

STRATEGIC ASSESSMENT FOR INVESTMENT – ANNUAL PLAN 2019/20

PROJECT NAME: Whakatāne and District Memorial Hall – Seismic Strengthening

PROJECT OWNER: Mike Naude

PART 1: THE PROJECT

1.1 Description of the project/proposal

An assessment of the seismic performance of the Whakatāne and District Memorial Hall has confirmed the stadium and the lounge areas are earthquake prone, being less than 34% NBS. The Little Theatre however is assessed above 67% MBS but the complex as a whole is rated on its lowest scoring. This will result in the entire complex being declared Earthquake Prone.

The Hall is classed as a “priority building” under the provisions of the Building (Earthquake-prone Buildings) Amendment Act 2016, enacted in May 2016. This priority status reflects the operational role of the hall in civil emergencies. The hall acts as a Civil Defence response centre for the community as well as identified as an alternative EOC from which the control and coordination of responses to a civil emergency could be staged.

When enacting the legislation, parliament was aiming to strike an appropriate balance between protecting people from harm and imposing seismic remediation costs onto building owners. Under the Building (Earthquake-prone Buildings) Amendment Act 2016 the Council has 7.5 years to rectify the hall’s seismic weaknesses. Council has considered possible alternative measures to reduce risks to “life safety” during this period. Existing capacity for the hall is capped at 1371 across all three functional areas. The facility is in use most days and nights and though may not always meet the full capacity limits, it is not unusual for the complex to hold multi events on the same occasions. Events in the hall can also utilise the reserve areas immediate surrounding the hall and this can result in considerable more members of the public in the vicinity of the hall.

Attempting to manage the risks surrounding the earthquake prone aspect of the hall through a capping of users would prove problematic due to the over lapping usage of the facility and complexity of administrating events. While capping the capacity of the hall does limit the potential numbers of affected parties, it does not eliminate the possibility of the un-remediated earthquake prone aspects of the hall complex impacting life safety should a significant seismic event occur.

An engineering strengthening assessment of the hall has been undertaken and the concept design produced. The design has been evaluated by a Quantity Surveyor to provide an indicative budget estimate for the work. The concept strengthening design indicates that the building will be between 34% NBS and 67 % NBS following strengthening works to the Stadium trusses and western walls. Only with detailed design work will the full benefits of the engineering solution be confirmed.

The Council has plans to develop a new/refurbished centre on this site. Currently Council has not initiated any planning for this facility. Should the strengthening work be undertaken there is a risk the value of the works could be lost in the development of the new structure. Funding of the strengthening work does not currently have a confirmed funding stream. A provision of funds has been signalled with the potential bringing forward of funds for the new centre allocated in the 2025/26 year of the currently LTP

1.2 Benefits to be delivered

The project responds to the Central Government’s objective to ensure existing structures are resistant to seismic activity and do not pose unacceptable risks to life safety.

The hall makes up a network of fit for purpose, affordable community facilities, that connect and support resilient, healthy and vibrant communities.

The performance of the hall network is measured through the level of service provision of the AMP and the annual community survey (Communitrak).

1.3 Implications of not doing the project

There is no do nothing option to the requirements of the Building (Earthquake-prone Buildings) Amendment Act 2016. The Act provides timeframes in which assessment are to be made and resolution of the poor seismic performance of structures resolved. In the time until commencement of earthquake strengthening works, Council may choose to undertake a mitigation that limits user numbers of the hall. However, this mitigation does not eliminate the possibility of the un-remediated earthquake prone aspects of the hall complex impacting life safety should a significant seismic event occur

PART 2: ALIGNMENT WITH THE COUNCIL’S STRATEGIC DIRECTION

2.1 Alignment with Council’s Community Outcomes

What Community Outcomes does this project contribute to (tick)?

Effective Leadership <input checked="" type="checkbox"/>	Sustainable economic development	Community Needs <input checked="" type="checkbox"/>	Quality Services <input checked="" type="checkbox"/>	Valuing our environment	Reliable & affordable infrastructure <input checked="" type="checkbox"/>
---	----------------------------------	--	---	-------------------------	---

The seismic strengthening of the hall continues to provide a community facility fit for purpose. The facility provides for leisure, arts, and cultural, educational, sporting and other community activities. It also accommodates community groups and organisations. The hall makes up a network of fit for purpose, affordable community facilities that connect and support resilient, healthy and vibrant communities.

PART 3: PROJECT COSTS

3.1 Financial cost analysis

Currently the Council has a concept engineering design to rectify the seismic performance of the hall complex. The concept design has been assessed by a Quantity Surveyor and a preliminary budget of \$550k has been arrived at.

To further refine this budget and confirm the final design and strengthening % NBS able to be achieve, a detailed design for the work will be commissioned.

The detail design drawings will give the Quantity Survey greater information on which to base their final budget calculations. Only with the release of the tender and the receiving of prices will the full project costs be realised.

Proposed budget requirement and rating impact	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Proposed Capital Expenditure	\$550,000	-	-	-	-	-	-	-	-
Proposed Operational Expenditure (funded depreciation and loan servicing only)	\$28,883	\$51,914	\$52,217	\$52,610	\$52,705	\$52,828	\$52,947	\$53,232	\$53,341
Cumulative rating impact % by year	0.07%	0.05%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Proposed funding sources	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Proposed internal funding sources <i>100% loan funded (25 years)</i>	\$550,000	-	-	-	-	-	-	-	-
Proposed external funding sources	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Debt Impact	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Increase in closing debt	\$550,000	\$488,719	\$477,072	\$465,075	\$452,561	\$439,518	\$425,914	\$411,800	\$397,052

3.2 Resource Requirements

The project would tax existing internal project management resources and an external project manager would be beneficial.

- IT N/A
- Planning N/A
- Human Resources (FTE requirement) N/A
- Finance N/A
- Vehicles N/A

PART 4: STAKEHOLDERS

4.1 Stakeholders

Outline the key stakeholders and their interest / likely engagement with the proposal (it is not expected that stakeholders have been consulted at this stage).

Stakeholders	Interest in proposal
Whakatāne District Council	Property owner, funder
Whakatāne/Ohope Community Board	Community Input
Ngāti Awa	Advisors, Community Input
User Groups	Community Input

PART 5: RISK IDENTIFICATION

5.1 Risk identification

1. Full budget requirements will not be known until detail design has been finalised and quantity surveyed.
2. Other works may be necessary which currently are unknown.
3. Availability of competent constructors to tender.
4. The value of the investment in the work to rectify the seismic weaknesses of the building could be lost in the development of a new structure.

No resource consent is required

Any decision to take no action to rectify the deficiencies in the seismic performance of the structure will mean that a known risk is not being mitigated.