

# Thames Skate Park

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<b>TO</b>	Thames Community Board
<b>FROM</b>	Simon Stephens - Programme Manager
<b>DATE</b>	10 November 2015
<b>SUBJECT</b>	<b>Thames Skate Park</b>

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## 1 Purpose of Report

To provide an update on the Thames Skate Park project in relation to fundraising and seek Thames Community Board direction in relation to funding matters.

## 2 Background

The Thames Skate Park has encountered a number of issues associated with delivery, predominantly due to the initial planning phase of the project where a) site related issues and b) costs were underestimated for the concept presented.

At the Board's April, 2015 meeting the following resolutions were passed.

That the Thames Community Board:

1. Receives the report.
2. Confirms Option Two - Skate park located at the north end as the Boards preferred option for location of the skate park.
3. Confirms a \$50,000 increase to the original \$80,000 capital contribution to the project subject to:
  - Additional \$50,000 community and /or corporate contribution to the project.
  - Public grants being confirmed at \$100,000.
  - Expression of interest process confirms a deliverable skate park within the amended budget.

**Moved/Seconded By:** Goudie/Connors

This report deals with the status of fundraising which I now believe is nearing its limit with only some minor funds expected to be raised after the date of this report.

## 3 Issue

The results of fundraising have not hit the expectation set during the April meeting and it has become obvious that we will not reach these expectations.

The total budget set during the Long Term Plan process was \$329,716 broken down as follows:

- |                          |           |
|--------------------------|-----------|
| • Thames Community Board | \$104,716 |
| • Public Grants          | \$100,000 |
| • Community Pledges      | \$125,000 |

Funding as it currently stands is \$239,716 broken down as follows:

- |                          |           |
|--------------------------|-----------|
| • Thames Community Board | \$104,716 |
| • Public Grants          | \$60,000  |
| • Community Pledges      | \$75,000  |

This gives a total of \$239,716 which is \$90,000 short of the Long Term Plan budget and reflects in full the shortfall in external funding.

On the positive side this external funding is confirmed and the community pledges, in this case, relate to a confirmed sponsorship agreement that gives confidence that funds will be received as long as the project is delivered by 31 December 2016 (the contracted drop dead date). This now provides a firm external funding contribution within the given timeframe.

I would note there is a likelihood of minor increases in the community funding outside of the Active Thames 2018 funding activity. Staff are aware of at least \$6,000 that has not yet been committed due to the community perception that this project will not proceed. Staff understand these pledges will be made following the initiation of works on the site. The reason these funds have not been included in the budget is that to progress this project staff now need a committed budget and would look to reduce the Thames Community Board local contribution through any further external funding achieved.

It is also intended that we will be asking the Thames Youth Group and stakeholders to work on fundraising following the tender process when the project regains some credibility.

#### **4 Discussion**

This report seeks to confirm whether the Board proceed based on one of the following options:

- 1) To reduce the scope of the skate park and meet design, construction, consenting and site preparation from the funds currently available of \$239,716 which would result in a design and construction budget of only \$196,716. This approach is not supported as based on previous estimating this is likely to result in a compromised park;
- 2) Delay tendering and continue fundraising - This approach is not supported by staff as we have already committed timetables relating to existing funding (Sponsorship 31 December 2016, Lions 31 December 2016 and NZCT 30 June 2016 - subject to next audit assessment)
- 3) Proceed based on the existing LTP budget (\$329,716) with the Thames Community Board picking up the \$90,000 shortfall in external funding. This approach is not supported by staff due to the size of the increase in the Board contribution.
- 4) To combine option one and three by reducing the budget but increasing the Thames Community Board contribution to ensure there is sufficient budget to deliver a quality and fit for purpose Skate Park. Staff recommend reducing the LTP budget to \$308,000 which reflects a local TCB contribution to the project of \$173,000.

The proposed procurement approach is to tender for a Fixed Price Lump Sum design and build contract therefore no quotes or cost estimates are available at this time. It is intended this approach will result in the concept being tailored to fit the available budget. The breakdown below sets out how the proposed budget of \$308,000 will be used based on the proposed procurement strategy:

• Resource Consent	\$15,000
• Demolition of Wakatere	\$15,000
• Contingency	\$3,000
• Spend for the year to date	\$1,407
• Project Management	\$8,593
• Construction	\$265,000
• <b>Total</b>	<b>\$308,000</b>

This approach has been made as further reduction of the design and construction budget is expected to have a material impact on the scale and quality of the end product.

On this basis staff recommend Option 4 be adopted, in the interest of delivering a quality and fit for purpose skate park, with the Board increasing the local contribution to \$173,000 (+\$68,284).

This option results in the total TCDC contribution being 61% of the total project costs including all spend to date (both operational and capital expenditure). External funding therefore accounts for 39% of this total spend.

The project programme will now be driven by the success of the tender process and availability of the successful tenderer. An amended project programme will be tabled at the meeting.

This programme also reflects a minor change in the intended procurement phase with the change to a Request for Tender (RFT) process to replace the initial plan to seek Expressions of Interest (EOI) in the interest of accelerating delivery to meet external funding requirements.

## **5 Suggested Resolution(s)**

That the Thames Community Board:

1. Receives the Thames Skate Park report.
2. Confirms a local commitment of \$173,000 (plus \$68,284 on the Thames Community Board contribution included in the Long Term Plan budget) toward the capital costs of the skate park removing the conditions:
  - a) Additional \$50,000 community and /or corporate contribution to the project.
  - b) Public grants being confirmed at \$100,000.
 as established at the April 2015 meeting.

## **References-Tabled/Agenda Attachments**

***Attachment A - Amended Project Programme - to be tabled***