

STAFF REPORT

TO: Mayor & Councillors
FROM: Community Services Manager
REFERENCE: 51745
DATE: 21 March 2007
SUBJECT: Trafalgar Centre Development – Split Funding

PURPOSE/REASON FOR REPORT

To advise Council of the recommendation from the Regional Funding Forum meeting, held on 1 September 2006, with regard to the Trafalgar Centre development and split funding for the same.

BACKGROUND

Nelson City Council proposes to extend the south end of the Trafalgar Centre to cater for events and presented a report to the Regional Funding Forum outlining what work was involved, and suggestions for a funding formula between the two councils.

The Funding Forum considered the report and resolved:

THAT the Regional Funding Forum recommend Option 2 to the Nelson City Council and the Tasman District Council for the development of the southern End of the Trafalgar Centre. (A copy of this option is set out below)

Currently the Tasman District Council does not have any funding available for this work under the Regional Facilities Rate, however it is noted in the Draft Annual Plan as a possible future project.

COMMENT/DISCUSSION

Components of Project

Nelson City Council asked Arthouse Architecture, architects for the project, to group the work into logical units that could be staged if need be and to assess the split between maintenance or renewals and development. The following is a break down of the proposed works:

New extensions	\$2,732,171
Acoustics to existing stadium	\$286,274
Acoustics above stage	\$55,000

Lighting gantry	\$139,204
Gallery toilets (frame only)	\$100,000
Retractable seating	\$406,110
Existing toilet upgrade (maintenance)	\$265,771
Existing clubrooms upgrade (maintenance)	\$265,000
Stage	\$69,000
Curtains	\$84,000
Acoustics around stage	\$97,470

Project Total **\$4,500,000**

Works Additional to this Project

Fire Sprinklers	\$500,000
Roof Maintenance	\$150,000

Additional Works Total **\$650,000**

Split Between the Councils

The Funding Assessment Tool recognises the location of the facility. In this case the Trafalgar Centre is located within central Nelson and therefore the first 35% of the development costs are to be paid by Nelson City Council. The remaining 65% is allocated according to where the users come from.

The new development work is primarily to cater for events rather than for participation use. A report by Opus identified that for the year ended 30 June 2004 approximately 62% of the total number of users (participants) and spectators who used the main stadium were participating in or viewing a regional activity. The remaining 38% consisted of community groups and private functions.

All regional facilities have an element of local use and it is felt that the Trafalgar Centre is no different. However in recognition of the numerous halls located within the Tasman District, the option recommended by the Regional Funding Forum reduces the regional component of the project to 62%.

Tasman Stadium Management, the contractor responsible for operating the Trafalgar Centre, advises that individual hirers of the facility are generally split 62% from Nelson, 27% from Tasman and 11% from outside the region.

The major participation users (players) of the Centre are basketball, volleyball and netball. The Nelson Basketball Association advises that approximately 57.5% of their 1200 players that use the Trafalgar Centre are from Nelson and 42.5% are from Tasman. Similarly the figures for volleyball are approximately 60% and 40% of 600 players, and for netball 71% and 29% of 102 players and officials.

On a weighted basis approximately 60% of the participation users (players) of the Trafalgar Centre are Nelson residents and 40% are from Tasman.

Spectators attending major events such as the Nelson Giants games, Eco Fest or the Home and Garden Show make up a large proportion of those who benefit from the Trafalgar Centre (approximately 74% in 2004). Figures showing where these people live are not available, but the population catchment including the whole of Nelson City and the Tasman areas (excluding Golden Bay, Motueka, Murchison and the Lakes Ward) are likely to give a reasonable indication. The population ratio of these areas is 45,000:21,900 or 67% from Nelson and 33% from Tasman.

Option Recommended by Regional Funding Forum

Maintenance work of \$530,771 and other works of \$650,000 are outside this project and are excluded from the project and remain the responsibility of Nelson City.

This option introduces a further calculation in recognition of the number of halls currently located throughout Tasman District. It does not comply with the Regional Funding Forum's current funding split which already recognises the non regional component of facilities through the 'where do users come from' calculation.

				Nelson		Tasman	
Project Cost		\$4,500,000					
Less maintenance component		\$530,771	100%	\$530,771			
Capital component		\$3,969,229	38%	\$1,508,307			
Regional capital component	62%	\$2,460,922					
Where is the facility located?	35%	\$861,323	100%	\$861,323			
Where do users come from?	65%	\$1,599,599	67%	\$1,071,732	33%	\$527,868	
Final Funding Split		\$4,500,000		\$3,972,132		\$527,868	

OPTIONS

- 1 Decline the funding request
- 2 Approve the funding request and put in the draft Annual Plan to be funded from the Regional Facilities Rate.

RECOMMENDATION

That consideration be given to the recommendation from the Regional Funding Forum that Tasman District Council provides \$527,868 towards the capital improvements to the Trafalgar Centre.

Lloyd Kennedy
Community Services Manager