

5. FORMER EDGEWARE POOL SITE

General Manager responsible:	General Manager Community Services, DDI 941-8534
Officer responsible:	Recreation and Sports Manager
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PURPOSE OF REPORT

1. The purpose of this report is to make a recommendation to the Council on whether to grant the St Albans Pavilion and Pool Group (the Group) a 24 month extension, from the existing 31 March 2008 deadline, to allow further opportunity for the Group to raise sufficient funds to establish an outdoor pool and pavilion on the portion of the site of the former Edgeware Pool not needed for water services infrastructure.

EXECUTIVE SUMMARY

2. After extensive public consultation the Council adopted the Aquatic Facilities Plan 2006 as part of the 2006-16 LTCCP. The Council decided not to have a pool on the Edgeware site instead opting to build a new facility at Papanui High School, now known as the Graham Condon Leisure Centre. As a result on 30 June 2006 the Council resolved to close the Edgeware Pool. The Pool was demolished in April 2007. The Council's decisions triggered a decision making process on the future of the former Edgeware pool site.

3. The Council on 22 February 2007 **resolved:**

"That any final decision re the utilisation or disposal of the Edgeware Pool site be put on hold until 31 March 2008 to give the community the opportunity to raise funds for the Council to consider the establishment of an outdoor pool on the site excluding an area designated for water infrastructure."

5. The Council then on the 13 March 2008 **resolved:**

"That the 30 March 2008 deadline be extended to 30 May 2008 to allow a further report to be considered by the Council."

6. Information has been provided by the Group on:

- The nature, size and scale of the proposed pool and pavilion. (**Attached** are the St Albans Pavilion and Pool Project site plans.)
- The estimated cost of the development and the quantity of funds raised as at 30 April 2008. (Refer St Albans Pavilion and Pool business plan separately circulated.)
- A business plan to clearly demonstrate to the Council the ongoing viability of the development in order to give the Council confidence in leasing a valuable parcel of land. (Refer St Albans Pavilion and Pool business plan separately circulated.)

7. Information and analysis has been provided by various Council units on:

- The impact of the proposed development on:
 - Water services infrastructure on the site. (**Attached** and shown outlined red on Site Plan 500098/04.)
 - The Council's Aquatic Facilities Plan and the Graham Condon Leisure Centre.
 - The Council's current and future tenants at the neighbouring Dover Courts housing complex.
 - Council and third party provision of community facilities in the locality.
- The sums raised by the Group to date in respect to the construction cost.
- The degree to which the Council could have confidence in the Group's business plan to own and operate the proposed development in an ongoing and sustainable manner. The onus is on the Group to convince the Council that the project is viable, not on the Council to convince the Group that it is not.

8. The St Albans Pavilion and Pool Group (the Group) have taken over the leadership of the project from the Friends of Edgeware Pool as an incorporated society. The Group are well organised, focused and have good leadership. They have put in considerable time and effort to date. They are seeking more time to raise funds and the greatest degree of surety possible that if funds are raised the Council will lease them the site to own and operate an outdoor pool. As time progresses and more effort is dedicated to fundraising it may become more difficult for the Council not to support the project. In order to be fair to all parties it is suggested that the Council give a clear direction on the future of the pool and pavilion project.
9. The Group have raised \$71,000 by 30 April out of a required \$3.4 million. The Group claim fundraising has been hampered by a lack of commitment by the Council that if the funding goal is reached, the Council will support the project by way of a lease. Officers have no robust way of validating or refuting this claim and can only advise the Council to consider the actual monies raised to date.
10. The site contains the Trafalgar water supply pumping station which is regarded as one of the primary water supply pumping stations in the city's central pressure zone. The water supply station consists of a pump house, a 250m³ volume concrete water tank, an associated amount of pipe work and six well heads. The site supplies water to a population of approximately 180,000 residents and 8000 commercial properties. It is therefore essential to ensure that a sufficient area of the site is specifically "reserved" for infrastructure purposes (water supply) generally as outlined in red on the **attached** plan 500098/04.
11. On the evidence presented to date it is difficult for officers to justify supporting an extension to the period allowed for fundraising and any further commitment by the Council to the project.
12. The proposed development is outlined in green on Plan 500098/04 and physically covers land needed for essential water services infrastructure, in direct contradiction to the Council's resolution detailed in section 3 of this report.
13. The proposed development may have adverse affects on the Council's tenants at Dover Court and has non-compliances with the Open Space 2 zoning. These include building floor space, site coverage, the 10m building set back on the northern boundary and the magnitude of noise and light spill. The proposal has a serious deficiency in car parks. (Plans **attached** in the St Albans Pavilion and Pool Project site plans.)
14. \$71,000 raised to date is substantially short of the \$3.4 million needed.
15. The business plan lacks detail in places and does not give sufficient confidence to Council staff that the Group can own and operate the proposed development into the future on a sustainable basis. This is because:
 - There is no provision to address the potential contamination issues on the site arising from antecedent unrestricted filling, the storage and disposal of pool chemicals, the impact of fuel storage in underground tanks and the substantial amounts of chlorinated pool water leaching into the ground over many years.
 - Revenue projections are overly optimistic which may result in operating deficits being subsidised by reserves.
 - The ongoing viability relies on continued donations and volunteers rather than a detailed and sustainable business model. There is no provision for depreciation so capital renewals and major maintenance are funded from donations.
 - There is a lack of detail on how non swimming revenue projections can be met.
16. The Council decided through the Aquatic Facilities Plan 2006 not to have a pool on the Edgeware site. Alternative local provision is made at the Centennial Pool, Graham Condon Leisure Centre and to a certain extent the St Albans School Pool. The justification for the Graham Condon Pool was conditional on the closure of Edgeware. Had the Council envisaged a \$3.4 million outdoor complex at Edgeware the Graham Condon Leisure Centre may not have been the top priority. In addition the St Albans Pool and Pavilion does not meet the Council's criteria for the development of aquatic facilities adopted under the plan. See section 44 of this report.

17. The Council's records have identified 95 community facilities within a 2km radius of the proposed pavilion and pool. Of these 20 are available for public hire. The Council subsidises the operation of the St Albans Community Centre and the nearby Abberley Park facility. A pavilion on the former pool site may result in a duplication.
18. Taking into account all the information supplied to date this report will recommend that the Council decline the requested 24 month extension.
19. Should the Council accept the recommendation of this report to decline the extension this report will recommend that the Council request a report detailing a process by which the Council can consider the long term future of the portion of the site of the former Edgeware Pool not needed for water services infrastructure, including how consultation requirements will be fulfilled.
20. Should the Council agree to allow the Group an extension of time to raise funds and not accept the staff recommendation the process by which the Council will consider the future of the site will be delayed for 24 months.

FINANCIAL IMPLICATIONS

21. There are no financial implications arising out of a decision not to extend the fundraising period. Financial implications will arise when the Council considers the long term future of the site. Any such issues will be detailed and reported to the Council to inform their decision making process.

Do the Recommendations of this Report Align with 2006-16 LTCCP budgets?

22. Recommendations align to the Council's LTCCP budgets on page 137.

LEGAL CONSIDERATIONS

23. There are no identified legal considerations arising from a decision by the Council not to grant a further extension to the Group to raise funds as recommended in this report. Legal considerations will arise when the Council determines the future of the site.

Have you considered the legal implications of the issue under consideration?

24. When the Council considers the future of the site (not as part of this report) legal considerations that may apply are summarised below.
25. Section 138 of the Local Government Act 2002 (the Act) requires the Council to consult on any proposal to sell or otherwise to dispose of the Edgeware Pool land (including any proposal to grant a lease to any third party of more than six months). This is because the land has been used principally for recreational purposes and constitutes a "park" for the purposes of that section.
26. Section 40 of the Public Works Act 1981 will apply if the Edgeware Pool land is no longer required for a public work. That section requires that where the land is no longer required for a public work that the Council offer the land back to the person from whom it was originally acquired, or their successors, at market value as at the approximate date the public work ceased.
27. Generally in relation to decision making, sections 76, 77, 78 and 79 of the Act set out detailed duties imposed on the Council, including specific requirements applying to processes by which all Council decisions shall be made including principles of consultation. In general terms, the requirements are that the Council must:
 - Seek to identify all reasonably practical options to achieve the objective of the decision.
 - Assess the cost and benefits of those options, the extent to which they promote or achieve community outcomes, the impact of each option on the Council's capacity to meet present and future needs, and all other relevant matters.
 - Consider the views and preferences of people likely to be affected by or have an interest in the matter.
 - Consider Council's policies.

ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS

28. Recommendations align to activity management plans as outlined on page 132 of the LTCCP.

Do the recommendations of this report support a level of service or project in the 2006-16 LTCCP?

29. Recommendations align to the table of proposed changes to levels of service in relation to aquatic facilities on page 136 of the LTCCP.

ALIGNMENT WITH STRATEGIES

30. The recommendations of this report align with the Council's Aquatic Facilities Plan 2006.

CONSULTATION FULFILMENT

31. Any external and internal consultation fulfilment under Council policy, statutory obligation or otherwise will arise when the Council considers the long term future of the site. Likewise the Business Plan has been considered and comments sought from the Recreation and Sports, Community Support and Property Consultancy Units of the Council.

STAFF RECOMMENDATION

It is recommended that the Council:

- (a) Decline a request from the St Albans Pavilion and Pool Group for a 24 month extension, from the existing 31 March 2008 deadline, to allow further opportunity for the Group to raise sufficient funds to establish an outdoor pool on the portion of the site of the former Edgware Pool not needed for water services infrastructure.
- (b) Request a report detailing a process by which the Council can consider the long term future of the site of the former Edgware Pool not needed for water services infrastructure, including how consultation requirements will be fulfilled.

BACKGROUND
EFFECTS ON CITY WATER SUPPLY

32. On 22 February 2007 the Council resolved *“That any final decision re the utilisation or disposal of the Edgeware Pool site be put on hold until 31 March 2008 to give the community the opportunity to raise funds for the Council to consider the establishment of an outdoor pool on the site excluding an area designated for water infrastructure”*. However the project plan received from the Group includes all the land out to Trafalgar Street and one well head is within the proposed pool compound.
33. A key function of this site is as a water supply pumping station. The site contains the Trafalgar water supply pumping station which is regarded as one of the primary water supply pumping stations in the city’s central pressure zone. The pumping station operates in excess of 300 days per year and takes up a significant portion of the site area. It would not be possible to continue to provide the required level of service to the entire central pressure zone without this key piece of infrastructure. The central pressure zone supplies water to a population of approximately 180,000 residents and 8,000 commercial properties.
34. The water supply station consists of a pump house, a 250m³ volume concrete water tank, an associated amount of pipe work and six well heads of which four are operational. These wells are located liberally around the site as, due to their nature, wells need to be located a discrete distance from each other.
35. It is imperative that ready access to these existing wells be maintained at all times (day and night), as the wells contain pumps which may need maintenance or replacement at short notice. That access is not practical within the suggested layout of the new pool proposed. Furthermore, over time the wells themselves will diminish in effectiveness and either need to be replaced, or redeveloped. All of these operations require heavy machinery access to well heads and involve considerable noise and disruption. The current location of an existing well within the area of the proposed main complex is totally untenable in this regard.
36. It is anticipated that a future well will be required to meet increasing demand in the system. The proposal by the Group, as it currently stands, severely compromises finding a suitable location for such a well. In the shorter term any of the existing wells could fail or reduce their yield, triggering the need for a replacement well.
37. In summary, the Trafalgar water supply station and site is a key piece of infrastructure in the city water supply system. Any new development of the land on the site must not compromise the ability of the City Water and Waste Unit to operate and maintain the existing facility and must also not impede an ability to improve the facility in the future to meet increasing demand on the water supply system. The pool proposal is of such a scale that it potentially compromises the ability of the City Water and Waste Unit to maintain the existing facility and retain options for meeting future growth requirements.

EFFECTS ON DOVER COURT RESIDENTS

38. The site has a split zoning under the partially operative City Plan (the Plan). The main part of the site is zoned Open Space 2 and the land fronting Trafalgar Street is zoned Living 2. With respect to the Open Space 2 zone, the Plan notes that such areas should maintain *“a high level of open space”* and that, as these areas often have high levels of public use, *“provisions are included to protect the surrounding community from the adverse effects of public use.”* The Plan goes on to note that this includes such factors as lighting and noise.
39. The Living 2 zone anticipates similar outcomes. The zone statement notes that *“local community facilities...and recreation activities are anticipated in the zone, but subject to ...standards to ensure...”* compatibility with the surrounding environment.
40. The magnitude of the effects of noise on the adjoining occupiers of Dover Courts is unknown. No predictive acoustic assessment is provided and no commentary is provided regarding the extent to which the proposal will comply with the Plan noise standards. Within this context the expected noise effects cannot be determined. More significantly, the extent to which mitigation measures may be required and are able to be implemented is undetermined.

41. A similar situation exists with light spill. The Group's application does not describe the form and extent of lighting proposed and does not assess or comment on plan compliance. In addition a lack of detail surrounding the proposed operational characteristics of the pool complex compounds an inability to accurately assess these effects, particularly with respect to days/hours of operation.
42. It is considered that the proposal will result in adverse amenity effects on the adjoining residents of Dover Courts that will be more than minor. This is due to non compliances with the Open Space 2 rules dealing with building floor space, site coverage and the 10m building setback required from the northern boundary. As can be best determined from the site development plans, the proposed pool building will be some 7m from the boundary of the Dover Courts site. Collectively these rules are designed to ensure that the open space character is maintained, that buildings do not dominate these spaces and that appropriate separation distances are provided between recreation buildings and adjoining residential activities. Given the extent to which these rules are breached, the adverse effects on open space character and related amenity effects for adjoining residents will be significant.
43. In addition there appears to be a severe shortage of off street car parking to meet City Plan requirements.

ALIGNMENT WITH AQUATIC FACILITY PLAN CRITERIA

44. The criteria for the development of an aquatic facilities network is listed on page 23 of the Aquatic Facilities Plan. The proposed development would not qualify under a number of the criteria. Table One below outlines the criteria and provides a preliminary assessment.

Table One: Aquatic Facilities Network Assessment Criteria

Criteria	Assessment
Increase over-all participation over the city, not merely switch already active residents. Areas of city growth outside close proximity to existing aquatic facilities should therefore be priorities for development.	The proposed development is 2km from Centennial Pool, 4 km from the Graham Condon leisure Centre and less than one km from the St Albans school pool.
Accommodate community as a whole but provision for children, youth, older adults, people with disabilities and families on lower incomes. Priority for location of new aquatic facilities is therefore in areas with higher presence of target groups.	The proposed development is not in an area with high concentrations of the target groups in relation to access to an existing swimming pool, there are many areas with higher priorities. When the Graham Condon Leisure Centre is completed all the above target groups will be catered to at a level greater than any other area of the city.
Maintain and redevelop existing facilities before considering new, quality aquatic facilities. Therefore upgrade existing facilities first to provide core features.	The proposed development is a new facility.
Consider partnerships (land and/or capital) that are potentially beneficial to the community on, including co-location with other public recreation facilities, schools and other providers.	A school/commercial sector/Council partnership is operative at the Graham Condon Leisure Centre within 4kms of the proposed development. There is limited scope to co locate other facilities on the site of the proposed development
Plan to complement future growth and changing demographics of the city as outlined in the Urban Development Strategy.	The proposed development is not in an area of predicted high growth under the Urban Development Strategy.

Criteria	Assessment
Developments are complementary to the existing indoor aquatic facility network	The proposed development would compete against existing facilities in close proximity at Centennial Pool and the Graham Condon Leisure Centre.
Provision is planned from a city-wide basis, ensuring facilities are self-contained and sustainable by providing the defined core service for the appropriate area of the city	The location of the proposed facility is ad hoc and conflicts with Councils adopted city wide plan.
Where possible, co-locate aquatic facilities with other Council facilities e.g. libraries.	There is no scope to co-locate.

SITE CONTAMINATION ISSUES

45. Council records indicate that *“this property is located in an area known to have been filled, the year the fill occurred is unknown, the filling was, according to the councils records carried out in an uncontrolled manner and comprises unknown material.”* Other potential contamination issues include:
- Storage and disposal of pool chemicals.
 - Removal/disposal of any past pool heating system that may have been installed used e.g. above or underground fuel/diesel tanks.
 - Discharge of water from the pool to ground.
46. Given that the former pool was on site for some 60-70 years there are concerns that chemicals such as "chlorine" may well have contaminated parts of the site. Enquiries indicate that Chlorine is very reactive and so combines with almost any oxidizable substrate to form secondary compounds. These secondary compounds are called chlorinated by-products (CBPs) or sometimes called DBPs (Disinfection By-Products). These form when the chlorine oxidises any organic material in the subsurface. This organic matter can be anything from soil and plant material to sewage, manure, fertilizers, algae, pesticides etc. There are many, many so called "by-products" but those of greatest concern and which have been the subject of considerable research over the years are trihalomethanes (THMs).
47. The Council does not hold any conclusive evidence that confirms or refutes the potential fill/contamination information that is held on record. An environmental assessment report on the site is needed. This may result in a Remedial Action Plan and Environmental Management Plan. The conclusions and recommendation in any report may well dictate or eliminate future options for the site including the establishment of a new pool. There is no provision in the Group's business plan for this eventuality.
48. The existing water wells on site are in "Aquifer 4" and at a depth of between 135 and 145m. At this depth any site contamination as referred to in clause 46 above has no effect on water quality and this is confirmed by chemical monitoring undertaken across the city, including this site on a six yearly roster.

ST ALBANS PAVILION AND POOL BUSINESS PLAN

49. A business plan was requested from the Group to demonstrate to the Council the ongoing viability of the development in order to give the Council confidence in leasing a valuable parcel of land. The onus is on the Group to demonstrate a viable business case and not on the Council to prove the business case flawed.
50. There is a risk to Council if the development is completed but not able to be operated sustainably. Usually the Council will be asked to make up a shortfall. On a number of occasions the Council has had to subsidise or take on the operation of community pools and other sporting facilities under these circumstances such as the Edgeware, Belfast, Woolston, Templeton and Papanui facilities along with grants to the Wharenui Swimming Club.

51. The business plan allows for 20,000 swims per annum to generate \$79,000 in entry fees. This equates to a revenue of \$3.95 per swim. This is considered unrealistic.
- International Centre for Environmental & Recreation Management (CERM) surveys carried out annually on the city's indoor pools with a greater range of value added services indicate an average revenue of between \$1.86 and \$2.91 per swim.
 - Applying the Group's projected numbers as shown in Addendum A and assuming there will be a 50:50 split between child and adult admissions the total revenue would be \$65,000 pa.
 - When the admission patterns as found in other Council outdoor pools are applied to the St Albans model the revenue totals \$52,000.
52. There is insufficient information in the business plan (and through subsequent questioning) to validate the pool hire, vendors and facility hire revenue projections amounting to \$80,000 pa.
53. Any shortfall in revenue will diminish the cash fund of \$400,000 set aside to cover operating shortfalls. Donations will be required to replenish the fund.
54. There is no provision for depreciation and limited provision for maintenance so capital replacements and ongoing maintenance will be funded by donations. Many other sporting organisations are finding difficulty in raising funds for maintenance from donations.
55. The business plan relies on the continued enthusiasm of a committed group of volunteers. Nationwide trends in the sporting industry see volunteer support diminishing. Past experience with Christchurch's smaller outdoor pools has seen pools formerly run by volunteers become increasingly subsidised and ultimately operated by the Council. Typically volunteer enthusiasm wanes over time particularly once a facility is established.
56. The initial funding and ongoing operation of the pavilion and pool relies on the continued ability of fundraising, pro bono services and donations to cover costs rather than funding from a sustainable business model. As a result officers can not recommend that the Council has sufficient confidence in the business plan to justify leasing a valuable parcel of land and avoid the probability that the Council will have to subsidise the operation of the pool into the future.

THE OPTIONS

57. Two options are identified:
- Option 1; to allow the Group a 24 month extension to raise funds.
 - Option 2; to decline a request from the St Albans Pavilion and Pool Group for a 24 month extension and to request a report detailing a process by which the Council can consider the long term future of the site of the former Edgeware Pool not needed for water services infrastructure, including how consultation requirements will be fulfilled.

THE PREFERRED OPTION

58. The preferred option is option 2.

ASSESSMENT OF OPTIONS

Option	Description	Advantages	Disadvantages
Option 1	Allow the Group a 24 month extension to raise funds	<ul style="list-style-type: none"> ▪ Allow further opportunity for fundraising. ▪ Increase the level of commitment to the project by Council. Possibly making it easier to secure donations. ▪ Will defer having to make a difficult decision on a matter of high public interest to another time. ▪ Will reflect Council confidence in the St Albans Pavilion and Pool Group. ▪ Build relations with the section of the community upset at the closure of the Edgeware Pool. 	<ul style="list-style-type: none"> ▪ Compromise the city's water services infrastructure. ▪ Compromise the interests of the Council's Dover Court housing complex and tenants. ▪ Contrary to the Council's Aquatic Facility Plan. ▪ Only \$71,000 of \$3.4 million has been raised to date. ▪ No process to address possible contamination issues. ▪ By allowing a further extension it may become harder and harder for the Council to say no in the future. ▪ The Council may be seen as indecisive. ▪ The business plan does not give sufficient detail and confidence to the Council that the Group can own and operate the facility sustainable into the future.
Option 2	Decline a request from the St Albans Pavilion and Pool Group for a 24 month extension and request a report detailing a process by which the Council can consider the long term future of the site	<ul style="list-style-type: none"> ▪ Secure the city's water services infrastructure. ▪ Proceed with the Graham Condon Leisure Centre with confidence. ▪ Proceed with finding a sustainable future for the valuable site. ▪ Provide the community with clarity on the future of the site. ▪ Recognising that despite a one year extension the results of fundraising are not sufficient. ▪ Does not place the Council at risk of subsidising or owning a facility. 	<ul style="list-style-type: none"> ▪ There will be a negative reaction in some elements of the community. ▪ Much of the work done to date by the Group may be compromised. ▪ There will be no opportunity for further fundraising. ▪ It is unlikely that the issue will withdraw from public attention. ▪ It will put an end to the possibility of a pool on the site.