



ATTACHMENTS MINUTES

Ordinary Council Meeting

Tuesday, 9 February 2021

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AGENDA

Supplementary Reports Public Excluded Council Meeting Tuesday, 9 February 2021

Date Tuesday, 9 February 2021

Time 3pm

Location Council Chamber
District Council Building
King George Place
Timaru

File Reference 1404336

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13 Public Excluded Reports

13.3 Caroline Bay Sound Shell Stadium Seating Replacement [Contract 2490]

Author: Donna Cross, Group Manager Commercial and Strategy

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Section under the Act	The grounds on which part of the Council or Committee may be closed to the public are listed in s48(1)(a)(i) of the <i>Local Government Act 1987</i> .
Sub-clause and Reason:	s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information
Plain English Reason:	Commercial sensitivity.

<p>Recommendation</p> <p>That Council:</p> <ol style="list-style-type: none"> 1. Approves officers proceeding with the procurement, on a closed tender or direct appointment basis as appropriate, for the replacement of the Bleachers that: <ol style="list-style-type: none"> a. provides similar seating capacity to the current design (1800 seats); b. excludes the requirement for underneath storage; c. provides the option of including a roof and/or shade structure in the future; and d. addresses the items listed at paragraph 16. 2. Approves the deferral of demolition and construction until April 2022 for completion prior to December 2022, if through the current engagement with the market a completion date of 1 December 2021 is deemed not reasonably feasible – on the understanding the Bleachers and current propping can be re-assessed and their use extended for a further season. 3. Approves an increase of the total project budget from \$1.79m to ██████ subject to a full re-assessment of costs by a quantity surveyor.

Purpose of Report

- 1 The purpose of this report is to update Council on the Caroline Bay Sound Shell Stadium Seating (“the Bleachers”) Replacement project and confirm the way forward.
- 2 I would like to acknowledge the advice and input provided by Nicole Timney (Manager of Property Services) and Paula Ryan (Property Projects Officer) into the writing of this report which has been produced through a collective effort.

Assessment of Significance

- 3 This project has medium significance under Council’s Significance and Engagement Policy:

- 3.1 This project affects all ratepayers to a degree and is of medium to high community interest.
 - 3.2 The financial impact on Council's overall resources and rating levels is low to medium.
 - 3.3 The project is consistent with the current Long Term Plan, with the exception of the potential funding required which is expected to increase.
 - 3.4 Council does not have legal obligations for engagement.
 - 3.5 Caroline Bay is a key recreational precinct for Timaru, with Caroline Bay also comprising sites of significance to Maori. While Council's parks facilities as a whole and recreation facilities as a whole, are considered a strategic asset of Council, the Bleachers facility itself is not a strategic asset.
- 4 Stakeholders include ratepayers and the general public, users of the facility, residents and businesses of surrounding area, Iwi and KiwiRail.
 - 5 The project was included in the Long Term Plan, which was consulted on. Council wanted to signal the project as a significant project in Year 4 (2021/22) of the LTP, and at that time contemplated further consultation on the exact nature of the project. The project was subsequently included in the Annual Plan for the current year (2020/21) which also went through a consultation process. An increase in the budget, if required, does not in itself give rise to an additional consultation requirement.

Discussion

- 6 The Bleachers are at the end of their life and in need of replacement.
- 7 Originally built by the Caroline Bay Association, the Bleachers facility was presented to the citizens of Timaru on 26 December 1957, and is now under the management of Timaru District Council.
- 8 The main use of the Bleachers tends to be in conjunction with event bookings for the Caroline Bay Soundshell, a facility that will also need upgrading in the coming years.
- 9 The greatest use of the facility is over the summer months:
 - 9.1 In Harmony, Christmas at the Bay Concert held in December each year;
 - 9.2 Caroline Bay Association Carnival – end December – mid January;
 - 9.3 Soundsplash – held in January (if returning);
 - 9.4 Caroline Bay Association – will sometimes hold a concert outside of its carnival period in late January/early February;
 - 9.5 Many other events such as the Rose Festival or the RSA ANZAC service may get large numbers and utilise the Soundshell but may not use the Bleachers to their full capacity;
 - 9.6 Occasionally other bands may book but this is infrequent;
 - 9.7 On average, there are two to three other large concerts or events each year;with casual and intermittent recreational use outside of this.
- 10 With the Soundshell (together with the Bleachers) mostly used for community good events, direct revenue to Council is marginal (\$1306 in 2019; \$356 in 2018; \$345 in 2017). This does not take into account the wider social and economic benefits flowing from events held or the potential to grow this.

- 11 The Caroline Bay Association uses the understory space of the Bleachers to store Carnival equipment and as a workshop.
- 12 The upgrade or replacement of the Bleachers, at a cost of \$1.79m, was provisionally included in Year 4 of the Long Term Plan (FY 2021/22), but with further scoping noted as being required. This provisional budget was based on an estimate provided by a quantity surveyor. As the design was at a very preliminary stage, it was noted as being approximate only. It didn't include Council's direct costs such as staff time.
- 13 The project is included in the current Annual Plan for 2020/21, brought forward from 2021/22.
- 14 Propping has been in place beneath the Bleachers since 2017 to address concerns with loading capacity and dynamic loads. On engineering advice, in 2019 and 2020 replacement and additional propping was installed, enabling the facility to continue to be used for events until 31 March 2021. In order for the facility to be used for events beyond this, the facility will need to be re-inspected and any adjustments that are required will be made.
- 15 Options that have been considered for the upgrade of the facility include the following (and a combination thereof):
 - 15.1 A lightweight concrete fill solution:
 - (1) Originally seen as a promising option that would provide an innovative and least invasive solution, able to be completed more quickly than a rebuild (the facility would literally be pumped full of lightweight concrete). However, this solution carried risk (as to whether it would be successful in this type of project, given the product and system is designed for a different use), with concern also over sustainability, and in the end not being of significant cost advantage over a rebuild.
 - 15.2 Permanent strengthening;
 - (1) Given the extensive nature of strengthening required, this was not considered feasible when compared to the alternatives being looked at.
 - 15.3 A "like-for-like" replacement, with options for the addition of a roof or shade structure, but excluding storage beneath.
 - (1) This is seen as the most suitable of the 3 options.
 - (2) However retaining underneath storage and workshop facilities (as currently exists) would add considerable cost and complexity and is therefore proposed to be excluded. This affects current tenants Caroline Bay Association (CBA) who store carnival equipment there, and have a workshop, who will need to relocate their storage and workshop – further consultation with CBA is required.
 - (3) The inclusion of a roof or shade structure is not achievable within the budget – instead it is recommended that any design accommodate the addition of a roof or shade structure in the future (or provide pricing on these options for Council to consider as part of this project).
 - (4) We also carried out some blue sky thinking internally – was a like-for-like facility the best approach and what other options might exist?

It was determined that in terms of capacity and location, the current seating capacity (1800) worked well for large events (and should we wish to grow the number of music concerts and festivals), and the current location was considered the optimal location

within Caroline Bay given its connection with the Soundshell, being set into the back boundary of the bay etc.

Options such as grassed terraces and grassed slopes were also considered. Grassed terraces were seen as problematic from a maintenance point of view. Grass slopes can work but have a maximum gradient and would likely not provide the same seating capacity as the current seating arrangement (although could work well in combination with smaller Bleachers).

A roof or shade sails were discussed as beneficial (also raised by some users) but impact on sight lines from The Bay Hill was also seen as a consideration.

Some mixed use spaces could be beneficial such as the incorporation of tables and picnic areas.

Temporary/portable grandstand seating (e.g. if Council wished to reduce the size of the permanent seating, and instead have a combination of permanent and temporary seating) was also discussed.

Making the seating accessible to those with disabilities was also considered important.

(5) Where appropriate, the above points have been incorporated in the tender documents.

16 As we have worked through the planning for the replacement, a number of issues have been identified. These issues make the project more difficult than first anticipated, and there is significant risk in terms of achieving successful completion of the project prior to next summer. For example:

16.1 Drainage work above the seating and a retaining wall of approximately 60m is likely required to prevent water ingress (a cause of the deterioration of the existing facility).

The natural clay bank and ground are often saturated. Seepage of water comes from the embankments behind and above the structure. One clay bank located above the existing seating structure provides a pedestrian linkage from The Bay Hill. This particular bank is loosely retained by a Blue Stone drywall, additional clay and water-run from here, enters the rear of the Stadium Seating. This creates further erosion to steep gradient banks. Insufficient drainage to the immediate and surrounding vicinity compounds clay substrate erosion, which impact the ground to which new foundations for a new build are to be constructed on. A civil solution for adequate drainage to the area above the Bleachers seating and retaining wall of approximately 60 meters is a requirement. Otherwise any new build will suffer a similar term of deterioration like the existing from water ingress.

16.2 Underground and electrical services relating to other areas and improvements within Caroline Bay are affected.

There is an extensive number of underground and electrical services within Caroline Bay that will be affected by the demolition and construction, due to the proximity to the existing structure. Within the project we need to ensure that Caroline Bay has fully operational underground and electrical services, including irrigation.

16.3 Resource consent is required – as 'demolition', 'grandstand' and 'storage' within Recreation 2 (Urban) zoning, are all discretionary activities under the District Plan requiring resource consent. Resource consent can be applied for as soon as we have a

concept design, and can take 3 months if non-notified (longer if limited notified or notified) – resource consent would likely be applied for following concept design and be able to be progressed while the design work continues and offsite fabrication of the structure occurs.

- 16.4 There is a potential need for archeological authority - an archaeological site is defined in the *Heritage New Zealand Pouhere Taonga Act 2014* as any place in New Zealand (including buildings, structures or shipwrecks) that was associated with pre-1900 human activity, where there is evidence relating to the history of New Zealand that can be investigated using archaeological methods.

Portions of the circa 1915 Piazza are still standing at the rear wall. Further investigation is required to ascertain the extent the original structure retains the vertical clay bank, all structural connections to the existing Stadium Seating and any consequences of demolition need defining for incorporation into the RFP.

- 16.5 Site access: Contractor access through to the site will likely need to be along Willow Walk off Port Loop Road, which is not a heavy traffic route. As the turning radius is insufficient, it will be a requirement for the removal of the traffic island at the Port Loop Road intersection with Willow Walk. This has been discussed with the Land Transport Unit. Also as a result of insufficient turning access, the formal entrance of fencing and shrubbery off Port Loop Road will also need to be removed, discussed with our Parks team.
- 16.6 The project will need to be undertaken in a way so as to ensure risk to existing retaining wall structures and railway line is mitigated.
- 16.7 Programming around other physical works at Caroline Bay is a requirement.
- 16.8 Other complexities and unknowns associated with developing a brownfields site exist.
- 16.9 Limited contractor availability.
- 16.10 Market indications suggesting additional construction cost budget will be required to complete the project. In addition some work not within the original scope is required.

Options

- 17 The matters for Council's consideration are scope, timing and budget (refer para 23-24).
- 18 Scope: Officers can continue with the planned procurement of a 'design and build' solution for the replacement of the Bleachers on a 'like-for-like' basis that:
- 18.1 provides similar seating capacity to the current design;
 - 18.2 excludes the requirement for underneath storage;
 - 18.3 provides the option of including a roof and/or shade structure in the future;
 - 18.4 is accessible by people with disabilities;
 - 18.5 addresses the items listed at paragraph 16.
- 19 Timing: The current intention has been to deliver a new facility no later than December 2021. We do need to advise that there is risk to our ability to achieve completion prior to December 2021, when the Bleachers are required for events such as Christmas at the Bay. An indicative programme is below which is notably challenging:

Public Excluded Council Meeting Agenda

9 February 2021

Indicative	2021										
	F	M	A	M	J	J	A	S	O	N	D
Procurement	■	■									
Design			■	■	■						
Demolition consent				■	■						
Demolition and civil works						■	■				
Resource consent				■	■	■	■				
Building consent						■	■				
Fabrication off site						■	■				
Construction								■	■	■	■

- 20 If:
 - 20.1 through the current engagement with the market a completion date of 1 December 2021 is deemed not reasonably feasible; and
 - 20.2 options for fast-tracking cannot be found (such as awarding the work in packages (such as a drainage and retaining wall package, demolition package, design package, and construction package), noting however it's preferable to have a single contractor with overall responsibility); or
 - 20.3 Council otherwise determines to do so;
 it is recommended that Council instead approves the deferral of demolition and construction until April 2022 for completion prior to December 2022. This would be on the understanding that the Bleachers and current propping can be re-assessed and its use extended for a further season.
- 21 Completing our planning, consultation and procurement now for a demolition and construction programme commencing April 2021 is the low risk alternative, with measures able to be put in place to ensure the Bleachers are useable for another season. This would enable Council to re-engage with the community on the project through the Long Term Plan 2021-31 consultation process should it consider further consultation is required.
- 22 Other options Council may wish to explore to keep the project within the timeframe and budget available is building a smaller facility, or staging the work (officers would need to do further work on this).

Funding

- 23 The current budget of \$1.79m is unlikely to be adequate to complete the project. Market indications are that the construction cost will exceed that originally contemplated, and works that have now been identified as being required were not within the original scope.

- 24 An increase in the budget to [REDACTED] is indicated, subject to review by a quantity surveyor. Please note this excludes provision for storage and a workshop beneath the bleachers, a roof or other shade structure.
- 25 This is to be predominantly loan funded, repaid over time, with an interest and depreciation cost impact on rates. The Long Term Plan anticipated the use of depreciation reserves of approximately \$700,000 for the project which can still be considered.

Attachments

Nil

Public Excluded