

2. QEII ICE SKATING PROPOSAL

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| Officers responsible Facility Assets Manager and Community and Recreation Manager | Author Steve Cribb, Property Consultant, DDI 941-8520 |
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The purpose of this report is to provide the results of the request for proposals process for the development of an ice skating facility at QEII Park and to seek Council approval to adopt a proposal.

CONTEXT OF THE REPORT

The following recommendations were adopted at the Council meeting of 26 February 2004:

1. *That the Council confirm the availability of land adjacent to the existing buildings on QEII Park for the development of an ice facility.*
2. *That the Council endorse the findings of the consultative procedure, acknowledging that there is general public support for the provision of publicly available ice skating facilities at QEII.*
3. *That the Council seek Requests For Proposals for an organisation to lease land at QEII, including a requirement for interested organisations to submit a feasibility study, for the purpose of building and operating an ice skating facility.*

The request for proposal was to engage the private sector to undertake the financial responsibility for the design, construction and operation of an ice skating facility. There is no budget provision for the implementation of an ice skating facility.

The request for proposal was developed with key steps in the process including:

- Advertising of the proposal in the Press and NZ Herald.
- Evaluation of the proposal.
- Presentation and questions by the QEII Ice Stadium Trust that submitted a proposal.

RELEVANT CURRENT POLICY

The Council's Policy Register states that the Council must publicly tender properties for sale unless there is a clear reason for doing otherwise. The Facility Assets Unit has interpreted this to include a lease. Our process has met this objective.

The Local Government Act also allows the Council to lease land at QEII Park for recreational purposes.

DESCRIPTION OF THE PROPOSAL

Although the Request For Proposals was publicly advertised and promoted through some direct mailing, only one proposal was received from the QEII Ice Stadium Trust through the request for proposals process.

QEII Ice Stadium Trust proposes to construct a 60 x 30 metre international Olympic size ice rink in a purpose built ice stadium, refer to the attached plans and elevations.

The basic design of the fabric and mechanics of the proposed stadium is the result of investigations by the Trust of ice skating stadia in Canada. All materials and methods of construction for the proposal recognize the importance of sustainability and provide the best possible enclosure for the proper and efficient maintenance of an Olympic ice arena. All materials can be sourced in New Zealand and where possible materials that have been produced with energy efficiencies will be preferred.

The building envelope due to the very nature of its purpose will be extremely energy efficient, and all systems in the complex will be designed to provide heat recovery and reduction of energy losses. Steel portal frames will support a simple pitched roof of composite insulating steel clad panels. The same steel clad insulating panels will clad the walls. The internal design will include the entry queuing space and the ticket office with the pro shop and café available internally. Seating and first floor spaces will be constructed over the changing rooms and various amenities on the ground floor.

A low emissivity ceiling will be installed to minimise ice surface melt which will have a significant impact on the amount of energy required to maintain the quality and temperature of the ice surface. Desiccant dehumidifiers will be installed to eliminate dripping and fogging as well as reducing latent heat load on the ice plant.

The ice sheet will be formed over a concrete slab with the cooling pipe work encased in the concrete. The underside of the slab will be insulated with a compacted sand layer below containing heated water pipes to prevent permafrost forming under the slab. Avoiding permafrost will provide major energy savings. The heat for this underfloor heating will be recovered from the ice making process.

The ice making will consist of a twin compressor ammonia refrigerant system cooling a brine circulating in a concrete slab beneath the ice surface. Space will be made in the plant room for a third compressor for future development. A condensing tower will cool the ammonia and the heat taken at this point will be used for heating the seated areas, showers and the ice melting pit.

The floor coverings in the change rooms and around the perimeter of the arena will be manufactured from recycled materials. The material is reconstituted car tyres and provides a resilient surface but non-abrasive surface for the skating blades.

The Trust is committed to achieving an energy efficient building constructed of materials produced in the most environmentally efficient and economical way.

The stadium will have a seating capacity of 900-1000 and be able to host national and international competition for ice hockey, figure skating, speed skating and curling.

QEII Ice Stadium Trust Members are:

Chairman **Low Brown** – Currently a board member of Ice Speed Skating New Zealand as Director of Finance and has been involved for the past three years. Awarded Administrator of the Year 2002.

Secretary **Pamela Gray** – Involved with figure and speed skating for over thirty years, originally as a competitor and later as an administrator and official. Until 2002 CEO, currently Technical Director of Ice Speed Skating New Zealand. International Skating Union Official for Short Track Speed Skating and member of an ISU International Commission.

Treasurer **Pamela Jackson** – Involved with Speed Skating for 11 years. Involved with being part of the management team for the Canterbury Alpine Ice Skating Club, board member of Ice Speed Skating New Zealand for nine years, and currently Executive Director.

Ross Maguire – Architect and Project Manager for the new Arena.

Ray MacLean – Honorary solicitor for Ice Speed Skating and involved in the sport for eight years.

Ron O'Reilly – Life Member Canterbury Ice Hockey Association, Life Member Ice Hockey Federation, Immediate Past President New Zealand Ice Hockey Federation.

Rex Cosgrove – Former adviser to schools on physical education and sports adviser for a local authority.

Gerald Gray – Involved with Ice Sports for past seven years, term as President of Canterbury Curling Association, board member of Ice Speed Skating New Zealand 2002.

SOCIAL AND ECONOMIC BENEFITS

Recreational ice skating is universally recognised as a pastime that can be enjoyed by all ages, without the need to be proficient or own all the necessary gear. Ice skating for the public will be a major feature of the new rink and family involvement will be encouraged with gear hire, food, weekend sessions and concessions for family entry. The rink will provide a venue for the youth of the immediate area of New Brighton which is bereft of any major entertainment except the QEII Leisure centre itself.

The facility will also draw people from around the city and the surrounding suburbs. Rural schools will visit and the local economy will benefit from the discretionary spending available to the groups that visit.

PUBLIC AVAILABILITY AND HIRE CHARGES

The QEII Ice Stadium Trust has assured Council officers that the facility will be open to the public for a minimum of six hours per day.

The entry fee proposed is \$7 per person with a family concession charge of \$20 and a school charge of \$120 per one hour session.

FINANCIAL ANALYSIS

QEII Ice Stadium Trust has estimated the capital expenditure for the rink as designed at \$8 million, but depending on funding from an off-shore source the design will be refined to reduce the initial costs and provide for the essential needs of a training ice stadium and a public ice skating facility.

The financial return to the Council will be an annual rental of \$686.50 plus GST. This is in line with other sports that construct the facility without ratepayer funds.

Officers have reviewed the QEII Ice Stadium Trust business plan and believe the proposal to be financially viable on the revenue and expenditure projections.

QEII Ice Stadium Trust proposes the following lease:

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| Premises: | Part Lot 1 DP 1064 shown A on attached Plan SM1315-02 |
| Lessee: | QEII Ice Stadium Trust |
| Term: | 15 years with two rights of renewal of 10 years each |
| Rental: | \$686.50 plus GST per annum |
| Rent Review: | 3 yearly |
| Commencement: | One month after practical completion of ice rink and stadium |
| Outgoings: | QEII Ice Stadium Trust will pay all power, telephone, water charges, rubbish collection, fire service charges, building compliance certification, insurances, and cleaning, and other statutory charges that might be applicable. |
| Construction: | QEII Ice Stadium Trust will pay for the construction and all resource consents required for the ice arena. |
| Rent Reviews: | The reviews will be based on what other major sport bodies are paying for ground rental of Council land. Disputes will be resolved through the use of arbitration. |
| Maintenance: | QEII Ice Stadium Trust will undertake to maintain the ice arena to all local body and government regulations and will undertake regular maintenance to ensure the facility remains a desirable attraction for the QEII complex. |

On Sale of Building

The QEII Ice Stadium Trust is a registered non-profitable organisation and has stated that the facility will never be sold to a third party. The Trust has indicated that the facility in the future may be gifted to the Council provided their board is retained to administer the sport of ice-skating. The lease can further provide this assurance with a provision that prohibits assignment and subleasing.

Car Parking

If additional car parking is required for the resource consent then the Trust will be responsible for the associated costs.

Sport Body Rentals

The QEII Stadium Trust being a registered charitable trust qualifies under the Council policy for leasing charges for ground rentals as outlined in the Annual Plan. The formula is based on the rating value of 24.36 cents plus GST per square metre of the building footprint. The proposal building area for the ice facility is 2,818m², which equates to a rental of \$686.50 plus GST per annum. QEII Ice Stadium Trust is meeting the cost of constructing the facility without ratepayer funds and therefore the annual rent is similar to the Christchurch School of Gymnastics at QEII and the Badminton Association.

CONCLUSION

The addition of an ice rink at QEII will be a continuation of the deliberate development of QEII as a major sporting venue in New Zealand. There is general public support for the provision of publicly available ice skating facilities at QEII. The new ice rink has been designed to complement the new pool buildings and maintain the visual amenity at the best level possible.

The ice arena will provide an additional attraction at QEII, increasing the range of entertainment available in a manner that is compatible with the overall long-term objectives and programme of development for QEII. The entire Canterbury region will have access to an international ice rink located in a leisure park complex which is unique in New Zealand. The facility will further enhance the entertainment package available to the general public at the complex and provide the necessary international training and competition facility needed for the ice sports.

The Council has previously passed resolutions supporting this development subject to securing a suitable lessee to develop and operate the facility. Unfortunately the Requests For Proposals process has attracted only one respondent. Officers, however, consider that the QEII Ice Stadium Trust warrants selection.

Committee

Recommendation: That the Council delegate authority to the Facility Assets Manager and the Community and Recreation Unit Manager to conclude a lease with QEII Ice Stadium Trust on the terms and conditions as generally outlined in this report.