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Corporate Plan Output: Capital Outputs Asset Improvements p 8.9.42	

The purpose of this report is to update the Community Board on the findings to date and to confirm their support of the request to the Budget Review Working Party for additional budget funding to extend/upgrade the facilities at the Parklands Community Centre as per the 'pink page' budget request.

BACKGROUND

In 1993 the Social Profile and Recreation Needs Analysis for the Parklands area was completed for the Burwood/Pegasus Community Board.

This resulted in a two prong budget request to provide extensions/alterations to the existing Parklands Community Hall; \$162,000 1996/1997 and \$265,000 1999/2000.

At the time of preparing the brief for the 1996/1997 alterations to the entry area and committee room it was evident this project should be included in the scope of the more major alteration in 1999/2000 and budget funding and was therefore deferred.

In 1997 a Parklands Facilities/Development Project Team was originally set up by the Shirley Service Centre to review all projects (Council and non Council) likely to be sited on Parklands Reserve and to identify any opportunity for synergy or prevention of duplication that may be overlooked by individual project development.

This team had representatives from the Burwood/Pegasus Community Board, Shirley Service Centre, Parks Unit, Libraries Unit, LACSU, City Design and the Property Unit.

The project team identified and reviewed the following projects planned for the Parklands area in the next five years.

1. Parklands Community Facilities and Reserve.
 - Parklands Community Centre
 - Pegasus Toy Library
 - Co-operating Church
 - Parklands Plunket
 - Parklands United Sports Club
 - Sports field, tennis and netball court
2. New Parklands Library.
3. Parklands Childcare Facilities.
4. Broadhaven Park.

Extensive community consultation occurred and a report was submitted to the Burwood/Pegasus Community Board for its support.

The following report will now deal with the individual projects.

PARKLANDS COMMUNITY CENTRE

On completion of the community consultation it was identified that the existing hall has difficulty meeting the functional requirements of its current and possible future users.

1. Arts, adult education and pottery classes/courts.
2. Parks Units preference for only one multi-sport pavilion/building per major reserve.
3. Lack of storage space/administration area/workshop for toy library.
4. Existing halls 'hard' concrete floor not conducive to indoor sports and fitness programmes.
5. Limitation of sports able to be played in hall due to ceiling height.
6. Increase hall size to accommodate two badminton courts.
7. Separate supper room adjacent to kitchen but separate from sports hall.
8. Additional storage space.
9. Better entry provision (canopy).
10. Disabled persons needs.
11. Fire protection.
12. Parklands Co-operative Church has concerns regarding being built in and prefers a street frontage.

In an effort to meet the above requirements various scheme plans were prepared with the project team and community adopting a preferred option.

This was then priced for budget purposes. The total price of the project is estimated at \$1,039,200.

This is made up of the a proposed budget:

Property Unit	\$765,800	
Parks Unit	\$110,750	(Includes \$65,000 for two new tennis courts/netball courts paid by the Club).
United Sports Club	\$162,650	(Plus purchase/lease of building refer details below. Note: No formal approach has been made to the Sports club on this commitment to date).

The Property Unit's budget provision is:

1998/1999	\$186,700
1999/2000	\$310,000
	<hr/>
	\$496,700

\$765,800 The Property Unit's estimated contribution to the cost of the project

\$269,000 Additional funding required in Property budget

Reasons for the shortfall in the project are:

1. The original budget inclusion had no base scoping documentation and therefore uncertainty as to what was to be allowed for in original estimate.
2. Major scope changes have occurred since the Parklands Project Team commenced community consultation to achieve 'best' community desires. We indicate 'best' in quotation marks. A benefit such as having one major sports pavilion on the

reserve that will be aligned with Council policy rather than individual buildings placed around the site. The fast developing Parklands community has outgrown the hall's size, which limits use as well restricting numbers able to participate in a number of hall based groups.

3. Inability to utilise the majority of the existing hall area for community and sports activities because of the concrete floor and softwall surfaces means a new 17m x 17m sports hall extension is desired for badminton and other indoor sports.
4. Provision of a fire alarm system in the whole building to meet today's Building Code requirements.

If the Council provides this additional funding of \$269,000 it will enable the Property Unit to proceed with the Council's part of the development:

For example, build hall extensions, leaving the Church and Sports Club as is, which will allow community needs to be met without being reliant on the other outside organisations.

On completion of the new hall that will meet community use requirements part of the existing hall (that currently does not meet sports use requirements) will become 'excessive' to the current requirements of the community and a number of options open up.

1. The Church is very keen to raise its profile and move (from the rear) to the front of the building and utilise the surplus space to prevent being built in.
2. The Parklands United Sports Club has indicated benefits in taking over the present Church area (facing the Park). The cost of acquiring this space off the Church would be the cost of resetting up the Church at the front of the existing hall, approximately \$72,000. Plus associated costs of changing the Church site to a sports club. An assessment of cost for a toilet area, provision of a lounge sliding door to access the new sports hall is \$90,150 (the above figure totals \$162,150). The sports club would still be required to install bar fittings and redecoration within the interior of the proposed sports club as per their requirements. No discussion has occurred on financing this part of the project and as it is felt this forms part of the sports club's integration into the building and project planning and costs require ownership to be taken by the sports club.

The existing Church structure was built and paid for by the Church with a perpetual renewable ground lease from the Council renewable every 33 years. For the Church to relocate the lease 'transfer' would also be required to occur thus giving the Council ownership of the Church area and the Church takes over 'ownership' of the Council's portion of the existing hall. Associated legal fees will occur. The Church has made a preliminary indication that it would be willing to shift if there is no cost to its organisation. If the Church shifts, there will be a need to either vary their existing lease or draw up a new lease with conditions no less favourable to them than those existing.

For the Parklands United Sports Club to therefore occupy part of the Community Hall and be consistent with all other sports clubs on Council property, it would be required to either:

1. 'Buy' the ground lease from the Council and "own" part of the building.
or
2. Lease the premises from the Council via a 'commercial' lease reflecting a return on investment.
or
3. Combination of the above.

For information purposes a market valuation of the Council part of the hall has been estimated at \$220,000. If this was the value either 'paid' via the above options or used as the basis of the rental value for option 2, the sports club would reimburse part of the original budget over-run.

A further option for repayment of the Council's estimated \$220,000 value of the ground lease could be through a management fee for the building. The Shirley Service Centre is keen to negotiate with the United Sports Club to run and manage the day to day operations of the facility, including bookings, cleaning etc. The cost of this service could be offset against the price required to be refunded to the Council with the lessee's rental.

They have proposed to build a \$450,000 (approx) stand-alone pavilion on the site. The opportunity to bring them into this building at the costs below the price of their proposed building is an option the sports club can buy into. In doing so they can carry out their necessary investigation and confirm it meets their needs and can be staged over a few years and therefore make this project feasible for the sports club.

The Shirley Service Centre's Advocacy Team will be taking these aspects up with the sports club.

\$220,000	- Ground lease purchase
\$162,150	- Church fitout
	- Extension to lounge
	- Toilet upgrade
	(Does not include cost of bar fitout and room decoration).

A second alternative (*see attachment*) also existing if the Church/Sports Club swap falls through is to use the proposed available area for the proposed Parklands Community Childcare Facility - refer separate 'pink page' budget application.

A third alternative (*see attachment*) is a two hall Community Centre supporting sports in one area and passive/educational activities in the other.

While these options and designs have been produced on paper, the Property Unit anticipates a Resource Consent and notified hearing will be required to enable the project to proceed ie parking, and site coverage. Therefore it is difficult to commit the Council to serious and costly negotiations on all parties concerned with the church and sports club if the whole project falls through due to the inability to obtain Resource Consent approval. It is felt the best option is to proceed with the Council's development to meet community needs and then enter formal negotiations with the various community groups to arrange utilisation of the "excessive" area in the hall. This will give them a tangible target to buy into.

The 1999/00 budget request currently has \$200,000 for Asset Improvement Community Facilities (unspecified) page 8.9.42. The Budget Review Working Party may wish to utilize this funding for this project, and allow additionally the \$69,000 shortfall.

CONCLUSION

As evident a number of options and final scenarios exist.

However, the project is in a position that until budget funding is available and confirmed to enable us to commit down one track, commission final designs and resource consent documentation and sort out legal issues it cannot proceed. Failure to obtain the additional funding will mean a redesign and pruning the scope of the works to enable development to go ahead in a limited form. A possible scenario will be no integration with the sports club, leave the church as is, provide a canopy to the entry area, enclose the courtyard establishing a multi-purpose/supper room and kitchen and transfer the committee room to the existing kitchen site. Also extend storage facilities further that will assist larger accommodation for the toy library.

- Recommendations:**
1. That the information be received.
 2. The Community Board supports the project as outlined and the Property Unit's request for additional funding.

Chairperson's

Recommendation: That the aforementioned recommendations be supported.