

**AGENDA FOR AN ORDINARY MEETING OF THE PROJECTS SPECIAL COMMITTEE
TO BE HELD IN THE CIVIC CENTRE, 6 WAIPAREIRA AVENUE, LINCOLN,
WAITAKERE CITY, ON WEDNESDAY, 2 JUNE 2004
COMMENCING AT 9.30 AM**

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1 APOLOGIES



2 URGENT BUSINESS

Section 46A(7) and (7A) of the Local Government Official Information Act and Meetings Act 1987 provides that where an item of business is not on the agenda, it may only be dealt with at the meeting if:

- (i) the item is a minor matter; and
- (ii) the Chairperson has explained at the beginning of the meeting (when open to the public) that the item will be raised for discussion, why the item is not on the agenda, and why it cannot be delayed until a subsequent meeting; and
- (iii) the Committee resolves to deal with the item.

No resolution, decision, or recommendation may be made in respect of the item except to refer the item to a subsequent meeting for further discussion.

NOTE: Urgent Business need not be dealt with now and may be delayed until later in the meeting.



3 CONFIRMATION OF MINUTES

Ordinary - Wednesday, 7 April 2004

RECOMMENDATION

That the minutes of the Ordinary Meeting of the Projects Special Committee held on Wednesday, 7 April 2004, as circulated, be taken as read and now be confirmed.



4 YOUTH FACILITY DEVELOPMENT

PURPOSE OF THE REPORT

The purpose of the report is to seek the Projects Special Committee's approval to proceed with the development of a youth facility on the site of the existing West Wave Recreation Centre, and the establishment of a Charitable Trust to raise capital for the development, ownership and on-going management of the facility.

BACKGROUND

Research has been completed over recent years as a result of resolutions passed by the Community Facilities and Recreation and City Development Committees, which have identified the need for an indoor youth orientated facility in Waitakere City.

This research included three important projects; the Waitakere Youth Leisure Needs Analysis, the Henderson Concept Development Planning Workshop and the Strategic Review - Community Consultation.

All three studies indicate strongly that Henderson Town Centre be the location for a centralised indoor youth orientated facility, and further suggest that the current site of the West Wave Recreation Centre be investigated as the potential site.

To progress the development of the proposed 'Youth Facility', the City Development Committee on the 11 November 2002 approved the following resolutions:

"That the Committee endorse that council officers research the Henderson Recreation Centre to assess its suitability in terms of location, cost effectiveness and how practicable it is to develop into an indoor youth orientated facility."

"That the Committee endorse in principle that the scope of services for a centralised youth orientated facility focuses on the social/passive leisure aspect of youth leisure activities."

"That a more detailed scope of services will be further researched and be brought back to the Committee for endorsement."

3240/2002

Resources in the form of \$30,000 and staff time in Leisure Services and \$10,000 and staff time in Strategic Projects included in the 2002/2003 Annual Plan were utilised to develop the proposed indoor 'Youth Facility' Concept further.

The Waitakere Youth Facility Concept Feasibility Study, including a preliminary design of internal spacial floor layout and a Bulk and Location of the building, was presented to Projects Special Committee in October 2003 during a workshop held in conjunction with the regular Committee meeting. It was endorsed by the Committee that:

"a further report be bought back to the Projects Special Committee outlining the next major phases for the development of the youth facility"

1997/2003

Funding allocated in the 2003/2004 budget is to be carried forward into the 2004/2005 year to contribute towards the detailed architectural design of the youth facility project. A further \$50,000 has been included in the draft 2004/2005 budget to resource the establishment of a Charitable Trust. This will include the legal requirements in establishing a Charitable Trust, creating a charter and lease documents for the Trust, and providing legal expertise in the establishment of the Charitable Trust.

STRATEGIC CONTEXT

Leisure facilities and activities contribute to the well being of the City's residents by providing recreation opportunities that promote health and social cohesion.

Council's strategic objective for leisure is that a comprehensive range of leisure, recreation and sports services and facilities are provided.

Through adoption of First Call for Children, one of Council's five overarching priorities, Council has also stated its commitment to proactively supporting children, young people and their families in Waitakere City.

To meet Council's strategic objective of providing vibrant safe town centres it is important that youth are not alienated from the mainstream public areas but are able to become part of the social, leisure and economic factors of the urban landscape.

Henderson is at the geographical and historic heart of Waitakere City. The decision in 2002 for Council to strengthen this centre to become a Central Business District for Waitakere and locate the new Civic Centre, Waitakere Library, Unitec and major leisure facilities in the area is a key stimulus to attract a high level of new investment. It is essential that all projects necessary to present an area that is visually appropriate of a Central Business District are undertaken. This involves presenting an image of a thriving bustling economically successful business area, with good public amenity and leisure facilities and that is safe for people to live work and play in. In the 2001 Henderson Workshop Concept Plan the Kemp Economic and Employment Report identified the current Recreation Centre site as the appropriate place to develop the Passive Youth Centre. This report was further expanded in 2002 to indicate the initiatives essential to make such a centre function to meet the leisure and education aspects for youth. This centre will improve linkages between the Aquatic Centre the town centre and the new Waitakere Central and is handy to a range of public transport systems.

ISSUES

The Waitakere Youth Facility Concept Feasibility Study has indicated that considerable potential exists to develop a youth centre on the site of the existing West Wave Recreation Centre.

A project control group has been established, to "incubate" the project and guide the next phases of the project development.

Project Control Group members are:

Chairperson of Working Party	<i>(To be endorsed)</i>
Child & Youth Advocate	<i>(Endorsed 3377/2002)</i>
Chairperson Waitakere Community Board	<i>(Endorsed 3377/2002)</i>
Leisure Services Manager	
Leisure Planner	
Principal Advisor - City Projects, Strategy and Development	
Partnership & Advocacy - Child & Youth, Strategy and Development	

The project control group, now meeting on a fortnightly basis, have spent the past several months establishing the preferred development and management options for the Waitakere Youth Facility, and creating the proposed work programme and timeline.

Currently, the project control group is working on the vision and objectives for the youth facility to ensure that the facility and its activities/services meet the needs of the present and future youth of Waitakere and aligns with Council strategic objectives. A project plan and communications plan are also in draft form, along with a key criteria document that will provide clear guidance in achieving the desired outcomes of the facility.

The project control group will also be responsible for the establishment of a Charitable Trust to own and manage the youth facility.

Attachment A outlines the project accountabilities of the Project Control Group.

Development and Management Options

Advice from both internal and external parties has been undertaken over recent months, to identify the best option to proceed with for the ownership, development and on-going management of the Waitakere Youth Facility.

Consultation with an external legal expert was undertaken to determine the feasibility of establishing a Charitable Trust and/or a Development Board to drive the next development phases of the project (as was done for the Waitakere Sports Complex).

Advice from Council's Legal Services Manager, and Director: Quality Assurance was also sought when developing and discussing the options for development.

Consultation and advice has indicated the establishment of a Charitable Trust as being the most suitable governance structure for a development of this nature. It is important to note that the Charitable Trust will not be a Council Controlled Organisation (as defined under Section 6 of the Local Government Act 2002).

The main advantages of establishing a Charitable Trust are:

1. It enables Council to involve much wider expertise in the development and management of the facility. A number of Trustees can be nominated for election to the Trust, thus ensuring the best possible mix of professional skills.
2. There is a single point of accountability for decision-making in relation to the operation decisions.
3. It strengthens the community involvement and fund-raising capabilities for the project.
4. The Trust is eligible to receive grants from charitable funders such as the ASB Trust, provided ownership of the facility rests with the Trust and not the Council.

Potential disadvantages of Trustee ownership and management are:

1. A Trust is a poor structure for accountability. It has no members or shareholders. Accountability to Council can however be achieved through contractual relationships such as leases and funding agreements.
2. There is some financial risk in vesting ownership of the facility in a Trust in the short term, although this will change when there is better information on the utilisation, funding and acceptability of the youth centre.

It is recommended that a Charitable Trust be formed to take ownership of the youth facility, and manage the on-going operations. A process for appointing Trustees will be developed and undertaken with the Director: Quality Assurance's guidance and advice.

A1-A2

Attached at pages A1 to A2 outlines the project accountabilities of the Charitable Trust, and includes:

- to undertake the detailed analysis of the “funding gap” between Council’s financial commitment to the development and what will be required to complete and operate the youth facility;
- to raise funding for the capital development of the youth facility;
- to manage the tender process, consents and construction of the youth facility.

The following development options, and the risks associated with each, were discussed and are outlined as follows:

1. The Trust is presented with the feasibility design outcomes and undertakes to complete the remaining phases of development themselves – detailed architectural design, consents, tenders and construction.

RISKS: Trustees may lack critical skills to meet development phase needs.

2. The Trust is presented with the feasibility design outcomes and establishes a specialist Building Development Team (accountable to the Trust) to undertake the remaining phases of development - detailed architectural design, consents, tenders and construction.

RISKS: Council loses influence into final design.

3. The Trust is presented with the feasibility design outcomes and contracts a Project Manager from Council’s Special Projects team (accountable to the Trust) to undertake the remaining phases of development - detailed architectural design, consents, tenders and construction.

RISKS: Council loses influence and the ability to ensure Council’s sustainable objectives are maintained in the final design.

4. The Project Control Group undertake to complete detailed architectural design and consents, and once this is completed, hand the project over to the Charitable Trust to undertake the tender process and construction of the youth facility (Special Projects team to Project Manage detailed architectural design on PCG’s behalf).

RISKS: Trust lacks input into architectural design, and this could mean it is hard to get Trustee buy-in to wanting to be on the actual Trust. Risk of lack of trustee buy-in can be mitigated by Trustee’s being involved in the detailed architectural design process as a key stakeholder.

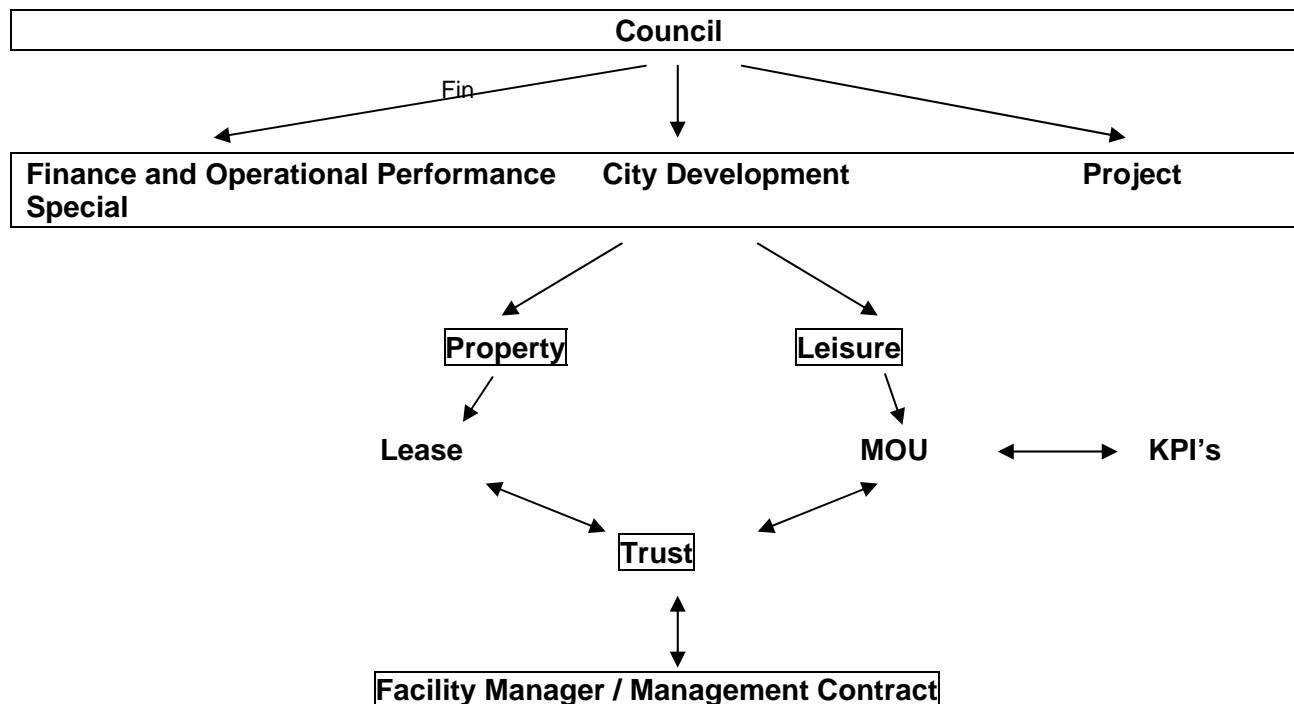
Note: It will be strongly recommended by the Project Control Group that the Trust contract Council’s Special Projects Team to project manage the tender process and construction contracts on the Trust’s behalf.

It is the recommendation of the Project Control Group that the Projects Special Committee approve Option 4 as the preferred development option for the Waitakere Youth Facility.

It is recognised that before any additional design work commences, the Charitable Trust will undertake the funding analysis and have secured funding partnership agreements to develop the facility.

The Legal Services Manager will also provide guidance in developing an operational accountability structure to ensure that Council retains the ability to guide the strategic and operational outcomes of the facility, and the options in regard to the land lease and Memorandum of Understanding agreements that will be formulated as the development progresses.

The following diagram illustrates the proposed operational accountability structure:



It is proposed that the Council develop a long term market-based lease with the Trust for the use of the land as a Youth Facility (the existing site of the West Wave Recreation Centre), and a MOU for Operations/Governance. Approval to proceed with the lease will be sought from City Development Committee once full capital development funding has been secured.

Council's Financial Contribution

The Project Control Group will be submitting a report to City Development in July, seeking the approval to fund up to 50% of the capital development, by way of an interest free loan. It will be recommended that Council be a "lender of last resort - to a maximum of 50% of development costs". The Trust will be encouraged to seek full capital development funding from external parties.

It is anticipated that Council may consider providing the Waitakere Youth Facility with an operational subsidy to assist with the facility maintenance, and youth programmes & services.

All approved financial contribution commitments will be included in the 2006 Long Term Council Community Plan, including the operational subsidy which will be forecast in the 2007/2008 Annual Plan.

Project Budget

The Waitakere Youth Facility Concept Feasibility Study preliminary design was estimated to cost approximately \$8 million dollars to build. However recent inflation in the construction industry has led the Project Control Group to reforecast the projected Budget. Over the past 12 months the Capital Goods Index has shown an inflation of 5% nationally, however inflation in the Auckland region is currently at approximately 10% (as advised by Council's Special Projects Team). Accordingly, it is anticipated that the final development budget will be closer to \$10 million.

Project Work Programme and Timeline

A3 An estimated work programme and timeline for the Youth Facility development has been put together, and is detailed at page A3 of this report. It is anticipated that construction will begin in 2006/2007. This timeline is subject to change as the project progresses, however the Projects Special Committee will be kept up to date with all project developments through till completion.

RESOURCES

\$250,000 funding is allocated in the 2003/2004 budget to develop the detailed architectural design of the youth facility. A request to carry this amount into the 2004/2005 year will be brought back to the Long Term Council Community Plan and Annual Plan Special Committee in June 2004.

A further \$50,000 has been included in the draft 2004/2005 Annual Plan to resource the establishment of a Charitable Trust to take ownership of the youth facility and manage the on-going operations.

CONCLUSION

The Waitakere Youth Facility Concept Feasibility Study was undertaken during the 2002/2003 year, and has indicated that considerable potential exists to develop a purpose built youth centre on the site of the existing West Wave Recreation Centre. A preliminary design of internal spacial floor layout and a Bulk and Location of the building was included in the report.

A Project Control Group, consisting of Councillors, Community Board Members and Council staff, has been established to "incubate" the project and guide the next phases of the project development. In addition to developing the vision and objectives of the youth facility, to ensure that the facility and its activities/services meet the needs of present and future youth and aligns with Council strategic objectives, the project control group will also undertake to establish a Charitable Trust to own and manage the facility.

Advice from both internal and external parties has been undertaken over recent months, to identify the best option to proceed with for the ownership, development and on-going management of the Waitakere Youth Facility. Consultation has indicated the establishment of a Charitable Trust as being the most suitable governance structure for a development of this nature. It is important to note that the Charitable Trust will not be a Council Controlled Organisation (as defined under Section 6 of the Local Government Act 2002).

A range of development options are addressed in this report, with a recommendation that the Project Control Group undertake to complete detailed architectural design and consents, and once this is completed, hand the project over to the Charitable Trust to undertake the tender process and construction of the youth facility. It is recognised that before any additional design work commences, the Charitable Trust will undertake the funding analysis and have secured funding partnership agreements to develop the facility.

An operational accountability structure to ensure that Council retains the ability to guide the strategic and operational outcomes of the facility, and the options in regard to the land lease and Memorandum of Understanding agreements, will be formulated as the development progresses.

Approval from the City Development Committee will be sought to fund up to 50% of the capital development, by way of an interest free loan. It will be recommended that Council be a "lender of last resort - to a maximum of 50% of development costs". The Trust will be encouraged to seek full capital development funding from external parties. It is anticipated that Council will provide the Waitakere Youth Facility with an operational subsidy.

The Waitakere Youth Facility Concept Feasibility Study preliminary design was estimated to cost approximately \$8 million to build. However, recent inflation in the construction industry has led the Project Control Group to reforecast the projected budget. It is anticipated that the final development budget will now be closer to \$10 million.

A3 An estimated work programme and timeline for the Youth Facility development has been put together, and is detailed at page A3 of this report

RECOMMENDATIONS

1. That the Youth Facility Development report be received.
2. That the Projects Special Committee appoint Councillor Penny Hulse as a Council representative on the Project Control Group.
3. That the Projects Special Committee approve the establishment of a Charitable Trust, subject to funding being approved in the final Annual Plan 2004/2005, to take ownership of the youth facility, and manage the on-going operations.
4. That the Projects Special Committee approve Option 4 as the preferred development accountability structure for the Waitakere Youth Facility.
 - **Option 4:** The Project Control Group undertake to complete detailed architectural design and consents, and once this is completed, hand the project over to the Charitable Trust to undertake the tender process and construction of the youth facility (Special Projects team to Project Manage detailed architectural design on Project Control Groups behalf).
5. That the Project Control Group proceeds with the detailed architectural design of a purpose-built Youth Facility on the existing site of the West Wave Recreation Centre, once full capital development funding has been secured.

Report prepared by: Jo-Anne Inancsi, Leisure Planner.



5 EVENTS PROGRAMME

PURPOSE OF THE REPORT

This report is to provide an update on the series of public events held since the Projects Special Committee meeting of October 2003.

BACKGROUND

The Annual Plan 2003/2004 has continued a desire to extend the Council's reach into the community through events and present a more "friendly face" of Council to the public.

STRATEGIC CONTEXT

The programme is aligned to the Council's Long Term Council Community Plan and 10 year plan priorities of:

- Creating vibrant (and economically viable) town centres;
- Developing strong communities;
- Promoting Waitakere as a "Fun City";
- Raising City profile and awareness;
- Fostering civic/community pride;
- Providing a 'friendly face' Council.

ISSUES

There must be a spread of events to appeal to different demographic, cultural, and other community interests. The Events Calendar has been planned against these criteria and is brought to the City by various community, inter-council and external partnerships.

These inter-council initiatives reflect regional co-operation to complement, avoid conflict with and apply economies of scale to local initiatives; thus there is co-operation to avoid clashes of dates, or to have events in different places that complement each other and/or to collectively promote selected events on a regional calendar.

Events held since the last report in October:

Approx. Audience

2003

Pacifika Games	4 October	2,000
Diwali Festival of Light	11 October	2,500
Trash to Fashion	31 October – 1 November	3,500
Heritage Day	15 November	3,000
New Lynn Organic Market	opening 6 November	300
Waitakere Christmas Festival	29 November	9,000
Eco City Business Awards	November	500

2004

National Surf Champs	3-11 January	20,000
Elvis in the Park	11 January	2,500
Art on the Beach	29 February	500
Waitakere Soap Box Derby Champs	21 March	3,500
Eco Day Festival	27 March	5,000
Wild Out West Jazz in the Park	18 April	5,000
Toddler Day Out	16 May	4,000

Total

61,300

Postponed Events

The Wild Out West Youth event scheduled for Piha in January was cancelled due to the demands placed on the local community by the National Surf Championships. A collaborative event will be held in association with Leisure Services Youth Co-ordinator in 2005.

Harbourview Park opening has been postponed till spring 2004 and the \$10,000 budget will be bought forward from the 2003/2004 budget. This event has been postponed due to site work not being able to be completed in this financial year.

Gleem Festival has been postponed until March 2005, as the organiser was unable to satisfy the Council that the event could be successful and reflect credit on the city. Council was a partner only in this event.

Sponsorship

The Event Calendar has enabled the launch of new events but does not cover the actual total costs incurred and external partners have been needed. External partners have included:

Moon Festival	Lion Foundation, Cantonese Opera Society	\$20,000
Eco Day Festival	BP, Placemakers, Phoenix Foods, Ecowater	\$20,000
Wild Out West Jazz	The Trusts	\$ 5,000
Toddler Day Out	Ministry of Education, JK Kids	\$16,000

Through sponsorship, the Council has effectively doubled its events budget of \$60,000. This does not include the value of in-kind sponsorship and voluntary labour.

The Annual Plan target of attracting 50,000 people to events in a 12 month period (almost a third of the City's population) has been exceeded.

In the six month period from October to May alone, there were approximately 61,300 participants.

Successful national bids under development in partnership with external organisations are:

- Waitakere Stadium Trust to co-host the New Zealand Kennel Club National Dog Show in September 2004. This is the first time this event has been held outside Wellington. The New Zealand Kennel Club estimates a beneficial economic impact on Waitakere of \$2.5 million;
- New Zealand Badminton Masters Champs with the Oceania Championships in 2004 and the World Masters Championships being bid for in 2005;
- New Zealand National Bowling Championships. Estimated economic impact to Waitakere is based on the \$3.0 million enjoyed by the last host city, Christchurch. To be based at Henderson from 27 December 2004 to the 13 January 2005;
- Commonwealth Judo Championships in mid-November 2004 at the Trusts Stadium.

Staff also made an unsuccessful bid for the city to host the Labour Party's Annual Conference. Due to venue requirements and the need for accommodation close to the conference centre, this is being held in Auckland City.

Looking Forward

In the next quarter the Council will continue to identify opportunities and mount “bids” for significant regional or national events.

Health and Safety

Council Events are organised on a risk averse basis and health and safety plans are put in place for every event.

CONCLUSION

Over the past three years the Council has signaled a desire to see a growing number and diversity of events to generate benefits that include raising the City's profile, and fostering civic pride. The programme to date - as approved by this Projects Special Committee - has been successful and a number of high number of participants having taken part. In addition, successful bids were made for national events.

RECOMMENDATION

That the Events Programme report be received.

Report prepared by: Andrea Johnston-Taylor; City Events Co-ordinator.



6 AQUATIC CENTRE UPGRADE PROJECT: ARBITRATION AND LEGAL ISSUES

This item will be considered in the Confidential Supplement of the agenda, and has been circulated to members separately with this agenda.

PROCEDURAL MOTION TO EXCLUDE THE PUBLIC

That the public be excluded from the following part of the proceedings of this meeting, namely Aquatic Centre Upgrade Project: Arbitration and Legal Issues.

The general subject of the matter to be considered while the public is excluded, the reason for passing this resolution in relation of the matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of the matter to be considered.	Reason for passing this resolution in relation to the matter.	Ground(s) under Section 48(1)(a) for the passing of this resolution.
<ul style="list-style-type: none"> Aquatic Centre Upgrade Project: Arbitration and Legal Issues 	<p>The withholding of information is necessary in order to:</p> <ul style="list-style-type: none"> enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). 	<p>That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</p>

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 7(2)(i) of that Act which would be prejudiced by the holding of the relevant part of the proceedings of the meeting in public as follows:

- *The report contains information which could affect Councils position in the settlement of legal claims.*

