

4. MEZZANINE FLOOR FIT-OUT COSTS

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The Council last month considered a detailed report on the costs of a full fit-out of the mezzanine floor to have it completely ready for recreation and sports uses. The purpose of this report, requested by the Chairman of the Strategy and Resources Committee and the Chairman of the Parks and Recreation Committee, is to inform Councillors of the basic fit-out requirements and costs as compared with the full fit-out costs in the earlier report.

The mezzanine floor was constructed as part of the QEII Park Pools redevelopment project. The floor covers an area of 2,910 square metres (29,980 square feet). The Council's intentions at the time of project approval were to determine the ultimate use of the mezzanine floor at a later date. This was reported to the Council by the Major Projects Co-ordinator in June 1999. At a special meeting on 10 September 1999 the Council gave consideration to a report from the Leisure Manager and Major Projects Co-ordinator. That report stated ... *"the mezzanine floor will be left undeveloped ie, it will not be fitted out and will have no HVAC system"*. The same report included comments from Deloitte Touche Tohmatsu ... *"the floor will allow for future expansion and will provide the flexibility to respond to changes in recreational activities"*. It should be noted that at the special meeting the Council resolved by 17 votes to 3 that the mezzanine floor undeveloped remain in the project, and a proposal for its development be presented at a future date.

Currently, the mezzanine floor is a large empty space – a concrete floor with timber framed walls and an iron roof. The only fit-out items supplied beyond the basic facility are fire sprinklers. The proposal for development presented last month was a formulated over the past 24 months. While the writer of this report still believes the full fit-out is appropriate the request for this report is for the basic fit-out.

Prior to being used for any purpose at all, the mezzanine floor will require a basic fit-out. Then, when specific use has been determined, further fit-out relating to that use will be required.

Basic fit-out, consists of the following:

	\$
Mechanical services	420,000
Plumbing and drainage	10,000
Electrical	180,000
Security	25,000
Public address system	35,000
Carpentry	50,000

Total	\$720,000

Partial fit-out will enable the mezzanine floor to be used as a large open space for events such as the FINA Masters Swimming (March 2002), Oceania Games (February 2002), NZ Junior Swim Champs (February 2002), trade shows, sporting functions, social activities, etc.

As requested by the Council, the money for this has been found by substitution at no increase to rates. The substitution will leave \$7.44M in the 2004/5 Annual Plan for a future aquatic/leisure facility or upgrade of an existing facility. The cost of the Centennial Leisure Centre was \$6.8M which included car parking and reserve development.

Fit-out specific to a particular use would be additional to these costs. For example, if the floor were to become a basketball facility, addition costs would be incurred in provision of a suitable playing surface, goalposts, electronic scoreboards, changing rooms etc.

The above costs have been provided by quantity surveyors.

The Chairman, Parks and Recreation Committee, comments:

Councillors are aware of my strong view that the mezzanine floor should be completed as outlined in my report to the Council last month. At the very least a basic fit-out as outlined in this report should occur. This is of immediate importance to facilitate the World Masters Swimming in March 2002. Some 3,000 plus competitors will be centred on QEII Park for 10 days and this area has been identified as critical for people management at that event. The consequence of this floor not being available is marquees outside and that may even lead to FINA reconsidering the suitability of the venue.

The Chairman, Strategy and Resources Committee, comments:

Last month the Council decided to defer full fit-out of the mezzanine floor pending investigation of other options for long-term use of the area. I thought it was sensible for the Council to be able to consider a basic fit-out option which allows for consideration of a range of uses in accordance with the Council resolution.

- Recommendation:**
1. That the basic fit-out be approved and funded by way of substitution as proposed in the report.
 2. That the process for determining the uses of the mezzanine floor proceed in accordance with Council resolutions.
 3. That final fit-out be delayed pending determination of final uses.