

Summary of Proposal to Upgrade Swimming Facilities for the Wanaka Ward

Introduction

The Proposal

The Queenstown Lakes District Council is proposing to build an eight lane lap pool and a learners pool costing \$11.8 million at Three Parks, as part of Stage One of the Wanaka Sports Facility.

The proposal is the result of several months of investigations, following earlier consultation with the community about what sporting facilities are required, where they should be located, and how quickly they should be developed.

This document summarises the proposal and the alternatives. Before making a decision, Council is consulting the Wanaka Ward, which would be paying for any new swimming facilities, on the following matters:

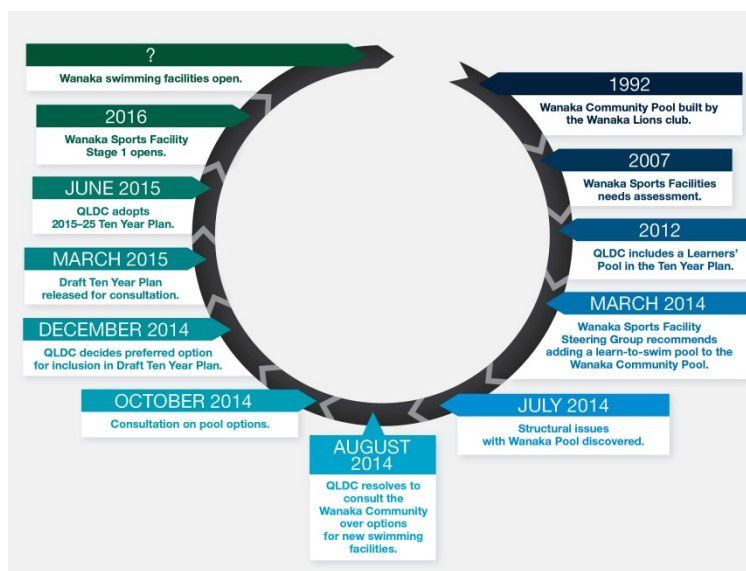
1. Whether upgrades should be done now or at some later date;
2. What the scale of any upgrades should be;
3. Where swimming facilities should be located; and
4. What the costs of each upgrade would be.

Background

The Wanaka Community Pool was built in 1992 by the Wanaka Lions Club and run by a committee until 2009. In April 2009 management of the pool was transferred to Lakes Leisure Ltd. QLDC took ownership of the pool when the functions of Lakes Leisure were transferred back into Council in 2013.

Pool use has increased steadily from 24,682 visits in 2009-10 to 55,037 visits last year. Three swim schools are based at the pool; the Wanaka Swim club is based there with 80 swimmers and a contingent of athletes train at the pool daily. Private operators also use the pool for scuba and dive training and kayak rolling.

The results of our annual resident and ratepayer survey show that 53% of the Wanaka community use the pool at least a few times a year.



The Process

New swimming facilities for Wanaka have been on the radar since at least 2007 when the Council conducted a needs assessment of all sporting facilities for the Wanaka Ward.

The diagram shows what's happened so far, and what the next steps will be.

Why now?

QLDC budgeted \$300,000 in the 2012-22 Ten Year Plan to add a learners pool at the existing site at Plantation Road (beside Mt Aspiring College). As the project was developed, it became clear that this level of investment would be insufficient. Earlier this year, as part of the planning for stage one of the Wanaka Sports Facility, it was recommended that a learners pool be built in an extension to the Wanaka Community Pool. The cost of this addition was estimated to be \$2.1 million.

In July, as part of finalising the work required at the existing pool site, an engineering assessment uncovered structural issues with the building. It was closed for urgent strengthening and although it has reopened, the building only has a life of approximately two years without additional engineering work.

In considering whether new facilities are needed, QLDC has taken account of the National Aquatic Strategy prepared by Sport New Zealand in 2013. The strategy was intended to provide guidance on where facilities are located across the country; what sort of facilities are likely to be needed, and where, in the next 10-20 years.

The strategy identified that the Otago region would not need more pool space until around 2030 and that the existing pool met the benchmark provision for the local population. Nonetheless, parts of the Wanaka community have repeatedly expressed a desire through several consultations for new and improved swimming facilities.

What are the options?

There are several possibilities for providing new facilities, all of which would cause an increase in rates for ratepayers within the Wanaka Ward. The Council is putting forward one proposal for consideration, but has made no decisions. Because of the number of options and the financial impact that any upgrades will have on rates, the Council is seeking community comment on the following questions:

1. Should the existing facilities be upgraded now (with construction to begin in the 2015/16 financial year), or at some later date (2021/22 financial year)?
2. Should the lap pool be six or eight lanes wide?
3. Where should any new facilities be located:
 - a. At the existing Plantation Rd site; or
 - b. At the site of the new Wanaka Sports Facility at Three Parks; or
 - c. At the site of the Northlake development?
4. How much of the cost of any upgrades should be met by the community through rates; how much should be met by direct charges on the users of the swimming facilities; and what level of rates increase – if any – is acceptable?

Depending on the outcome of community consultation, QLDC intends to allocate funding for the new swimming facilities in the 2015-25 Ten Year Plan.

The “Do Nothing” Option:

Given the substantial costs (both construction and ongoing operating and maintenance) associated with all of the options to upgrade facilities, one of the choices the Council must consider is to do nothing. The “do nothing” option still comes at a cost, but would mean that the existing pool at Plantation Road would remain essentially as it is now and there would be no learners pool.



If the community accepts there would be no learners pool, the life of the existing pool building could be extended to five years or more with additional structural improvements. Additional strengthening would cost an estimated \$250,000 to extend the life of the building and another \$120,000 to upgrade the plant beyond 2021.

All of the other options provide the choice to construct new facilities in 2015-16 or 2021-22.

Issue One – Upgrade now or later?

The Proposal

The Council proposes to begin the upgrade in the 2015-16 financial year so that the construction ties in with building the Wanaka Sports Facility.

The main benefit in deferring construction would be to spread the financial impact on Wanaka ratepayers, given that Stage 1 of the Wanaka Sports Facility is already confirmed to begin next year. That will see the construction of two courts and fixed seating, changing rooms, lobby, storage and outdoor artificial courts at Three Parks. The cost will be approximately \$13.4 million and result in a 2.04% increase in rates from 2015/16.

Upgrading the swimming facilities will cost approximately an additional \$11.8 million depending on location and scale, which will add approximately \$208.43 pa to rates, or an additional 8.99% when combined with the construction of the Wanaka Sports Facility. (Details on costs are in *Issue Four* below.)

Option	Advantages	Disadvantages
1. New pool open in 2016	<ul style="list-style-type: none">Improved swimming facilities including a learners pool available more quicklyIf Thee Parks is chosen as the preferred site, there will be savings through construction the pools and sports facility together	<ul style="list-style-type: none">Immediate increase in rates for the Wanaka wardIf the existing site at Plantation Road is chosen for the new pool, the building will have to be completely demolished so there will be no community swimming facilities in Wanaka for several months.
2. New pool open in 2021 (or later)	<ul style="list-style-type: none">Defers the increase in rates for the Wanaka Ward until new facilities are developed	<ul style="list-style-type: none">No learners pool until upgrade is undertakenSwimming facilities remain at current standard

		<ul style="list-style-type: none"> Interim costs of approximately \$50,000 to strengthen and maintain the existing pool and plant until 2021 or \$370,000 until at least 2025.
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Issue Two – Which Location?

The Proposal

The Council proposes to build new swimming facilities at Three Parks, so that it becomes part of Stage One of the Wanaka Sports Facility.

There are three practical options for upgraded swimming facilities:

- Plantation Road: The site of the existing pool, but with upgraded facilities
- Three Parks: Adjoining the new Wanaka Sports Facility
- Northlake: The site of Northlake development where a new pool is already proposed

Three Parks is the Council's preferred site for new swimming facilities because of the benefits of co-locating the pools with the Wanaka Sports Facility. The Council owns the land; it is serviced by the necessary infrastructure; there is ample parking and there are cost savings from building and operating the two facilities together. However, it will cost more than the Northlake option due to the Northlake developer's willingness to either make a \$2 million contribution to the construction cost of to incur the cost of construction entirely and lease the facility back to the Council over a 25 year period.



Option	Advantages	Disadvantages
1. Plantation Road	<ul style="list-style-type: none"> • Close to existing schools 	<ul style="list-style-type: none"> • The existing pool building must be completely demolished, so there would be no public pool in Wanaka for several months. • Potentially more expensive to build as a standalone facility • Higher operating costs compared with a co-located facility • Limited carparking • No scope for future expansion on this site
2. Three Parks	<ul style="list-style-type: none"> • Savings in building the pools alongside the Wanaka Sports Facility • Ongoing operating costs are lower because the foyer and offices would be shared • The Council already owns the land • More convenient for users from Hawea, Albert Town and residents of the new subdivision 	<ul style="list-style-type: none"> • Distance from the Wanaka town centre and schools, and for some residents.
3. Northlake	<ul style="list-style-type: none"> • Northlake developers will make a cash and land contribution to the overall cost of the facility. • Northlake will build the facility in place of their existing commitment to provide a lap pool and toddler pool as part of their planning consent conditions, and lease it back to the Council for 25 years, after which the Council will assume ownership of the pool for \$1. • Design standards for Northlake will require a higher standard of building for the pool 	<ul style="list-style-type: none"> • An appeal against the consent for the Northlake development has been lodged with the Environment Court. This will delay the development for an unknown period, which may also delay the pool development. • The Council would have to pay both least costs and capital renewals to maintain operating standards. • Distance from the Wanaka town centre and existing schools for some residents.

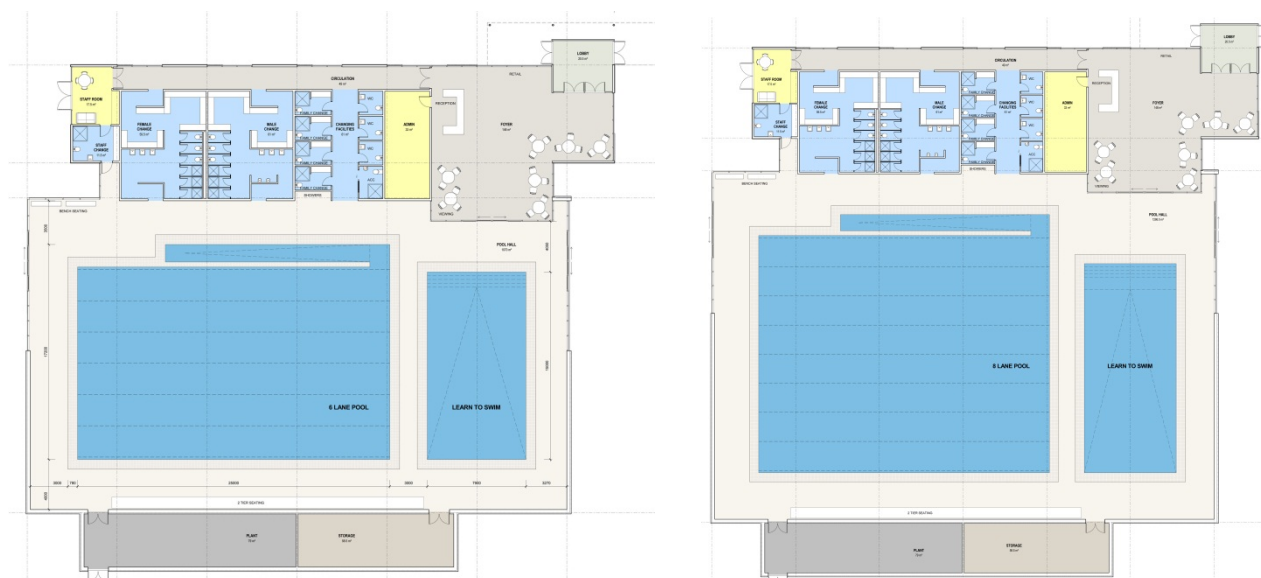
Issue Three – How big should the pool be?

The Proposal

The Council proposes building an eight lane lap pool

The existing lap pool at Plantation Road is a 25m, six-lane pool. The options are:

- 25m, six lanes
- 25m, eight lanes



Industry practice requires the lane width to be 2.5m. An additional two lanes adds a further 214m² to the floor of any pool building. That means that each extra lane adds approximately \$1 million to the cost of a lap pool.

	Advantages	Disadvantages
Six Lanes	<ul style="list-style-type: none">• Least construction cost• Lower ongoing operating costs because of smaller scale; ie for heating and filtration	<ul style="list-style-type: none">• Less capacity to meet future growth in demand
Eight Lanes	<ul style="list-style-type: none">• Ability to provide for a range of aquatic uses with space available for recreation as well as casual fitness.• Ability to hold regional short course events• Caters for long-term population growth	<ul style="list-style-type: none">• Higher construction costs, however additional lanes are expensive and difficult to retrofit• Greater plant requirements leading to higher ongoing operating costs

Issue Four – What are the costs of each option?

The Proposal

The option the Council proposes is for an eight lane pool to be built at Three Parks (option 1A in the table below).

The variable factors outlined above will all influence the total cost of new swimming facilities.

The range is from \$10.6 million to \$12.72 million.

	Option 1 - 3 Parks (6 Lane)	Option 1A - 3 Parks (8 Lane)	Option 2 - Northlake (6 Lane)	Option 2A - Northlake (8 Lane)	Option 3 - Plantation Road (6 Lane)	Option 3A - Plantation Road (8 Lane)	Option 2L - Lease Northlake (6 Lane)	Option 2AL - Lease Northlake (8 Lane)	Option SQ - Upgrade existing
Capital Cost	10,600,000	11,800,000	11,170,000	12,440,000	11,550,000	12,720,000			
Debt Required	8,010,000	9,030,000	6,494,500	7,574,000	8,817,500	9,812,000			
Operating Revenue	364,754	364,754	266,232	266,232	266,232	266,232	266,232	266,232	0
Operating Expenses	845,500	899,750	970,300	1,024,550	970,300	1,024,550	970,300	1,024,550	0
Annual Operating Deficit (including Interest & funded Depreciation)	-1,195,163	-1,338,515	-1,315,512	-1,464,061	-1,489,025	-1,630,149	-1,461,213	-1,607,538	-50,271
Rates Impact %	7.94%	8.89%	8.73%	9.72%	9.89%	10.82%	9.70%	10.67%	0.13%
Rates Impact \$	\$187.00	\$209.43	\$205.83	\$229.07	\$232.98	\$255.06	\$228.63	\$251.52	\$3.06

These figures are estimates, based on the following assumptions:

- *The revenue for the Plantation Road options is based on the existing Wanaka Community Pool usage + 10%*
- *The revenue for the Three Parks options is based on the existing Wanaka Community Pool usage + 50%. This is based on experience in other places where co-located pools attract greater visitation overall.*
- *The revenue for all options is based on higher admission charges - \$8 per adult and \$3 per child.*
- *The net swim school revenue is the same for all options*
- *The revenue expected from vending and retail at Plantation Road and Northlake is half of that expected at Three Parks*
- *The Northlake options are based on capped cost and include additional one-off cash contributions of \$194,000 for a six lane pool and \$1,464,000 for an eight lane pool. This is the difference between the total of construction + land + financing costs and the capped cost.*
- *The Three Parks option has lower operating costs due to the benefits of being co-located with the sports facility)*
- *The interest rate on the loan to construct the pool is 6%pa*
- *The term of the loan is 30 years*
- *Depreciation on the plant will be funded at 1.25% of capital expenditure. This would also apply to the Northlake option as QLDC would be funding renewals*

The cost estimates for the development of new pool facilities for Wanaka are based on a traditional build approach, which has been adopted for the Wanaka Sports Facility.

Under this model, the Council retains the most control over the quality of the finished product, as a team is contracted directly to design its requirements, followed by competitive tendering. This is generally the preferred method for complex build with higher level of service requirements.

The other option is a design build, where the contractor and designer work together. This is usual where technology is proven; the scope, requirements and risks are all clearly defined so costs are minimised in developing designs. To manage risk, often a specimen design is developed to “test” the design build proposals. However, the more the design is developed to confirm specifications and increase control over the final product, the more the project will lean towards a traditional build. During design and construction there is often pressure from the contractor to reduce costs and maximise returns and under this model, the Council would have less control over the quality of the finished product.

A design build process would have the potential to reduce costs, however there are risks associated with the lower degree of control over the outcome. Nonetheless, with tight design specifications these risks could be adequately managed.

If as a result of this consultation the Council decides to proceed with new swimming facilities, the next step will be to consider design and procurement options for delivering the project. This will be the time to evaluate the “Apollo” proposal along with other options. Whatever option is chosen, it will need to deliver a facility and water treatment system that meet NZ Standards.

Additional information

If you would like more detail, please refer to the full Statement of Proposal, which is online at www.qldc.govt.nz

Questions

- 1) I prefer the status quo (ie the existing pool at Plantation Road stays open, with no learners pool, for five years):
 - a) Yes [because _____]
 - b) No
- 2) I prefer that a new swimming facility is built in:
 - a) the 2015/16 financial year, and open by the end of 2016
 - b) the 2020/21 financial year, and open in late 2021
- 3) Knowing that Wanaka rates are already increasing by approximately \$47.97 per property to fund the Wanaka Sports Facility, I am willing to pay:
 - a) \$187 extra a year in rates for a six lane lap pool and learners pool at Three Parks
 - b) \$209 extra a year in rates for an eight lane lap pool and learners pool at Three Parks
 - c) \$233 extra a year in rates for a six lane lap pool and learners pool at Plantation Road
 - d) \$255 extra a year in rates for an eight lane lap pool and learners pool at Plantation Road
 - e) \$206 extra a year in rates for a six lane lap pool and learners pool at Northlake
 - f) \$229 extra a year in rates for an eight lane lap pool and learners pool at Plantation Road
 - g) I am not willing to pay more rates for a new pool and learners pool.
- 4) I understand that user charges will increase to help offset the cost of developing and operating new pools. I agree with the proposed new charges of \$8 per adult and \$3 per child:
 - a) Yes
 - b) No
- 5) Is there anything else about swimming facilities in Wanaka that you would like the Council to consider?
 - a) Yes (_____)
 - b) No
- 6) Do you wish to present your submission to the Council in person at hearings on 8-9 October?
 - a) Yes
 - b) No

Your details: *Please note that all submissions are made public, including the name of the person making the submission, but not your personal contact details.*

Name: _____

Email address: _____

Daytime contact number (required if you wish to speak to your submission) _____

- Are you:
- a) A Wanaka Ward resident
(If Yes then: do you also own property in the Wanaka Ward? Y/N)
 - b) A Wanaka Ward ratepayer living elsewhere