

7.0 – CONCLUSION AND RECOMMENDATION

“The purpose of the review is to assess and make recommendations to the Council on the proposal for the city to build a 12-court indoor community sports centre.”

7.1 Conclusion

“The building is seen to be a base and focal point for Wellington City Indoor sportspeople as well as targeted recreation and physical activity for a wide range of community groups including schools - one thing that stands out is the need for access 15 hours a day, 365 days a year.”

Following an in-depth review of all the critical elements for a community-owned indoor sports centre the independent review concluded that there is demonstrable demand and need for a 12-court indoor community sports centre for Wellington City. Seventy to 80% of users will be ‘everyday’ Wellingtonians participating in community sports and activities.

Having reached this conclusion, the independent review then considered which of the two options under consideration by the Council best meets user requirements and the brief developed for the ICSC.

To reach the conclusion on the best option, the review considered:

- How well the facility meets the needs of the sports codes and community.
- The costs of a new facility including the cost to build, run and maintain the facility over the life of the building. This also included looking at unquantifiable risks associated with construction. These risks could mean the cost to build could increase significantly over the budget and/or the facility does not meet expected standards when finished.
- Ease of access and the safety and security of users.
- How long it would take before this facility would be ready for use.
- How well the building would meet architectural design requirements for community buildings.
- How well the facility and its location would meet the policies the Council must consider when making such a significant decision for the city.
- The ease with which the facility could hold two catered banquets per year for 4000 guests., which is part of the requirement for this community facility
- The impact on the Westpac Stadium and the Rugby World Cup.

Section 6 of this report summarises the analysis undertaken for each of these areas for the two options under consideration.

7.1.1 ADVANTAGES OF COBHAM OVER THE CONCOURSE

Year-round access – meeting the needs of sportspeople

The key functional advantage of Cobham over the Concourse is that a centre at Cobham can be available every day of the year, from 6am–10pm, for community sport with safe, close carparking available. The Concourse option cannot provide this.

The Sports codes have said consistent access is critical if they are to optimally use the facility and maximise the growth of their codes. They have been frustrated over the years with inadequate facilities, facilities they can't afford and at being 'bumped out' of facilities such as the TSB Arena when a better-earning event came along. Consistent access can only be achieved if the facility is used for the single purpose of community sport.

The independent review heard from the operators of other New Zealand stadia (some of which have multi-purpose uses such as revenue-earning trade shows, concerts, weddings etc) that it is optimal to have the facility only available for community sports. Those that had to 'share' noted that as a result community sport is 'bumped off' in favour of commercial events which is frustrating, time-consuming and most importantly does not enable the community sports demand to be satisfied. Wellington City has also had experience of this with the TSB Arena where sports use is secondary to commercial use.

The independent review identified times when the ICSC could not be used if it was located on the Concourse – this would be when larger events were held such as the Sevens, rugby tests, concerts, semi-finals of competitions plus some exhibitions (about 10 times per year). Further, at times when there were significant, but smaller, events on at the Westpac Stadium, the ICSC may be able to operate but onsite carparks would not be available.

In addition to these known disruptions, the review identified there may be further disruptions associated with meeting the fire egress requirements for either the Westpac Stadium or the ICSC on the Concourse site. This aspect of the Concourse design is very complex and has not been resolved and no clear solution could be identified by the design team presenting this option. The primary consideration given by the design team in regard to the fire egress requirements was the impact of the extra columns to support the ICSC over the width of the Concourse.

The independent review identified that for the fire egress issue to be resolved to the satisfaction of both WRST (which would require no negative impact on its operation) and the ICSC there may be significant cost implications - some of which could not be quantified by the independent experts (because the solution has not been identified). However, the independent advice provided to the review by the fire engineers noted the solution may be that the two facilities can never operate at the same time (which would be detrimental to both) or, in the worst instance, no solution can be found to meet the safety requirements of the Building Act.

The outcome of the fire egress issue would only be known following detailed design. If no solution could be found, at this point, site selection would have to start yet again - resulting in further lengthy delays before the city could have a facility to use. Not such risks exist with the Cobham site and hence there is no disruption to the 365 days' access by the community for sports and activities.

Cost

Cost is the second major differential between the two sites – and significantly favours the Cobham site. Cobham is estimated to be \$49.5 million to build compared to \$68.2 million for the Concourse. However, because the Concourse proposal has only been developed to concept-design level, there are significant risks that cannot be quantified at this time and hence are not included in the estimated cost. Should any of these risks eventuate the Concourse option would cost more than the estimated \$68.2 million.

These include the risks associated with:

- Additional ground-floor Westpac Stadium carparking reconfiguration
- Additional fire egress requirements over those estimated
- Additional code compliance costs for the Concourse option over those estimated
- Separate parking systems to manage the logistics of ICSC cars versus commuter cars
- Resolution of the lift and entrance location for the Concourse building.

It should be noted that one of the previous evaluations of the Concourse site for the ICSC indicated the need to build a grade-separated traffic interchange. However, this was not found to be the case.

The Cobham building has been specified for a 70-year life while the Concourse cladding materials, namely the external walls and the roof, are designed to last only 15 years.

The independent review's quantity surveyor estimated the whole-of-life cost difference between each option over a 70-year life for major known structural differences to enable a whole-of-life capital cost comparison. This resulted in a total capital of \$51.2 million for Cobham and \$74.7 million for the Concourse.

Finally, the key areas of operational difference between the two buildings in the areas of energy, maintenance, and carparking were identified (as carparks for the Concourse option would have to be leased from WRST), costing an extra \$810,000 a year more for the Concourse compared to Cobham. No assumption on who pays for carparking on the Concourse option was made as this additional cost would either rest with the Council or users, but no such cost exists with the Cobham site.

The land cost for Cobham was compared to the airspace cost for the Concourse site. DTZ valued the land cost for Cobham. Approximately half of the land was purchased from the Crown in 2005 for \$3.324 million excl GST, while the Council had owned the other half for many years. The current book value of the entire site is \$5.5 million. CBRE valued the airspace above the Concourse (which is owned by the WRST for the benefit of the city and the region) on a commercial basis at \$3.08 million excl GST.

DTZ noted the Cobham site could be sold and if it was ever sold its current commercial valuation is \$12 million. However it was noted that the Council is not likely to sell this property since flat land for sportsfields is limited in the city. The Council's preferred option, if Cobham Drive Park is not used for the ICSC, would be to retain this sports facility and convert it to an artificial sports surface to enable greater use. While it is retained by the Council as a sports facility the only basis to value is as recreational space. Given the difference between the current Council value and the

DTZ valuation undertaken for the review is not material, it is appropriate to use the current Council book value in regard to the Cobham land.

If the Council decided to build the ICSC on the Concourse site the existing costs spent on the Cobham site (included in the Cobham construction cost) would have to be written off and would become a cost to the Concourse project. These costs are \$4.585 million.

In summary the cost comparisons between the two sites are:

	Cobham	Concourse	Difference
Cost to Build (excluding GST, land/airspace value, and non-site specific civil works)	\$49.5 million	\$68.2 million <i>Plus unquantified risks identified⁴</i>	\$18.7 million
Total 70-year whole-of-life cost for areas of significant difference	\$51.2 million	\$74.7 million <i>Plus unquantified risks identified</i>	\$23.5 million
Write-off of costs to date	\$0	\$4.585 million ¹	\$4.585 million
Total cost to build ²	\$51.2 million	\$79.285 million	\$28.085 million
Land/airspace value for Council Sports and Recreation	\$5.5 million ³	\$3.08 million	\$2.42 million favouring Concourse
Annual operating cost difference for carparks, maintenance and energy (excl interest and depreciation)			\$810,000 per Year favouring Cobham

¹ Included in \$49.5 million cost to build for Cobham

² Includes cost over 70-year life plus write-off costs to date

³ This is the current actual book value of Cobham and has been used to comply with standard accounting practice

⁴ Note: No need was found for a grade-separated interchange so this cost is not included.

Meeting the sports codes' standards and court numbers

There are two aspects in regard to meeting the needs of the sports which favour the Cobham option. These relate to the quality of the floor and number of courts that comply with the needs for indoor sports.

For netball, basketball and volleyball courts to be able to host regional or national competitions (such as national secondary school competitions) the courts have to be constructed to meet a standard known as a DIN rating. DIN is a German standard developed to measure ball rebound, shock-absorption and deflection. The usual proven method of construction to ensure this standard is met is to build the specialist sports floor on top of a concrete slab. This is the construction method proposed for Cobham.

The Concourse floor base cannot be concrete unless the existing Concourse structure is extensively strengthened, resulting in more cost. The proposed method of building the floor at the Concourse site is timber supported on a steel frame. The independent experts and the

designers supporting the Concourse proposal have not been able to find any examples anywhere in the world where this proposed method has been used to build a DIN-rated floor. The independent experts believe there is some risk that this method will not result in a DIN-rated floor but this would not be known until after the floor is constructed or a prototype built. If it did not meet the standard this would compromise the facility's ability to attract tournaments.

Both the Cobham and Concourse proposals are able to meet the 12-court requirements in terms of number of courts and size related specifications. However, the independent experts identified an unresolved issue in regard to the feasibility of the proposed location of the lift access and entrance area to the ICSC on the Concourse site. As presented, the proposed location of the lift and entrance is not workable as it impacts on the functioning of the Westpac Stadium ramp. No obvious solutions to the lift and entrance location were identified (within the Concourse site constraints) other than encroaching on the floor space of the sports centre. If this option resulted after the detailed design phase for Concourse, the site would only have 11 courts versus the 12 confirmed courts available on the Cobham site.

Completion time

There is a significant difference between the two site options in regard to time until completion. Cobham could be available for use by the end of 2010, while the earliest the Concourse would be available for use is mid-2013. The relative delay for the Concourse is driven by the need to select the design team using a robust and fair process, design time to resolve the significant design issues identified, the negotiations with WRST and RailCorp for purchase of the airspace as well as the related lease agreements on use, the consenting processes, the need for further community consultation, and the construction delays for working around Westpac Stadium events. The cost of construction has allowed for the longer timeframes through until completion for the Concourse site.

Building Consent Compliance

The Cobham structure complies with the Building Code, whereas the Concourse design arrangements (and in particular the fire egress arrangements for both the ICSC and the Westpac Stadium) have not been demonstrated to meet Building Code requirements and may not get consent as they currently stand.

Resource Consent

Resource consent for Cobham has been granted - however it is subject to appeal to the Environment Court.

No resource consent has been given for the Concourse option because it is only at the concept-design stage. It is likely that, as a major Council project, the application would be publicly notified. In addition, the changes required to the Westpac Stadium resource consent conditions may also require public notification.

The outcome of a public notification process cannot be predetermined because any submissions lodged must be considered by a hearings panel. This introduces a further element of uncertainty into the resource consent process.

Sustainability

The Cobham design relies on passive environmental control including no heating, natural ventilation and natural lights to the bulk of the space. This is superior to the Concourse design which includes air-conditioning, lighting and gas radiator heating.

In regard to accessibility and transportation eCubed note that the option is in a more accessible fringe CBD location with complete transport modal options, however the entry to the centre for this option is less than desirable and may require more energy to run lifts.

Council policies

The independent review noted that decisions in regard to “significant activity and strategic asset” projects for the city must consider all relevant Council policies, frameworks and strategies. For this project the most important consideration is the Social and Recreation Strategy. Within this strategy the Council provides community sport and activity assets and is committed to making these readily accessible to all Wellingtonians. To date this includes the Council providing free carparking at community sports centres and subsidising operating costs by 70%.

In meeting this strategy the choice of site must also balance other relevant Council policies while ensuring the main purpose of the building can be met. These other policies include:

- Environment Strategy
- Urban Development Strategy
- Transport Strategy

The independent review found the Cobham site best meets the Social and Recreation Strategy while still supporting the other policies which must be considered. It is superior as it will be available 365 days of the year for community sport. The Concourse however will not be available on large Westpac Stadium event days and for small event days it will be available but with no onsite parking.

7.1.2 ADVANTAGES OF THE CONCOURSE OVER COBHAM

In the following areas the Concourse option was found to have potential advantage over the Cobham site for community-based sports centre:

- Increased traffic congestion for the city in regard to the Mt Victoria Tunnel and related State Highway intersection because of the current usage rates of the tunnel. However this impact was considered minor in the approved resource consent.
- The Concourse is closer to the central hubs for trains and buses however the 10-minute walk has safety issues associated with children, youth and elderly using this access, and the limited bus and trains running after 8pm negates most of this advantage.
- No disruption to existing sports using the Cobham site.
- The Concourse support structure (the piles) could reduce the risk from site liquefaction in the event of a significant earthquake so that the building is expected to withstand seismic damage to a greater extent than the Cobham building. However the Cobham building is code-compliant – it is designed to ensure people are safe in an earthquake even if the building structure is damaged.

- Given a proportion of ICSC users will access from the north and west of the city, a Cobham Park location could put pressure on the Mt Victoria Tunnel which is already at capacity. The alternatives to the State Highway include diversions through Newtown or use of Oriental Parade. Some of the existing State Highway intersections east of Mt Victoria Tunnel have some deficiencies regarding turning movements which deteriorate due to Cobham Park traffic. However, the current Ngauranga to Airport Transport Study and proposed changes to the Cobham Drive/Troy Street roundabout have identified and addressed most of the current State Highway and wider local road network issues

7.1.3 AREAS WITH NO SIGNIFICANT ADVANTAGE/DISADVANTAGE BETWEEN THE TWO OPTIONS

In the following areas there was no significant advantage or disadvantage of one site over the other:

- The value of the airspace above the Concourse is \$3.08 million (excl GST), where the value for the Cobham site park is \$5.5 million (excl GST) for recreational use.
- Both are in areas exposed to wind and salt, with the conditions likely to be a little more severe on the Cobham site.
- Neither site will negatively impact the Rugby World Cup activities in Wellington in 2011 although Cobham will be available as a training venue.
- Advice provided to the review was that urban design requirements can be met on either site although the independent experts have significant concerns that the detailed design stage may not be able to address the urban design issues identified in regard to the design of the ICSC building on the Concourse site including the expansive wall on the Thorndon side and the claustrophobic environment created under the ICSC building including columns, way-finding problems, and generally hostile access for pedestrians, bikes, and motorcycles.
- Future expansion on the site. While the Cobham site may provide the opportunity for three more courts to be built some time in the future, there would be no opportunity for expansion on the Concourse site. The independent review did not think this was important as it envisages that once the facility has reached capacity it is more likely a new facility of a similar size will be required at another stand-alone site in the city.
- The argument in relation to the number of schools in the area is simplistic and not persuasive in making one site superior over the other. Schools' approach to the use of community sport facilities is complex and related to significant factors other than road distance to the community centre in question.

7.1.4 FEASIBILITY OF THE CONCOURSE ICSC BEING USED FOR INDOOR CONCERTS

Councillor Foster believes there is opportunity for the new ICSC on the Concourse site to be used for large concerts attracting audiences of more than 4500 people. He notes that there may be opportunities for 8-15 such large events per year. Councillor Foster identified this need because the existing indoor concert facilities at TSB Arena can provide for a maximum concert crowd of 6000 general admission or 4709 seated whereas the facilities in Auckland, Christchurch and

Manukau can cater for larger crowds up to 12,000 and hence Wellington misses out on these concerts (and the associated economic benefit).

Councillor Foster saw benefit in having such a facility in the CBD as it would be supported by the nearby train and bus CBD hub and easy access for those travelling from out of the city. The support for the use of public transport to and from a major event has been demonstrated with Westpac Stadium events. Neither the Concourse or Cobham designs could cater for events with crowds greater than 4200 (i.e. 4000 guests and 200 staff for a banquet). Neither has been designed to meet the access and fire egress requirements for crowds of up to 12,000. Further, the ability to incorporate this into the Concourse design (if it is possible at all) would be significantly more expensive than at Cobham. The use of the facility for this purpose is not in the brief for an indoor community sports centre.

7.1.5 OPPORTUNITIES TO ENHANCE THE COBHAM PROJECT

The independent review has identified a number of issues that, if incorporated into the Cobham ICSC technical specification, would enhance the facility without necessarily affecting the time of delivery. These issues have been referred to the Council for further consideration.

7.1.6 CONCLUSION

Having reviewed and analysed all matters relevant to determining the preferred option for the location of the ICSC the independent review concluded that the Cobham site is significantly superior to the Concourse - in particular in regard to its ability to meet the needs of an indoor community sports centre, the cost advantages and the safety and secure access for users and the known risks associated with this site. The Cobham site meets the requirements of the sports codes, while the Concourse does not.

7.2 Recommendation

“Upon agreement to the independent review, the Council agrees to abide by Sir John Anderson’s recommendations arising from the independent review.”

The independent review confirms to the Council that the city has a definite need to build a 12-court indoor community sports centre as there is significant potential for more Wellingtonians to participate in sports and activities that occur when such a facility is available.

Further, the independent review recommends to the Council, having examined all matters relevant to this issue relating to the Cobham and Concourse location options, that the new ICSC be built at Cobham Drive Park.