

## Convention Centre Project – Next Steps

### Frequently Asked Questions

**Q:** It is proposed that Council “lead the development of a convention centre” – what does that mean?

**A:** It would mean that QLDC would continue to take the lead in planning for a convention centre as a significant community asset for our district. It does not commit the Council to making a financial contribution or increasing rates to pay for it, nor does it guarantee that the project will go ahead as currently proposed. There are also several pre-conditions which would have to be met:

1. The Government has to confirm it will make a capital contribution to the cost of building the convention centre
2. The Council has to approve a master plan for the whole proposed development
3. The Council has to develop and approve a model to meet the cost of the Council’s share of the project
4. The Council has to approve a project development agreement for the Lakeview site.

**Q:** How could the Council make such a significant decision so close to the end of its term in office?

**A:** The current Council has been intimately involved with the development of the project and it therefore it is logical for them to make a decision on its next stage. This decision will allow for further investigation and analysis of costs and other issues, but does not constitute an irreversible decision. The incoming Council can review or reconsider any decision, and the resolution does not prevent this occurring.

**Q:** What’s the hurry?

**A:** The Government has informally committed to providing a substantial financial contribution to the project which may not remain on offer past next year. Queenstown also has to consider the proposed developments in Auckland and Christchurch. Accordingly, the sooner there is certainty about the project, the sooner Queenstown can market itself as a destination to conference organisers and can have confirmation of the Government contribution.

Remember too that this is not a new project. Discussion and investigations about the value and feasibility of a convention centre in Queenstown have been going on since the Convention Centre Group was established in August 2011 and the debate has been had in the community for some twenty years.

**Q:** How much community support is there for QLDC to be involved in convention centre?

**A:** The Council went through an extensive formal statutory consultation process in July and August to find out whether the community supported the proposal for QLDC to lead the project and develop a convention centre on the Lakeview site. We received 748 submissions. Almost 55% supported or strongly supported the proposal that QLDC should lead the development of a convention centre for Queenstown, and 31% opposed or strongly opposed it. We also commissioned an independent survey of 400 residents, which showed 48% supported or strongly supported the proposal and 29% opposed or strongly opposed it. The rest were neutral.

Together with the economic impact report and the scoping studies on construction, this level of support can give the Council confidence that QLDC is right to continue leading the development, provided the critical conditions we listed above are met.

**Q:** Isn't there still uncertainty about the supposed economic benefits of the whole proposal?

**A:** Economic forecasts are best estimates based on the best available information and with assumptions that endeavour to be realistic and achievable. While the exact scale of benefit is not certain, there is general consensus amongst economists that convention centres do deliver economic benefits to their community.

**Q:** Why does QLDC have to be involved at all? If this is such a good idea, won't the private sector build and run the convention centre?

**A:** If we are to have a convention centre in Queenstown, QLDC has to be involved. This is because:

1. The return on capital invested in development and construction is not high enough to make it attractive to the private sector alone.
2. The convention centre effectively would be a community asset that would create jobs, attract more visitors and increase economic activity in our District.
3. QLDC owns the Lakeview site which is the preferred location for the convention centre.

**Q:** Does this mean QLDC would run the convention centre as well?

**A:** No. The Council will not manage or operate the convention centre, or any other commercial facilities that could be part of the development.

**Q:** There's disagreement about how big a convention centre should be. Why are you basing your decision on 750-800 people?

**A:** We are not aiming to compete against the new Auckland and Christchurch convention centres, which will cater for much larger events. The proposed size of the Queenstown

facility is based on constraints such as the airport's capacity; accommodation capacity and the fact that a larger facility would also cost more to construct. However, the master plan for the development would also need to be "future-proofed" by ensuring that expansion could take place in the future if there was sufficient demand.

**Q:** Will rates be increased to fund a Council contribution to the convention centre?

**A:** It is wrong to assume that rates will automatically have to increase if the Council commits to the proposed \$39 million of the estimated \$54 million construction cost. The Council will carefully consider the funding options as part of the overall affordability of its annual budget, and will look to make savings in other programmes to offset the cost of any contribution to building the convention centre. If the Council decides to proceed further, one of the next steps is to carry out a rating impact analysis.

**Q:** Does this mean we will have a casino as part of the convention centre development?

**A:** No. There was comparatively little support shown for this in the Council's consultation. It hasn't been completely ruled out, but is not part of the current proposal.

**Q:** Is QLDC still looking at other sites?

**A:** Not at the moment. Lakeview is the preferred site but there no final decision has been made on location.

**Q:** What about the people living in the cabins on the Lakeview site?

**A:** Regardless of whether or not a convention centre goes ahead, all cabins on the Lakeview site (both publicly and privately owned) have to be vacated and removed by 30 September 2015. The financial return from the cabins means they are not a sustainable use on a site with significant development potential.

**Q:** So what happens now?

**A:** If the Council accepts the recommendation on 17 September 2013, QLDC staff will:

1. Provide an options master plan for the Lakeview site by 30 November 2013.
2. Carry out a rating impact analysis for funding capital or operating contributions to the convention centre, including rating options
3. Report back to the Council by 31 October on three critical aspects of the proposal:
  - a. Resource consent options and issues for the Lakeview site
  - b. Possible transport implications for the development of the Lakeview site
  - c. Off-site infrastructure issues that may arise from the development and construction of a convention centre, that QLDC will have to take into account.