
REPORT 4
(1215/52/IM)

EVENTS CENTRE (TSB BANK ARENA) REDEVELOPMENT

1. Purpose of Report

This report is to inform Councillors of the work completed under Stage 1 of this project and to seek approval for an amended scope and outcomes for Stage 2.

2. Executive Summary

In November 2003, Wellington Convention Centre commenced the management of the Events Centre (now called TSB Bank Arena) under a Management Contract to Wellington Waterfront Limited, the owner of the building.

Following a period of review, a proposal to Council for \$6.9m funded over 2 years was approved in February 2004 for the redevelopment of the venue.

On the basis of the research undertaken at the time, the intent was that the redevelopment and upgrade of the venue would position it as Wellington's premier sporting location and covered concert venue.

This outcome required an upgrade to seating comfort, additional toilet facilities and an increase in flat floor space for additional seating.

The project was split into 2 stages.

The 1st stage, at a cost of \$3.3m completed the following activities:

- Replacement of 2,968 seats with upholstered bucket seats
- The addition of 568 additional seats
- Replacement of 600 loose seats for flat floor seating configurations
- Additional sanitary and storage facilities
- Full internal redecoration of the facility.

Stage 2a, was completed in February 2007, and consisted of the replacement of all remaining seats in the venue so that all seating is now of a consistent high quality standard.

As a consequence of further detailed construction investigations and cost assessments undertaken as part of Stage 1, we have determined that expansion of the current building envelope is not possible.

Given the above, approval is sought for a modified Stage 2b scope of works that will include:

- Modification of the toilet and changing room facilities on the Ground Floor
- Improvement to the quality of air inside the venue.

The capacity outcome from the completion of Stage 2 will be:

	Stage 1 Completion	Stage 2
Seated Concert	4,893	4,893
General Admission Event	5,622	6,300
Centre Court Sports Event	4,168	4,168

On the basis of consultation with potential hirers and concert promoters in Australasia, we are very confident that this work will enhance our already competitive position in the concert market and enable us to adequately attract events on the back of the opening of Vector Arena in Auckland.

All works proposed under Stage 2b, can be accommodated within the carry forward budgeted allocation in CX481 of \$2.1m and this work is being planned to occur in the November 2007- February 2008 period.

3. Recommendations

It is recommended that the Committee:

1. *Receive the information.*
2. *Approve the Stage 2b redevelopment plan for the TSB Bank Arena*
3. *Note that this work is budgeted in 2007/8 within CAPEX Project CX481*

4. Background

On 13 February 2004, a paper was presented to the Performance and Planning Committee as a New Initiative for the 2004/5 Annual Plan year for a total of \$6.9m funded over a two year period to redevelop the Events Centre (TSB Bank Arena), by upgrading the seating quality and increasing capacity to enable the venue to host larger events.

This outcome required an upgrade to seating comfort, additional toilet facilities and an increase in flat floor space for additional seating. As a consequence of this work it was identified that we would be able to improve the comfort of seating in 65% of the venue and increase seating numbers within the venue.

On 14 November 2004, a further paper was submitted to Council, for approval to bring forward \$3.3m of the total budget to effectively stage the project over a 2 year period.

The following works were completed under Stage 1 (concluding May 2005):

- Replacement of 2,968 seats with upholstered bucket seats
- The addition of 568 additional seats
- Replacement of 600 loose seats for flat floor seating configurations
- Additional sanitary and storage facilities
- Full internal redecoration of the facility.

The outcome of this work has been very positively accepted by audiences, promoters and all hirers of the venue.

As a result of more detailed investigation and design work, it has been determined that an extension of the venue to the south and west, to gain additional flat floor space would be very expensive and not cost effective in terms of benefit gained. An extension to the south would also restrict the ability of trucks to access the venue.

Extending the facility to the north is considered unviable due to the structural nature of the beams at the back of the administration area and the cost involved. It is also noted that much of this area is owned by Queens Wharf Holdings and investigations have identified that a substantial cost would be involved in leasing or purchasing this area.

However, it has been identified that with some modifications to the toilets and hand basins, general admission capacity for the venue can be increased to 6,300 persons.

The increases in capacity made to date have invoked complaints from audiences and hirers about the high temperatures during events. Informal temperature monitoring during several events has identified temperatures in excess of 40 degrees Celsius. To overcome this matter it is intended to install a cooling system in the venue which will reduce the overall heat in the venue and result in a more comfortable environment for customers and hirers overall.

As a consequence, the scope of Stage 2 has been modified to incorporate the following activities:

Stage 2a – completed February 2007

- Replaced seats on Blocks 6 and 4 at the south end of venue.

Stage 2b – proposed implementation - November 2007- February 2008

- Modify the toilet and changing room facilities on the ground floor
- Improve the quality of air inside the venue.

The capacity outcome from the completion of Stage 2b will be:

	Stage 1 Completion	Stage 2
Seated Concert	4,893	4,893
General Admission Event	5,622	6,300
Centre Court Sports Event	4,168	4,168

Consultation with key promoters in the entertainment sector indicate that the increase in “general admission” capacity from this work will continue to allow us to be competitive in the concert market. With Vector Arena in Auckland now open, we anticipate there will be a number of shows that will now tour the 3 main centre arena facilities in the short to medium term.

5. Discussion

The Wellington Convention Centre has been managing the TSB Bank Arena since November 2003 following the completion of the contract term by RANS Management Limited.

It was immediately evident that the comfort of seating in the venue no longer met the expectations of customers and was a disincentive to promoters and event organisers in bringing events to the venue.

In considering this issue, Council officers, in consultation with Wellington Waterfront Limited (WWL), investigated the feasibility of two options:

- accommodating concerts/entertainment events at the new indoor community sports centre, at that time being proposed for the concourse at Westpac Stadium,
- further expanding the Events Centre (TSB Bank Arena) to be the optimum size entertainment venue for Wellington, based on research against like venues in New Zealand and Australia.

We have discussed these developments with Wellington Waterfront Limited (WWL) who have supported their implementation. They have confirmed that this work does not jeopardise in any way, the future redevelopment plans within this precinct which may include integration of spaces within Plimmers Ark, Shed 6 into TSB Bank Arena for additional multipurpose event space and possible seating increases.

5.1 Stage 1 Outcomes.

On 14 November 2004, Council approved our request to bring forward \$3.3m of the total budget to effectively stage the project over a 2 year period.

As a consequence of this work, audience capacities within the venue have increased as follows;

	Prior Stage 1	Present
Seated Concert	4,032	4,893
General Admission Event	5,050	5,622
Centre Court Sports Event	3,635	4,168

5.2 Stage 2 Programme.

Over the last 12 months, we have been discussing with WWL our wish to implement this final part of the upgrade in such a manner that does not in any way impede or conflict with any future redevelopment plans for Plimmers Ark, Shed 6, or the south end of the TSB Bank Arena. WWL has confirmed that the proposed works will complement any future development and have given its agreement to proceed.

Stage 2a of this programme was completed in February 2007 and involved the replacement of the remaining seats within the venue to the same standard as the balance of the venue. This work was completed in advance of large crowds anticipated for Saints and Shakers home games for this season.

Stage 2b

The key elements of Stage 2b are as follows:

Remodel Ground Floor Toilet and Changing Room Space

This work will centralise all changing facilities in one area and provide for the addition of 32 toilet pans and 22 hand basin units within these facilities.

Upgrade of Air Quality in the venue.

It is proposed to install a ventilation system that will provide chilled air to the venue. An upgrade of extract capacity in the ceiling is also planned. The new system will significantly improve the circulation of air on the flat floor space.

As a consequence of this work, our general admission concert audience capacity within the venue will increase to 6,300 persons and a significant improvement in the air quality will have been achieved.

We believe this to be a cost effective means of remaining a highly competitive venue in terms of audience capacity and very capable of combining with Vector Arena in Auckland and Westpac Centre in Christchurch to stage large touring shows.

Budget

This activity will be funded from CX481 – Events Centre Upgrades.

Timeline

It is proposed that this activity will be undertaken during Dec 2007- Feb 2008 period when event related activity is at its lowest.

6. Conclusion

In the year to 30 June 2006, the venue staged 33 concert events. This figure was 30% ahead of the previous financial year.

A large part of this success has occurred as a consequence of benefits of the Stage 1 work and sent a signal to our hirers that Council was committed to providing quality event facilities in the city.

The completion of Stage 2b will conclude this upgrade and allow our general admission capacity to be at an optimum level, allowing the City to accommodate some of the larger touring events that will occur now that Vector Arena in Auckland is in operation.

Contact Officer: *Neville Brown, General Manager, Wellington Convention Centre and Derek Fry, Director Recreation & Events*

Supporting Information

1) Strategic Fit / Strategic Outcome

This paper supports the Council Objective in Strategy Area Economic Development - 3.3 More Eventful and will support efforts to target large events for the city.

2) LTCCP/Annual Plan reference and long term financial impact

This project will be funded within the allocated funds within Project CX481 in 2007/8 plan.

3) Treaty of Waitangi considerations

The recommendations within this paper will have no effect on an Treaty of Waitangi matters

4) Decision-Making

This is not a significant decision. The report sets out the progress on the made on the Arena development and seeks approval for a variance to the original scope of the redevelopment.

5) Consultation

a) General Consultation

The key stakeholder, Wellington Waterfront Limited, affected by these recommendations have been consulted with and they are endorsed the recommendations contained within this paper

b) Consultation with Maori

There is no effect on any Maori related matter as a consequence of these recommendations.

6) Legal Implications

There are no legal implications from the recommendations within the paper.

7) Consistency with existing policy

There is no effect on Council policy from the recommendations within this paper.