

## CONFIDENTIAL MEMORANDUM

**TO:** Finance & Audit Committee

**MEETING DATE:** 21 October 2020

**TITLE:** Bunnythorpe Community Facility Expansion

**PRESENTED BY:** Bryce Hosking, Manager - Property

**APPROVED BY:** Sheryl Bryant, Acting Chief Infrastructure Officer

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It is recommended that this report be considered with the public excluded, as permitted by the Local Government Official Information and Meetings Act 1987 under clause:

**s7(2)(i) Negotiations - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)**

### RECOMMENDATION FOR PUBLIC RELEASE

Upon completion of negotiations and the selection of the contractor.

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### RECOMMENDATION(S) TO COUNCIL

1. That the confidential memorandum entitled 'Bunnythorpe Community Facility Expansion' presented to the Finance & Audit Committee on 21 October 2020, be received.
2. That the report and decisions relating to the report entitled 'Bunnythorpe Community Facility Expansion' presented to the Finance & Audit Committee on 21 October 2020, be released from Part II following completion of negotiations and the selection of the contractor.
3. That the Council approve the following budget transfers:
  - Reduce the \$257,747 + GST of available budget in the 2020/21 financial year in Programme 234 – Sportsfields and Outdoor Courts – Changing Room Refurbishments to \$0. This is a capital renewal programme.
  - Increase the budget in Programme 1413 – Bunnythorpe Community Facility by \$257,747 + GST. This will increase the 2020/21 budget in Programme 1413 from \$893,628 + GST to \$1,151,375 + GST. This is a capital new programme.
4. That the Council agrees to underwrite an additional unbudgeted capital new expenditure of \$107,347 + GST over and above the movements in resolution 3 for the

**additional expansion bay to be built as part of the initial construction of the new Bunnythorpe Community Facility.**

- 5. That the Chief Executive be instructed to work in conjunction with the Bunnythorpe Community Centre Association to support them in obtaining external funding for the \$107,347 + GST of funds needed for the additional expansion bay of the Bunnythorpe Community Facility.**
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## **1. ISSUE**

- 1.1 The construction of a new Bunnythorpe community facility and refurbishment of the existing Bunnythorpe rugby changing rooms is planned for construction in the 2020/21 financial year.
- 1.2 To ensure best outcomes, these two projects are being delivered as a single combined building, and as such have been designed concurrently as one project and the construction for the building will be provided through a single main contractor.
- 1.3 There are two issues that need to be addressed in this report:
1. The consolidation of budgets into a single Programme; and
  2. A decision as to whether to underwrite the additional funding required to expand the facility as part of the initial construction.
- 1.4 These issues are expanded upon below.

### Budget Consolidation

- 1.5 The new Bunnythorpe Community Centre is funded through the following Programmes:
- 234 – Sportsfields and Outdoor Courts – Changing Room Refurbishments; and
  - 1413 – Bunnythorpe Community Facility.
- 1.6 The combined project has been delivered over multiple years and has a total approved budget envelope of \$1,509,600 + GST. This includes Council’s contribution, funds raised by the Bunnythorpe Community Centre Association (BCCA), and the external funding achieved.
- 1.7 Of this total budget envelope, there is a combined \$1,151,375 + GST within the two programmes in the 2020/21 financial year.
- 1.8 As the projects are being delivered as one project, these two programmes need to be consolidated into Programme 1413 so the project can be delivered through one budget.

- 1.9 As Programme 234 is a capital renewal programme and Programme 1413 is a capital new programme; a Council resolution is required to give effect to this consolidation.
- 1.10 The budget in Programme 234 needs to be reduced to \$0 in the 2020/21 financial year, and subsequently the budget in Programme 1413 needs to be increased by the same budget amount.

Expansion of the Facility

- 1.11 The initial building size is proposed to be 265m<sup>2</sup>. This will provide a hall size of just 114m<sup>2</sup>. Please refer to Section 2 of this report for more detailed information on the proposed building.
- 1.12 The building has been designed to allow for the provision of a 54m<sup>2</sup> expansion bay to be added to the hall in the future if funding was available.
- 1.13 This expansion bay can be delivered within the current resource consent provisions, and under the current consent will not require any additional amenity such as bathroom facilities or on-site parking.
- 1.14 For clarity, any further expansions over and above this bay would require a new consent, additional amenities, and additional design.
- 1.15 The Bunnythorpe community have provided feedback that they do not believe a hall size of only 114m<sup>2</sup> will meet their needs. As such they would like the expansion bay to be included within the initial build.
- 1.16 If this expansion bay was included within the initial build it would require an additional \$107,347 + GST of funding over and above the total approved budget envelope of \$1,509,600 + GST.
- 1.17 For clarity, if this expansion bay was to be built later, the cost to build this would essentially double as it would require new site establishment, and all the efficiencies and cost benefits for doing this at the same time as the initial build would not be realised.
- 1.18 As such, Council Officers propose that Council agrees to underwrite this additional funding to allow a construction contract for the expanded building to be entered.
- 1.19 Council Officers will then continue to work in conjunction with the BCCA to support them in obtaining external funding for the \$107,347 + GST of funds needed for the additional expansion bay of the Bunnythorpe Community Facility.

## 2. BACKGROUND

### General

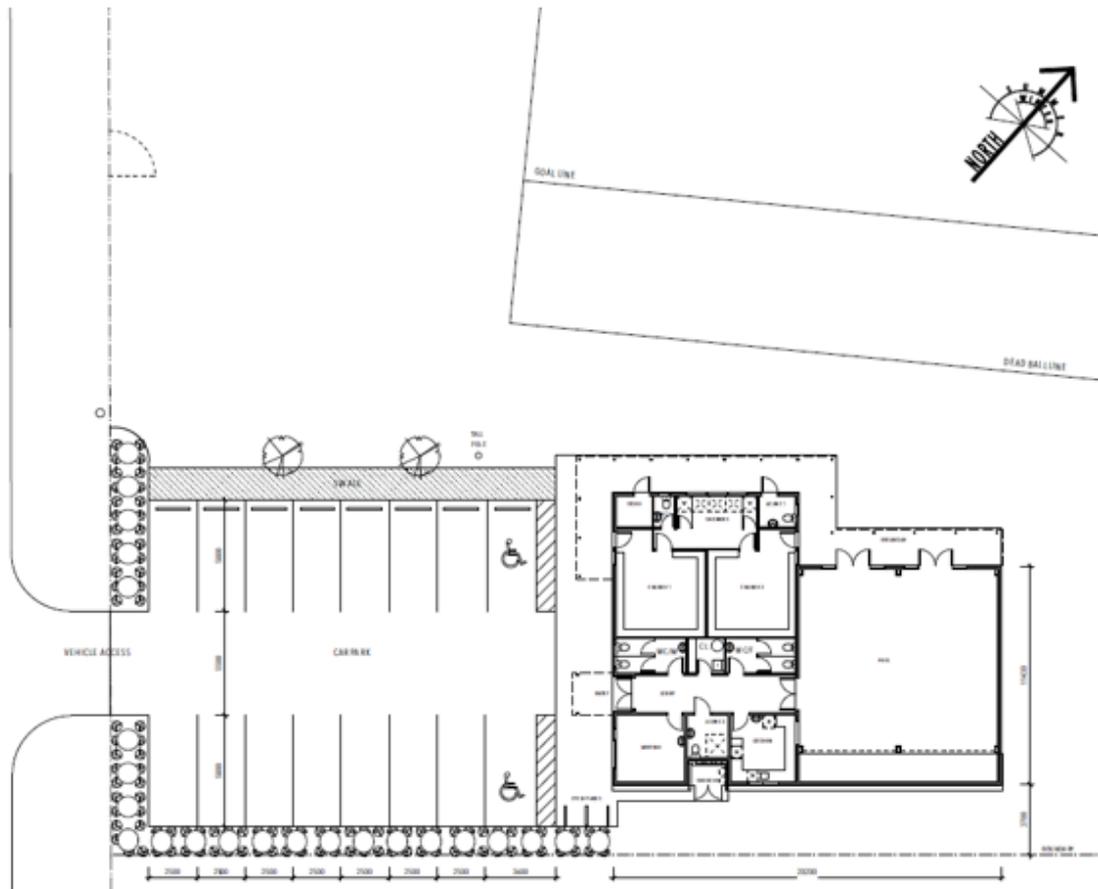
- 2.1 A feasibility study for a new community centre was completed and released in June 2017. This explored the needs of the community and high-level options that could be explored for a new community facility.
- 2.2 A subsequent business case was developed and released in July 2018 adopting the recommendations of the feasibility report. Funding was then put in the 2018-28 Long-Term Plan for a facility to be built on the Bunnythorpe Domain.
- 2.3 A Memorandum of Understanding (MoU) was entered into in March 2019 to formalise the relationship moving forward in respect to the project.
- 2.4 The MoU detailed Council's responsibilities and contributions towards the project as:
  - Commit \$946,000 towards the construction of the Community Centre;
  - Provide project and construction funding management for the Community Centre design and construction; and
  - Be responsible for maintenance and renewals planning and the associated responsibilities of ownership in accordance with leases and management agreements.
- 2.5 Once funding was available in the 2018/19 financial year the BCCA steering group approved an ideal preliminary design which was developed for a 390m<sup>2</sup> building. This was provisionally costed at \$2.29 million to build. This enabled the Bunnythorpe Community Association (BCCA) to begin seeking the appropriate funding for the project to proceed.
- 2.6 Ultimately \$1.3 million of funding was secured through a combination of a PNCC contribution, a contribution from Manawatu District Council, and funds raised by BCCA themselves. If the \$2.29 million build was to proceed, the balance of approximately \$984,000 needed to be funded externally.
- 2.7 Despite considerable efforts only \$224,000 of external funding was achieved. For clarity, this meant there was only \$1,509,600 + GST of confirmed funding towards the project.
- 2.8 In December 2019 Council Officers met with BCCA and stakeholders and agreed to form a Project Control Group (PCG) to progress the project. The PCG subsequently agreed to progress with revised design which could be delivered with the \$1,509,600 + GST of available budget.
- 2.9 The revised design and layout were finalised in May 2020 and resulted in a proposed building with a total initial footprint of 265m<sup>2</sup> which included a hall size of 114m<sup>2</sup>.

2.10 In addition, the building was designed to allow for a future provision of a 54m<sup>2</sup> expansion bay that could to be added to the hall in the future if funding was available.

Building Overview

2.11 The proposed site location for the new facility and carpark is in the south-west corner of Bunnythorpe Domain and would be accessible from Raymond Street.

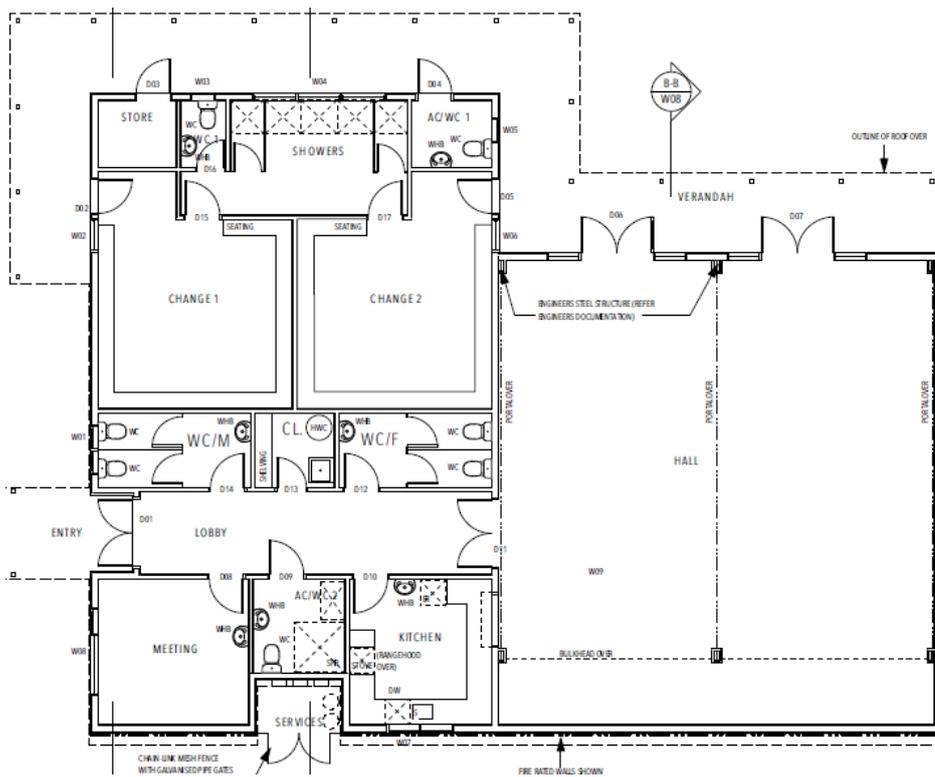
2.12 The site plan includes 16 carparks and is strategically placed on the site to allow for future expansion:



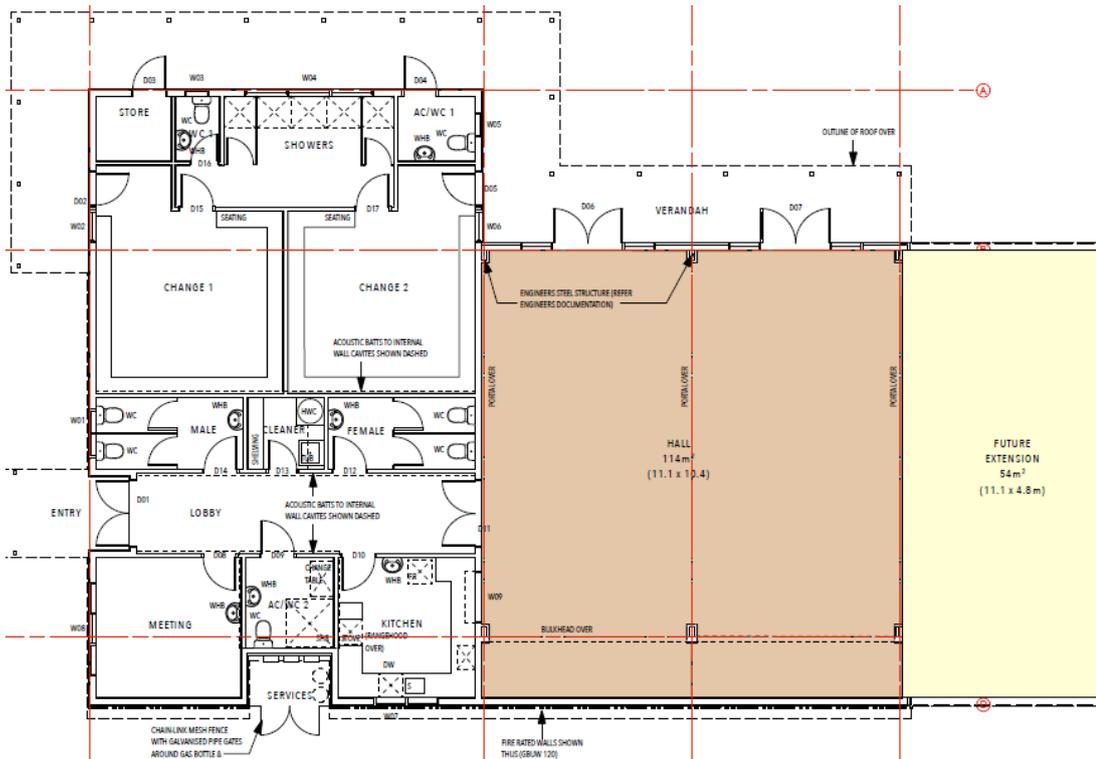
2.13 As per Clause 1.1 the initial building size is proposed to be 265m<sup>2</sup>. The below table provides a breakdown of the different building component areas:

Building Component	Floor Area
Changing Rooms	70m <sup>2</sup>
Main Hall	114m <sup>2</sup>
Office	12m <sup>2</sup>
Amenities/ Lobby	69m <sup>2</sup>
<b>Floor Area Total</b>	<b>265m<sup>2</sup></b>
Expansion Bay Provision	54m <sup>2</sup>
<b>Floor Area Total with Expansion</b>	<b>319m<sup>2</sup></b>

2.14 To give context to the above floor areas, below is the proposed floor plan for the initial build:



2.15 Below is the proposed floor plan with the proposed 54m<sup>2</sup> expansion bay (in yellow):



- 2.16 To maximise the hall size available and get the best overall outcomes from the building; the designers for the project, Chapple Architects, have undertaken considerable value engineering design principles to produce the most efficient use of space that can be provided within the current consent parameters.
- 2.17 This has extended to the future proofing design allowing for the expansion bay and allowing for this expanded building to accommodate the maximum sized building within the current resource consent conditions.
- 2.18 Reiterating Clause 1.14 above, any further expansion over and above this would require a new resource consent and additional amenity.

Delivery Programme

2.19 Below is a summary of the delivery programme set in April 2020 by the PCG:

Milestone Item	Timeframe
Revised Detailed Design	1 April – 29 June 2020
Regulatory Amendment Approval	24 April – 27 July 2020
Procurement of Contractors	1 April – 14 September 2020
Construction	15 September 2020 – 11 June 2021

**3. COMPLIANCE AND ADMINISTRATION**

Does the Committee have delegated authority to decide?	<b>No</b>
Are the decisions significant?	<b>No</b>
If they are significant do, they affect land or a body of water?	<b>No</b>
Can this decision only be made through a 10 Year Plan?	<b>No</b>
Does this decision require consultation through the Special Consultative procedure?	<b>No</b>
Is there funding in the current Annual Plan for these actions?	<b>No</b>
Are the recommendations inconsistent with any of Council’s policies or plans?	<b>No</b>
The recommendations contribute to Goal 3: A Connected and Safe Community	
The recommendations contribute to the outcomes of the Connected Community Strategy	
The recommendations contribute to the achievement of action/actions in the Community Services and Facilities Plan	
The action is: Develop the Bunnythorpe Community Hall (by end of 2019/2020).	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	<p>Expand the scope of the initial construction of the new Bunnythorpe Community Facility to include the expansion bay will help ensure the facility meets both the expectations of the Bunnythorpe community, and the user requirements of the future users of the facility.</p> <p>This will ensure the facility is regularly used and that a variety of uses can occur within the space.</p>

**ATTACHMENTS**

Nil