measure to completing the proposed indoor stadium. The WBA has stated that the matter is urgent.

The WBA has identified three key factors being responsible for their urgent need:

- Loss of the Newtown Basketball Stadium from fire (vandalism) in 1999, and the delay in the development of the proposed Indoor Stadium.
- The state of the facility that basketball uses at the Southwest Stadium, i.e. chipboard floors, poor state of changing rooms and lack of support facilities for administration and player/coach development.
- The current level of demand for access to the two courts at the Southwest Stadium.

The WBA is seeking from Council the following:

“Agree in principle to the upgrading of the Southwest Stadium and:

1. Makes provision within the 2005/06 Annual Plan and Budget under asset maintenance funding for upgrading the existing two court facility.
2. Provides funding to complete the research, develop plans and gain a resource consent to construct a third court adjacent to the existing facility.
3. Provide capital funding in the 06/07 AP&B to construct the third court”.

2. Submissions

Two submissions were received in support of Council upgrading the Southwest Stadium. One of these submissions was from the WBA and it is noted that this submission was late (received 27/5/05).

3. Relationship to Existing Activities

Council is presently considering construction of a 12 court indoor sports stadium on the concourse next to the Westpac Stadium. Council is in the process of establishing an Indoor Stadium Development Trust - this is being consulted on as part of the 2005/06 Draft Annual Plan process. The main role of the Development Trust will be to undertake further business planning and to pursue external funding for the project.

Council has worked closely with Netball Wellington, the Wellington Basketball Association, the Wellington Volleyball Association and Sport Wellington Region since 2001 in regards to the development of a centralised indoor stadium. Since 2002, the concourse site next to the Westpac Stadium has been the preferred venue.

The WBA has said in their submission that once the indoor stadium is built they would transfer to the new facility.

4. Proposal Costs

The Premises Management Trust has estimated that the cost of replacing the sports floor in the Southwest Stadium is in the vicinity of \$190,000 ex GST. The Trust is presently seeking external funding for this project.

No costing work has been conducted to upgrade the changing rooms and administration areas. It is recommended that this work is conducted by Council officers during the 2005/06 financial year from existing budgets.

5. Project Outline

5.1 Background

Council owns the buildings and land at the National Dance and Drama Centre. Council leases the land and buildings to the Premises Management Trust (National Dance and Drama Centre).

The Premises Management Trust sub-leases two basketball courts at the facility (known as the "Southwest Stadium") to the WBA. It is noted that the WBA owns the floor in the Southwest Stadium. The WBA has sub-leased this facility since about 1994.

Council used to lease a one court stadium at Newtown Park to the WBA at peppercorn rental from the 1950's until 1999 when a fire destroyed the facility. since July 2002, Council has provided a rental subsidy to the WBA of up to \$65,000 per annum towards the cost of rental of the Southwest Stadium.

5.2 Discussion

Response to Points Raised in WBA Submission

- *That they “can not hold any national tournaments in Wellington due to the substandard state of the facilities”.*

Officer comment: The number and quality of indoor courts does limit Wellington’s ability to host national basketball tournaments, however the Event Centre (a 3 court facility) could potentially host national tournaments. It is noted that a number of national basketball tournaments are scheduled for the next three years at other 3 court facilities around New Zealand, e.g. New Plymouth, Napier, Blenheim and Taupo.

- *“The Event Centre... costs are prohibitive for community basketball”.*

Officer comment: Council has managed the Event Centre since November 2003. Since this time, Council has worked closely with the sports codes to provide more affordable access to the facility. The current court hire rate of \$50 per hour is comparable with other similar quality facilities.

- *Addition of a third Court*

Officer comment: Council officers have discussed this with the Premises Management Trust. The Trust has responded that it is not possible to add a court to the Southwest Stadium. The reasons for this are that PMT has a legal agreement that allows Mahon Amusements to use the identified land for shows up until 2009 (with a right of renewal for an additional five years). PMT has also said that the extension would block an important thoroughfare and remove approximately 30 car parks. Council officers believe there could also be difficulty in gaining resource consent.

- *Commitment to replace the Newtown Park Stadium*

Officer comment: The basketball stadium at Newtown Park was damaged by fire (vandalism) in 1999. This facility was owned by Wellington City Council but was leased to the WBA. The lease agreement required the WBA to insure the facility for its “full insurable value”. Unfortunately the WBA only insured the facility for its indemnity value (not the replacement value). The insurance claim only amounted to \$100,000 (insufficient to re-build the stadium) and this has been held in Trust by the WBA since 1999. There was no commitment in the lease agreement for Council to fund the replacement of the basketball stadium.

- *Upgrade of sports floor at Southwest Stadium*

Officer comment: The floor in the Southwest Stadium is sub-standard for competitive sports. However, PMT has confirmed that they are currently seeking external funding to replace the floor. The estimated cost of replacement is \$190,000 ex GST.

- *Changing rooms and administration areas*

Officer comment: The changing room and administration areas are poor. Neither the Premises Management Trust nor Wellington Basketball Association is presently in a financial position to upgrade these areas. It is recommended that Council officers undertake feasibility work during the 2005/06 financial year to potentially upgrade this area.

- *Gymnastics use of Southwest Stadium*

Officer comment: As part of the indoor stadium project, Council officers have met with gymnastics clubs to discuss the potential use of the Southwest Stadium if basketball vacates the facility. Most of the clubs thought the site would make a very good gymnastics facility. It is noted that there has been no feedback from the gymnastics clubs since 2003. The Premises Management Trust has tentatively indicated that they would be supportive of this use.

- *Equity with other sports*

Officer comment: In terms of funding provision by Council, basketball does compare unfavourably with outdoor sports such as rugby, hockey, soccer, and cricket. However, there other indoor sports receiving little in the way of subsidy from Council – e.g. gymnastics and volleyball. Since July 2002, Council has been providing a rental subsidy of up to \$65,000 per annum to the WBA for their use of the Southwest Stadium and this has addressed the gap to some extent. The proposed indoor stadium would address this inequity for indoor sports.

6. Conclusion

The Wellington Basketball Association (WBA) facilities at the Southwest Stadium are sub-standard for competitive basketball. The indoor stadium proposal will address the concerns that the WBA has about the lack of basketball facilities in Wellington, however it is noted that the indoor stadium is at least three years from being a reality.

There are other possible sports uses for the Southwest Stadium if the indoor stadium is built. However, it is noted Council leases the buildings to the Premises Management Trust (PMT) and their formal approval would be required for any changes in use or redevelopment.

Discussions with the PMT have identified that the Southwest Stadium can not be extended to add a third court. PMT is currently seeking external funding to fund replacement of the floor. PMT has tentatively indicated that they would be supportive of Council or another party upgrading the changing rooms and administration areas.

7. Recommendation

It is recommended that Committee:

Approves Council officers to undertake feasibility work in the 2005/06 financial year from existing budgets to potentially upgrade the changing rooms and administration areas at the Southwest Stadium.

Notes that Council officers will continue discussions with the Premises Management Trust and Wellington Basketball Association in regards to sourcing external funding for the sports floor at the Southwest Stadium.