



Asset Management Plan
Executive Summary

Property



REGENT on BROADWAY

THE REGENT

Asset Management Plan Executive Summary

Property

The purpose of the Property Asset Management Plan (AMP) is to support the goals of the various activities by ensuring that building assets are operated and maintained so that they provide the required level of service for present and future customers sustainably and cost-effectively.

Manaaki whenua, manaaki tangata, haere whakamua.

Tihei mauri ora!

No reira, e te haukainga Rangitāne, nei rā te mihi nui ki a koutou e pupuri nei i te mauri o te whenua me ngā wai e rere atu e rere mai.

Tēnā koutou, tēnā koutou, tēnā tātou katoa.

Our buildings portfolio is constantly evolving due to a growing population, changing building standards, and Palmy being one of the most diverse communities in the country. As a result, the Property Division supports other Council divisions to deliver all sorts of services from our buildings. This includes overseeing tenancy and contract management, building facilities maintenance, and ensuring building compliance. Additionally, the capital projects team works with other Council divisions to make sure we deliver our building capital projects on time and in the right locations.

Scope of this plan

The AMP outlines how we plan on investing in our facilities over the next 30 years.

The Asset Management Plan highlights:

- how we ensure that our asset management decisions are aligned to strategic goals and plans
- how we want to improve asset knowledge, facilities maintenance and monitor performance
- key upgrade, renewal and maintenance work programmes
- how we can minimise risk

This Plan informs our 10 Year Plan, Financial Strategy and 30 Year Infrastructure Strategy.

Our buildings are used to deliver services to our communities

The buildings we own, each support services being provided from them to contribute to our vision of 'He iti rā, he iti pounamu' - 'Small city benefits, big city ambition'! We have four strategic goals that support the direction of our vision.

The goals support the well-being of our communities to thrive economically, socially, environmentally, and culturally for now and into the future.

Our investment and strategic buildings at George Street, Main Street, Rangitikei Street, and Broadway Avenue support more than 20 local businesses to grow, be innovative, and contribute to our local economy – which supports goal 1.

The Central Energy Trust Arena and our cultural facilities - Globe Theatre, The Stomach, Square Edge, Te Manawa, and Regent Theatre provide spaces for our communities to be creative and host exciting shows and events – which supports goal 2.

We enable our communities to be connected and active through providing spaces in our community centres, community agency facilities, and sports field buildings, supporting us to achieve goal 3.

Our warm, dry and safe social housing units are home for families and senior residents that are on a low income and experience barriers to renting in the private market – which supports us to achieve goal 3 for our communities.

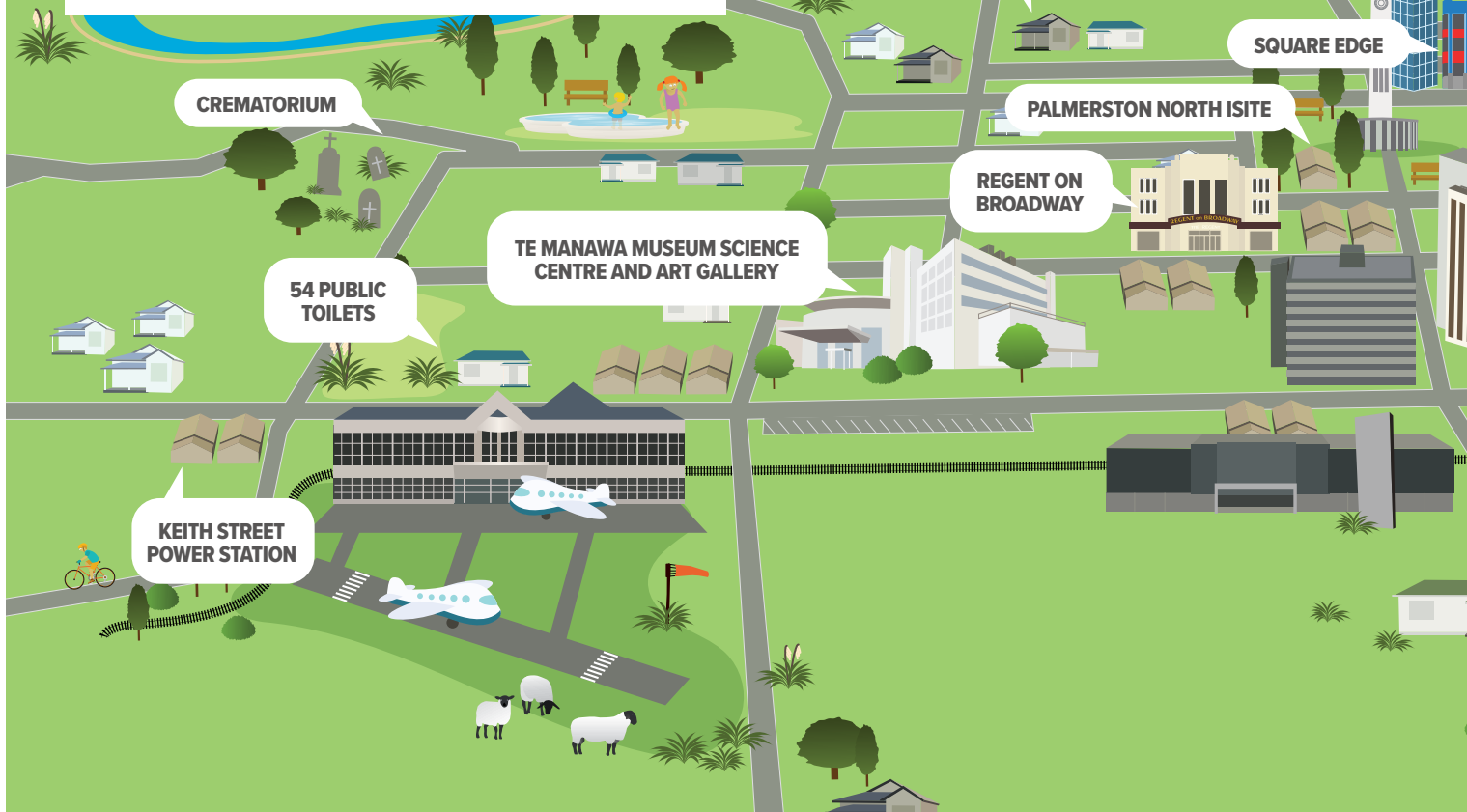
Operational buildings, such as the water treatment plant, enable us to treat and deliver quality water to our residents. Our Awapuni Materials Recovery Centre ensures that we are contributing to recycling and minimising waste within our city, supporting us to achieve goal 4.

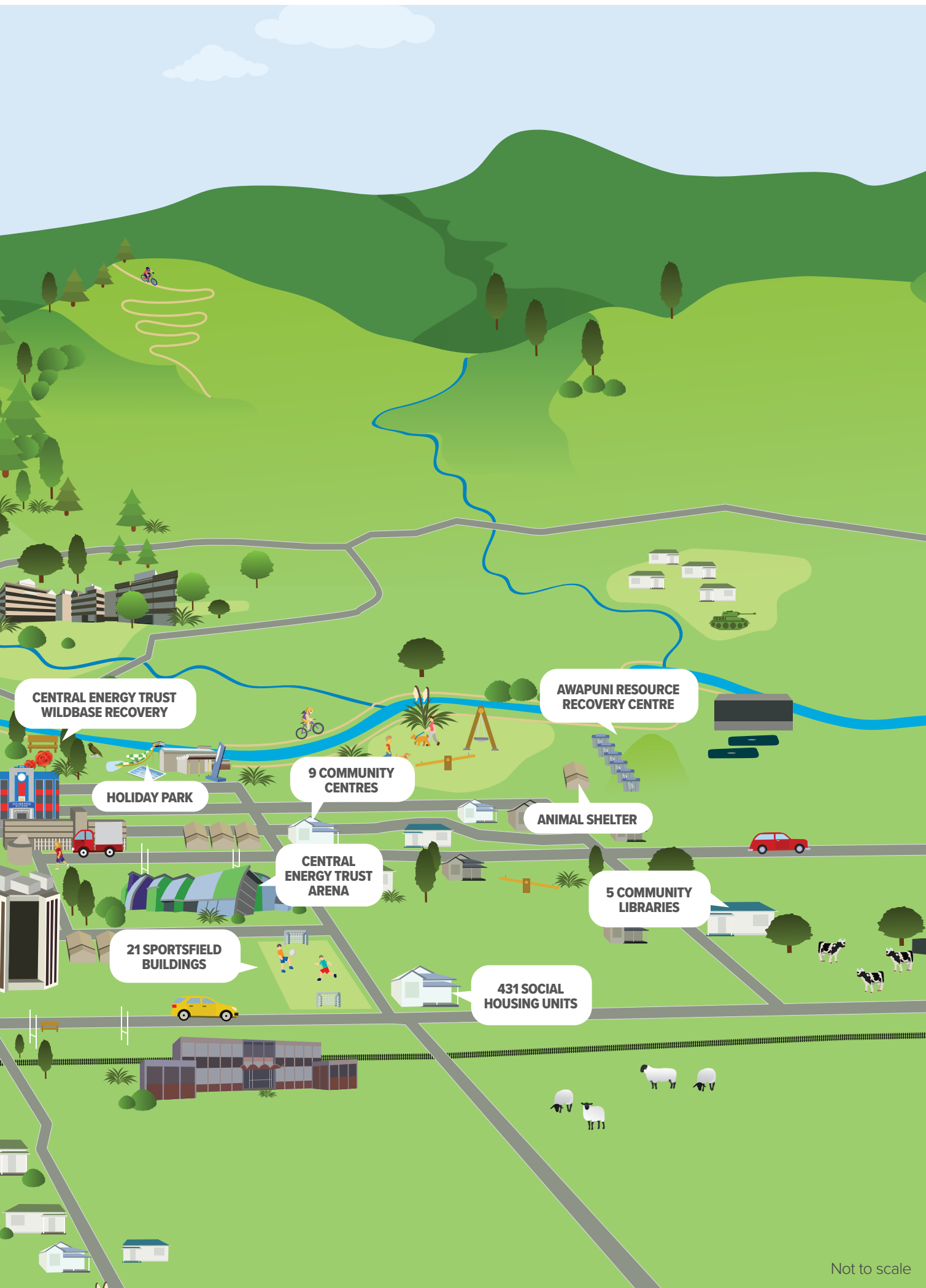
What we provide



The Property Division supports other Council divisions to deliver various services from our facilities.

- The Conference + Function Centre hosted 321 events in the past financial year
- The Globe Theatre hosted 178 performances and 14,693 attendees
- More than 5400 tonnes of recycling were processed at our Awapuni Resource Recovery Centre.
- Central Energy Trust Arena hosted 3,057 individual bookings and over 468,000 attendees
- 23 local businesses are located in our investment and strategic properties.
- The City Library had over 370,000 physical visits this past year.
- Te Manawa can have 120,000 visitors each year
- The Regent Theatre hosts at least 200 - 300 community-led events every year.
- Central Library, Ashhurst Library, Caccia Birch, Cafe Esplanade, Keith Street Power Station and Square Edge are classified as heritage buildings within our District Plan.





**CENTRAL ENERGY TRUST
WILDBASE RECOVERY**

**AWAPUNI RESOURCE
RECOVERY CENTRE**

HOLIDAY PARK

**9 COMMUNITY
CENTRES**

ANIMAL SHELTER

**CENTRAL
ENERGY TRUST
ARENA**

**5 COMMUNITY
LIBRARIES**

**21 SPORTSFIELD
BUILDINGS**

**431 SOCIAL
HOUSING UNITS**

Not to scale

Everyone is a customer



Residents



Tourists



Families



Senior Citizens



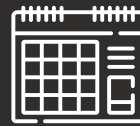
Education



Community Groups



Council Departments



Event/Sport Organisers



Small Business Owners

Our buildings cater to many different types of people, including those who live here, run small businesses, belong to community groups, families, seniors, schools, council departments, event and sports organisers, and tourists passing through.

We collaborate with our partner Rangitāne o Manawatū early on in our projects to plan and develop community facilities.

We work with our partners on the Council Controlled Organisations (CCOs) board committees to ensure our facilities are fit for purpose. We also work with community trusts and organisations, as well as other important groups like Central Energy Trust, Department of Conservation, and Massey University.

Our levels of service

Our customers expect that all our buildings are well maintained, clean, accessible, safe, warm and dry.

In the past, maintaining a consistent level of service across our diverse property portfolio has been a challenge, and we have mostly responded reactively to building maintenance needs. However, in more recent years we have adopted a more proactive approach to enhance our service levels and better serve our communities.

We have some challenges and risks

Strengthening our earthquake-prone buildings is costly

Some of our buildings have been assessed as earthquake-prone and by law, need to be remedied by 2037. These buildings are scattered across the city and include the Central Library, Civic Administration Building (CAB), Square Edge, and the Regent Theatre. This work comes at a huge cost, as we try to strengthen our buildings to the required National Building Standards (NBS) while ensuring we spend in a financially sustainable way. Another big challenge is prioritising which buildings are remedied before others.

The timing of our Civic and Cultural Precinct Masterplan needs to be considered

The Civic and Cultural Precinct Masterplan aims to create better connectivity between the four key civic areas in the central business district - the CAB, Central Library, Te Manawa Museum and the Art Gallery. The masterplan work actions are on hold, due to seismic strengthening work programmes to be completed at the Central Library and the Te Manawa Complex. A feasibility study is being undertaken to understand the potential future use of the facilities to ensure that the buildings are fit for purpose to meet the future needs of the wider community. We need to bear in mind that this Masterplan will drive future direction of any future major upgrades for these buildings, including the seismic strengthening work that's required.

Deferred maintenance work needs to be addressed

We are still catching up to deferred maintenance and renewals because we've underfunded this in the past. We now have a dedicated facilities management team and capital projects team that ensure we are on the right track with investing at adequate levels for our renewals and maintenance work programmes. We have an Asset Management Improvement Plan that helps us keep track of our progress. However, it will take many years to achieve the right balance with funding as we are still maturing in our asset management practices.

Vandalism is becoming a big problem

Our public toilets have become hot spots for graffiti and vandalism over the past few years. This means we're having to do a lot of reactive renewals and maintenance which are impacting our initial budgets. We've seen our toilets face arson attacks, damaged cisterns, and toilet paper and soap dispensers removed from walls. Because of this, the majority of our toilets are locked down every night and we've identified that security cameras may have to be installed outside locations that experience high levels of vandalism. But it doesn't stop at public toilets, our sports pavilions and other areas of the city are too being vandalised.

Unaffordability of housing for local residents is an issue

Housing demand is an ever-growing issue due to the undersupply of suitable and affordable housing locally in Palmerston North. Housing unaffordability of rent and home ownership has increased in the last four years. There is an increased demand for one to two-bedroom homes within the city. Private and public agencies provide the majority of social housing to residents. Council's strategic direction is to increase social housing supply to ensure that we can provide homes for people with the greatest needs. Council supplies 431 social housing units.

We are learning more about our underground pipes

We are learning more about our buildings through the way we have been managing them. Over the next few years, we will be investigating the condition of our underground pipes (water, wastewater and stormwater). At the Holiday Park, we identified that some of the mature trees there were starting to grow into our stormwater pipes and causing flooding issues.

What's our plan?

We are reprioritising the strengthening of our earthquake-prone buildings

We're working with building owners, tenants and the community to upgrade our earthquake-prone buildings and we've undertaken detailed seismic investigations to help us understand the costs involved.

Council adopted an Earthquake Prone Buildings Policy in 2019 which provides a framework for decision making around the strengthening of our earthquake prone buildings, and in 2023, Council agreed on an order of strengthening to inform the 2024-34 Long Term Plan and ensure all its buildings are addressed within the legislative time frame. Seismic strengthening designs will be developed on a building-by-building basis and as we progressively seismically strengthen our key buildings – it is likely that more work programmes could be triggered, such as roof replacements, fire upgrades, or asbestos remediation. All this work will need to go hand-in-hand with the timing of our Civic and Cultural Precinct Masterplan.

We are investing in more asset condition assessments

We will be developing a Condition and Performance Policy that defines what condition assessments should be conducted, by whom, their frequency, and why. Our facilities maintenance team will be an integral part of this – they have already completed condition assessments for most of our property portfolio at a component level. However, we also plan on being able to understand the structural condition of our assets; for example, our roofs need structural assessments. We have also created programmes to understand the condition of our underground pipes (water, wastewater and stormwater).

Using better data to inform decision making

We are aiming to use accurate data to drive better long-term investment decision making across our property portfolio. We are working on finding ways to integrate our asset data system and our facilities maintenance system. This will make it easier to repeat faults and repairs. It will help us to understand our historical maintenance and ensure that maintenance work is completed on time.

We are increasing our maintenance budgets

We are increasing our maintenance budgets across the portfolio to ensure we can provide better levels of maintenance. Increasing our maintenance budgets will help us to catch-up to deferred maintenance. In the long run, having a planned maintenance approach will mean that we can push out renewing our assets until later in their lifecycle, potentially minimising whole of life costs. In response to building new assets, we recognise that we need to have robust operational maintenance plans and budgets in place.

We are trying to mitigate vandalism

We are spraying our buildings with anti-graffiti spray and where possible, we are installing cameras in key areas to make our city and facilities safer.

We're doing our part to tackle climate change

We aim to make our buildings warmer, drier and better ventilated to account for the more frequent and extreme weather events we're facing and the changes in rainfall patterns. We're also aiming to lower our water usage, become more energy efficient and to use more sustainable building materials whenever we're undertaking work.

Lowering our carbon footprint

In 2021 our elected members introduced a Low Carbon Fund, which invests \$1 million a year in lowering emissions from our operations. This fund is being utilised across our building portfolio with the aim of reducing carbon.

Central Energy Trust Wildbase Recovery and our new social housing development at Papaioea Place were all designed and built to be energy efficient.

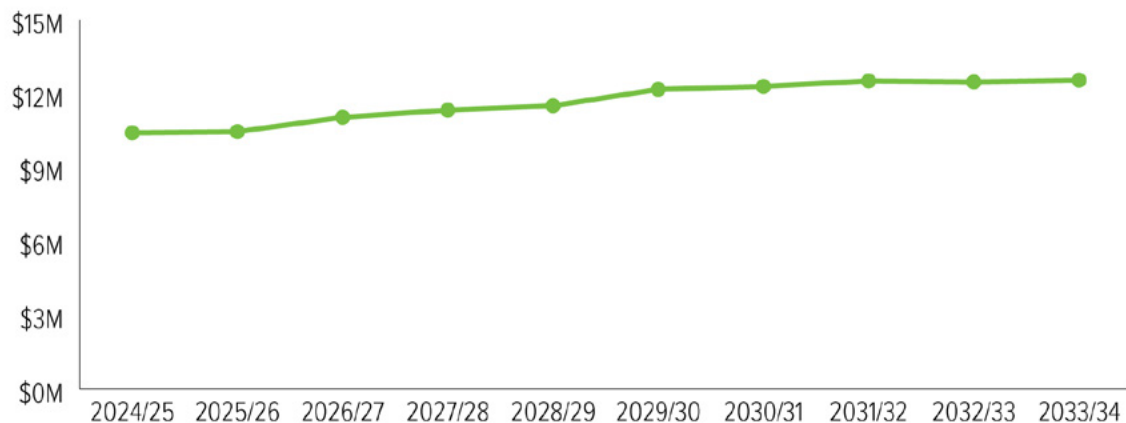
Each time a building needs new lighting, we opt-in for more sustainable LED lighting and while this requires a greater up-front cost, the use of longer-lasting and more efficient fixtures will minimise the whole of life costs and be more energy-efficient. Caccia Birch House and the Regent Theatre have recently had LED lighting upgrades and older heritage buildings are expected to follow suit.

How much will it cost?

Maintenance

Our maintenance budgets have increased to ensure that our buildings continue to meet the needs of the community. Rising costs mean maintenance activities are costing more than they did before, as well as many of our facilities getting older and therefore in need of more work. Our Social Housing portfolio continues to be our largest expenditure area for maintenance. On average we propose to be spending \$1.8 million each year on social housing maintenance.

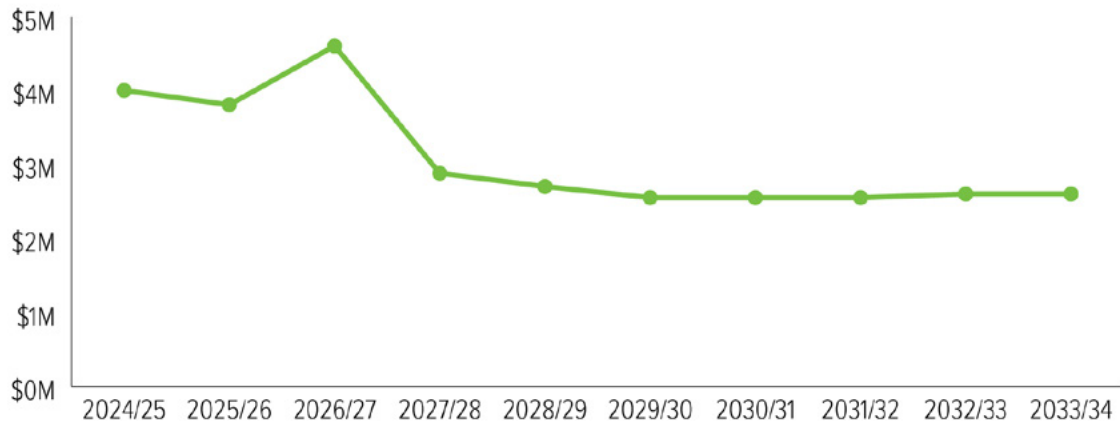
Other larger maintenance spends are in our larger facilities such as Central Energy Trust Arena, Libraries, and Council's central administration Building (CAB), along with in our arts and cultural buildings, and our large number of public toilets located throughout the city. Work at these facilities includes things like preventative maintenance to building services like air-con, building compliance work, and reactive maintenance and repairs to damage. On average each year we are looking to spend \$7.8 million each year on maintenance.



There will be an increase in operating costs associated with building additional and new facilities (Public toilets, Central Energy Trust Arena Masterplan facilities community facilities and social housing units), as once we build them, we need to maintain them accordingly with preventative maintenance.

From year 6 onwards costs will increase to just over \$1 million per year as additional facilities are constructed.

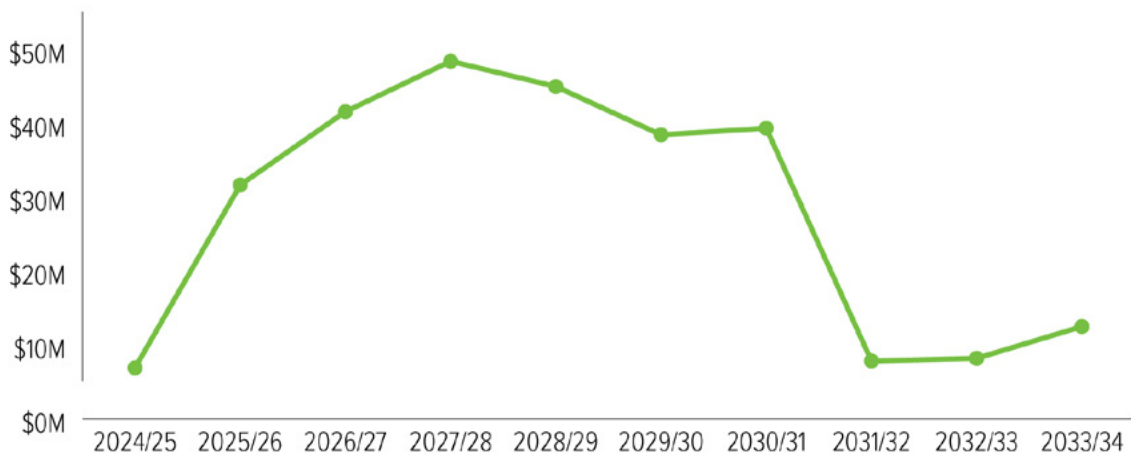
Renewals



We are proposing to spend \$27 million over the next 10 years and \$70 million in the next 30 years across all our facilities. The Central Energy Trust Arena site is one of our key renewal areas with at least \$500,000 budgeted for each year.

In Year 3, our budget increases due to significant roof replacements for Arena 1 and the replacement of windows in the CAB building. Our renewals from year 4 onwards will be focused on renewing components with our public toilets, social housing, and other community facilities.

Capital new



The largest portion of the new capital spend over the next 10 years will be for seismic strengthening across our operational and cultural facilities. New facilities proposed for construction include Central Energy Trust Arena Masterplan items, an archives building, additional social housing units and future community hubs.

