

## 18. REPORT OF THE RĀPAKI MĀRAE RE-DEVELOPMENT WORKING PARTY

<b>General Manager responsible:</b>	General Manager Regulation and Democracy Services, DDI 941-8642
<b>Officer responsible:</b>	Peter Mitchell
<b>Author:</b>	Peter Mitchell

### INTRODUCTION

1. At its meeting on 28 August 2008 the Council considered a report regarding an application by Te Hapū o Ngāti Wheke Incorporated (in this report referred to as 'the Society') for a grant of \$400,000 (excluding GST) as a contribution by the Council to the construction costs of the redevelopment of Rāpaki Marae.
2. At that meeting the Council resolved:  
*'That this report lie on the table to enable a Working Party to be formed comprising Councillors Reid, Williams, Wells and Button to explore funding options and associated issues and report back to the next meeting of the Council on 11 September 2008.'*
3. The Working Party has met to consider the Society's application and this report is the Working Party's recommendation. As previously advised the Working Party met with Society representatives but the timing of that meeting was such that the report could not be before the Council at the 11 September meeting and is on the agenda today.
4. This report is in substitution for the report that was before the Council on 28 August 2008.

### BACKGROUND

5. Te Hapū o Ngāti Wheke (Rāpaki) is one of the 18 Ngāi Tahu Papatipu Rūnanga. Six of the Rūnanga have takiwā (territory, space) within this Council's district. The Society, as the applicant for the grant, is the legal entity for the Rūnanga at Rāpaki.
6. The Society advise that the territory of Rāpaki is deemed part of the Whakaraupō rohe as per the Port Cooper Deed of Purchase 1849, which covers Whakaraupō/Lyttelton Harbour – Adderley Head to South Shore Spit then up the Heathcote River and around Tai Tapu to Kaituna Valley, across Kaituna, Mt Herbert to Adderley Head and Kaitara in Koukourarata Harbour/Port Levy.
7. The current wooden hall, that became known as Te Wheke at Rāpaki, was opened in December 1901. In 1999 the Rāpaki Reserve Trustees developed a 25 year Strategic Plan which included the redevelopment and construction of a new Marae complex. Hui were held with members of Rāpaki to determine the scope plan (2002), concept plan (2004), and the decision to build a traditional whare (2005). Discussion and consultation with the wider community began in 2006.
8. The Society is now seeking a contribution from the City Council of \$400,000 (excluding GST) towards the construction costs of the new Marae.
9. The Society has established the Rāpaki Marae Development Board with overall management responsibility for the project. Armitage Williams has been appointed as the main contractor with Ian Harrison and Associates as the quantity surveyors.
10. All design and planning for the new Marae has now been completed and the Society is about to enter into the construction phase of Stage 1A. All necessary resource consents have been obtained (although a change to an existing resource consent regarding a condition dealing with setback to a toilet block appears to be required) and the application for a building consent for Stage 1A is currently being processed by the Council.
11. The Society is looking to redevelop the Marae in three stages as follows:
  - Stage 1A: Wharenui and Mahau (meeting house and veranda), Whare Taonga. (museum)
  - Stage 1B: Wharekai (dining room), Kitchen, Gallery.
  - Stage 2: Administration, Ablutions and Seminar Room.

12. The total planned cost for the redevelopment of these three stages is \$5,441,760.00, stages 1A and 1B costing \$2,784,566. The Society intends that the construction of stages 1A will be completed by May 2009, with 1B in 2010 and stage 2 completed by 2011.

#### OTHER SOURCES OF FUNDS

13. **Attachment 1** is a table based on information provided by the Society showing:
- (a) The money already spent on the planning and design of the redevelopment.
  - (b) The costs for Stage 1A, 1B and 2.
  - (c) The money already secured and the money still required for Stage 1A, 1B and 2.
14. As stated the redevelopment project is in three stages. The \$400,000 required of the Council, together with anticipated funding of at least \$150,000 from the Community Trust, will secure construction and fit out for Stage 1A.
15. The project is to be built across what are referred to as three 'Sections' at Rāpaki. These are marked 18, 19 and 20 on the plan. (**Attachment 2**). Two of these sections, 19 and 20, (section 20 is for Stage 1A) are under the control of the Society. However, the Working Party has been advised that the Society has received confirmation from the owners of the third section (section 18) that that section will be transferred to the Rūnanga and will be available for Stage 2 by the time it is to be built.

#### PREVIOUS APPLICATIONS FOR GRANT

16. The Society has previously made three requests to the Council for funding of this Marae redevelopment project.
- (i) During the 2005 Annual Plan the Society requested to be considered for allocation of funds to assist with the redevelopment of the Marae and advised the Council that funding was sought with regards to capital costs for the seminar rooms and the administration blocks. The Annual Plan submission was referred to the Metropolitan Funding Subcommittee for consideration as an annual grant. The application was declined by the Subcommittee at its 19 August 2005 Meeting as the redevelopment was situated outside the City Council's district at that time.
  - (ii) At the 2006 Long Term Council Community Plan the Society made a submission seeking funding for the redevelopment of the Marae. The Council declined this application.
  - (iii) The Council's meeting of 28 September 2006 was held at the Rāpaki Marae. During that meeting the Rāpaki Marae Development Board gave a presentation on the Rāpaki Mārae Development project.

At that meeting the Council resolved:

- (a) *That the proposal be referred in the first instance to the General Manager Community Services for evaluation, and report back to the Council.*
- (b) *That following consideration of the report by the General Manager Community Services, a Working Party of Councillors to be formed to consider and report back to the Council on the request for funding and other support for this project.'*

Subsequent to that meeting there was no report back to the Council by the General Manager Community Services. Instead the Society was advised by Council officers to make an application to the Capital Endowment Fund Grant for 2007.

- (iv) The Society, based on that officers' advice, made an application to the Council for \$400,000 towards the overall project costs.

At the meeting of the Metropolitan Funding Subcommittee, held on 10 August 2007, the Society's application was one of 10 applications to the Community and Civic section of the Capital Endowment Fund that was before the Subcommittee.

At that meeting all ten applications were declined as the Capital Endowment Fund funds had been allocated for the 2007/08 year and following two years by the Council to Festival and Event type projects.

## **REASON FOR CONSIDERATION OF THIS APPLICATION NOW**

17. Consideration by the Council of this application at this time will be an exception to the Council's normal grants process. It is considered appropriate that the application be considered as this time because:
  - (a) The Council's resolution of September 2006 was not given effect to by officers reporting to the Council and this is the first time that a Working Party has had an opportunity to consider this issue.
  - (b) There appears to have been informal communications between Council officers and the Society that may have raised expectations by the Society that did not match progress by the Council with consideration of the Society's application.
  - (c) The funding of \$800,000 from the Lottery Marae Heritage and Facilities Committee (administered by the New Zealand Lottery Grant Board) must be uplifted one year from date of approval. This occurs on 16 November 2008. Unless the Society can obtain an extension to that time (which the Society believes would probably be granted for only a further 12 months) then the Society loses the right to access that funding. They would have to go through a reallocation process with the Lottery Board with no certainty of obtaining that funding again.
  - (d) The Canterbury Community Trust has yet to consider the Society's application for a further \$600,000. The Trust has advised the Society that it wishes to see what position the Council takes with regards to the Society's application for funding from the Council. The Trust is to consider the Society's application in October 2008 and has advised the Society that it would look favourably to providing a second round of funding for the Rāpaki project if the project also has support by way of funding from the City Council.
18. It has been suggested that the Society could apply for a loan from the Council rather than a grant. The land in question is owned by Trustees on behalf of the Rūnanga and the Council has been advised that the Trustees do not have the power to borrow. Consequently the Society has applied to the Council for a grant.
19. Given the background circumstances to this application, the Working Party believes that this matter can be seen as a relatively unique set of circumstances whereby the Society has done all on its part that could be expected of it in terms of working with Council processes. The Society has followed the guidance of Council officers throughout the last three years when it has been seeking funding from the Council.

## **SOURCE OF ANY CITY COUNCIL FUNDING**

20. The report on the application for a grant for the redevelopment of the Rāpaki Marae to the 28 August 2008 Council meeting recommended that the \$400,000 be taken from the Council's budgeted surplus. At that meeting the Council asked the Working Party to explore funding options in this report.
21. The Working Party consider that the Capital Endowment Fund (CEF) is the only other possible alternative source of funds. Income from CEF is allocated each year split between economic development (70%) and civic and community projects (30%). The Civic and Community Projects portion of the fund is relevant for consideration for the Rāpaki grant. Allocations were last made as part of the 2008/09 Annual Plan process.
22. The 2008/09 Annual Plan shows an unallocated balance of \$569,000 from the Civic and Community Projects allocations. Council has previously resolved that this fund could be used to fund capital projects or grants which meet the following criteria:
  - Projects implement a strong community strategy/plan.
  - Projects are of city-wide benefit.
  - Priority is given to new community facilities.
  - Projects only more than \$100,000 to be considered.

23. When considering the allocations for the 2007/08 Annual Plan in June 2007, the Council made resolutions allocating most of the unallocated balance of Civic and Community portion of the Capital Endowment Fund, This included \$360,000 each year for two years to fund events and festivals, \$100,000 for the Garden City image each year for two years and the establishment of an additional fund totalling \$1.53m to support events.
24. The Council agreed that the estimated remaining \$350,000 be allocated as part of the 2008/09 Annual Plan process. However these funds were not allocated during the 2008/09 Annual Plan. This unallocated balance was shown in the 2008/09 Annual Plan as \$569,000. The difference to the \$350,000 noted above is due to variances in the interest earned on the Capital Endowment Fund.
25. If the Council considers the criteria above are met, it could resolve to use part of the unallocated \$569,000 to fund the Rāpaki grant. The Council should note that this reduces the funds available for other community organisations' capital projects. Other organisations sometimes make requests for funding and there may be some risk that the Council is seen favouring one organisation over another due to making this grant outside a normal funding process.
26. The Working Party, after discussion, reached the view that the Rāpaki redevelopment project meets the criteria set out above in paragraph 23 and recommends to the Council accordingly that the Council fund the redevelopment project to the sum of \$400,000 (excluding GST).
27. There has been discussion between Council officers and the Society whereby the Society is prepared to make available to the City Council the use of the new redeveloped Marae for 10 days per annum rent free. The Working Party believes that this is an appropriate recognition by the Society of a grant from the Council. The Working Party believes that it is appropriate that this be recognised in the spirit of developing a partnership between the Council, the Society and Ngāi Tahu. The Working Party does not support taking this matter further in the form of legal documentation which the Working Party believes is inappropriate in the circumstances of this grant.

#### **RECOMMENDATION**

It is recommended that the Council:

- (a) Approve a grant for \$400,000 (excluding GST) to Te Hapū o Ngāti Wheke Incorporated Society as a contribution to the construction costs of the new Rāpaki Marae.
- (b) Fund the grant from the unallocated balance of the Civic and Community portion of the Capital Endowment Fund.
- (c) Make a condition of the grant that the Society complete a funding agreement based on the Council's standard Community Grants Funding Agreement and that the Council grant be used only for construction costs of Stage 1A.
- (d) Authorise the General Manager Community Services, to approve a draw down of this grant upon the signing of a Community Grants Funding Agreement by the Society.
- (e) Note that this report is a substitution for the report before the Council on 28 August 2008.