

## NEW INITIATIVE (M)

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### Project title: **Orchestral Studio and Scoring Stage**

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*Background: the proposal seeks funding to undertake a feasibility and concept study into the development of an orchestral studio and scoring stage behind the St James Theatre.*

*It is recommended that funding be included in the draft annual plan.*

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#### 1. The Proposal

We are currently working with a number of parties, including the St James Theatre Trust, on the feasibility of establishing a world class Orchestral Studio and Scoring Stage facility (Scoring Stage) that would:

- provide a facility capable of recording orchestral scores for the film industry, which is the only piece of post-production infrastructure not currently available in Wellington (or New Zealand)
- become a new permanent home for the NZSO, both for administration and rehearsal purposes
- provide improved recording facilities for a range of other organisations in the film, music and tertiary education industries.

The proposed site for the facility is the back lot behind the St James Theatre Trust, which is owned by the Trust on behalf of the Council. Funding is sought to continue feasibility investigations.

#### 2. Proposal Costs

| Project Component        | Operating expenses<br>\$000 |       |       |       |       |       |       |       |       |       |
|--------------------------|-----------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
|                          | 08/09                       | 09/10 | 10/11 | 11/12 | 12/13 | 13/14 | 14/15 | 15/16 | 16/17 | 17/18 |
| <i>Feasibility study</i> | 70                          | -     | -     | -     | -     | -     | -     | -     | -     | -     |
| <i>Total</i>             | 70                          | -     | -     | -     | -     | -     | -     | -     | -     | -     |

Feasibility work in respect of the building design/components and financial modelling is currently being undertaken, with the assistance of funding of up to \$85,000 in the current financial year.

The preliminary work indicates a gross capital cost of around \$22 million for the development of the facilities, and it is unclear at this stage whether any capital costs will be required for the project in 2009/10.

While it is likely that other parties involved in the project will seek some capital contribution from the Council, our preference is to source capital funds from third parties (the Crown, the Film Industry and other contributions), with Council's contribution coming in the form of:

- project feasibility and design funding (the subject of this new initiative proposal and previous assistance)
- land - with possible reinvestment of commercial proceeds from the land being invested back into the scoring stage facility. Initial indications are that an apartment development on top of the scoring stage could yield somewhere around \$5m+ of commercial proceeds. The St James back lot also works well as a site because from the ground to the roof-level of the Theatre is 'dead' space for apartments, as there is insufficient natural light. A scoring stage facility (and car parking) would be an economic use of this dead space.
- leadership/co-ordination.

At this stage we estimate design, economic impact assessment and business plan development costs of \$70,000 for 2008/09.

### **3. Project Outline**

The benefits of a Scoring Stage facility for Wellington City and the Council would be:

- It would provide Wellington with a full suite of post-production film facilities – a Scoring Stage is the only missing piece of post-production infrastructure in the City. There will only be demand for one such facility in New Zealand, which would provide Wellington with a competitive advantage over Auckland City in respect of the post-production film economy. There are also signs that Peter Jackson is dedicating more of his time and focus towards the post-production field.
- By finding an alternative permanent rehearsal space for the NZSO, up to 90 days of capacity is freed up at the Wellington Convention Centre, which can instead be used for its core convention business, providing increased economic benefits to the City. The extra capacity may also delay the point at which convention capacity constraints require the City to consider building or supporting a new Convention Centre. NZSO live performances would remain at the Michael Fowler Centre.
- Increasing the likelihood that the NZSO will remain a Wellington-based institution.

There are of course benefits to other parties involved:

- Park Road Post (and other Wellington and New Zealand-based post production providers) would be able to offer a full suite of Post Production

facilities to overseas and domestic producers. This increases both their chances of gaining post-production commissions, and also the value of the commissions that are gained.

- NZSO benefits are largely two-fold:
  - The NZSO is currently finding it increasingly difficult to negotiate rehearsal bookings with the MFC. A new home would alleviate that.
  - Revenue from Scoring contracts can be significant. A contract to score for a movie such as the Lord of Rings or King Kong would have generated over \$1 million in revenue for the NZSO. Increased recording of classical musical for CDs would be another source of revenue to the NZSO.

Clearly, the Crown - as NZSO owner, and an interested party in the economic development and film industry benefits that may accrue - has an interest that should, in our view, be matched by some capital commitment. Park Road Post would also clearly benefit, and it has indicated a willingness to contribute to the development of a scoring stage. The size of its commitment could be seen as an indication of the value it places on the enhanced opportunities a scoring stage facility would represent.

Funding is needed to continue with the feasibility assessment, including conceptual and preliminary design work, QS cost estimates, economic impact assessment(s) and business plan development costs. The request is for \$70,000 to complete this work in 2008/09, which comes on top of \$85,000 allocated to the feasibility assessment for 2007/08. The funding would be subject to continuing positive feasibility findings and support for the project, as is the case with funding for 2007/08.

#### **4. Conclusion**

While a scoring stage facility would clearly benefit a number of parties, including Wellington City Council (and the city at large), the NZSO, the Crown, the New Zealand Film Industry, and possibly the local recording industry (which is still mourning the demolition of the recording facility at Broadcasting House), it is necessary to carry out further feasibility work. Funding is sought for 2008/09 to allow this work to be carried out, subject to continuing positive feasibility findings and support for the project.