



# Feasibility of a sub-regional stadium in Western Bay of Plenty (Tauranga)

## (DC 402)

**Economic Development and Investment Committee**

**Date of meeting:** 18/12/2018

**Objective ID:** A9543428

### Executive summary

<b>Recommendation</b>	That the Economic Development and Investment Committee:  (a) Endorse the approach to partner with key regional stakeholders and assess the feasibility of a Western Bay of Plenty (WBOP) sub-regional multi-purpose stadium (Tauranga) as outlined within this report
<b>Summary of issue</b>	For a number of years, the potential for a sub-regional, multi-purpose stadium in WBOP has been investigated to varying degrees and has focused primarily on questions of cost and specific locations. Investigations have not addressed whether there is a requirement or need for a stadium in the WBOP.  In January 2018 a 'stadium establishment group' was formed with the objective of taking a staged, evidence-based, and partnered approach to explore the potential for a stadium, and to develop wider community involvement.  More recently the 'stadium establishment group' has been working with Sport NZ. Sport NZ provide expertise and experience in relation to facilities and events for New Zealand's national and international sports systems. Sport NZ supports the approach undertaken by the group and has provided advice and guidance on how to advance this assessment further.  This report seeks endorsement to proceed with the recommended next steps in order to form a partnership with the proposed key regional stakeholders with the objective of obtaining a body of evidence that analyses the need for and, in turn, feasibility of a facility in the WBOP, from which Council, stakeholders and the wider community can make informed decisions.
<b>Broader benefit/impact</b>	The completion of the first two phases of the work outlined within this report will provide Council and the community with the means to assess future proposals for a stadium within the WBOP in a more robust and systematic manner.
<b>Strategic context</b>	The establishment of a multi-purpose stadium in the WBOP could foster social and community connection and inject vibrancy into the city. In order to be a commercial success, any such development

	must be based upon the requirement or the need for such a facility. This assessment work will provide Council with the context from which further considerations can be made.
<b>Next steps</b>	<p>Council and the intended co-funding parties identified below will work as a partnership with Priority One as the co-ordinating agency to undertake Phase One (needs assessment) and, should it be found appropriate, Phase Two (feasibility study) by formalising a project governance group and a project working group.</p> <p>Progress information will be provided to the Economic Development and Investment Committee.</p>

## Discussion

### Background

1. For a number of years the potential for the development of a stadium in the WBOP has been investigated by various parties and stakeholders to varying degrees. These external interests and investigations have broadly culminated in high level concept papers including associated development costs and potential locations within the city.
2. Whilst this work occurred on the basis of the desire, or perception of desire, for a stadium within the WBOP, it has not addressed or assessed the overarching need or requirement for, what could become a local and sub-regional multi-purpose stadium.
3. The risk of any or multiple parties seeking to progress with a development without a detailed assessment of whether the need exists and/or is supported by the community it is intended to serve could result in a venue that is inappropriate, become a financial burden, or underutilised and unsupported by the community.
4. In January 2018, the Tauranga City Council's (TCC) Chief Executive supported the formation of a stadium establishment group with the objective of taking a robust and analytical approach to the potential for a stadium in the WBOP, and gaining wider community involvement.
5. This group has worked collaboratively to understand how stadia and venues in other cities in New Zealand have been developed in terms of the initial requirement and need, and how this was assessed and approached. In addition, an economic benefit study of the impact of a stadium in Tauranga has been commissioned from the University of Waikato. The final version of this is expected in early 2019.

### Current status

6. This work has more recently been reviewed by the Community Sport – Spaces and Places Lead for Sport New Zealand (Sport NZ). Sport NZ provides subject matter expertise and experience in relation to facilities and events for New Zealand's national and international sport systems and has developed national strategies for both. The role of the Community Sport – Spaces and Places Team is to support and enable better decision making by providing its time and advice. Investment contributions are also made into assessment and feasibility phases for projects of national or regional significance.
7. Sport NZ proposes a modification to the approach undertaken since January 2018 and has provided advice and guidance on how to advance this project further.

## Process

8. The recommended approach and project process to assess the feasibility of a stadium in the WBOP consists of five phases. The process is also outlined at **Attachment A**. The formalisation of a project governance group and a project working group will be required to undertake the project. This formalisation will strengthen the intended partnership between key regional stakeholders to undertake this work.

### Phase One - Needs Assessment

9. The needs assessment is the critical first step in the venue proposal planning process. Whilst the Bay of Plenty Regional Spaces and Places Strategy (2016) indicated that the overall stadia provision in Tauranga is sub-optimal, there is limited evidence that demonstrates the need for a stadium.
10. This step will review existing provision and, importantly, determine the need. A decision to proceed will be based upon the existence and extent of the need, and whether the need should be addressed by a new venue.

### Phase Two – Feasibility Study

11. The second step, on the basis that a need has been established, will be to produce a feasibility study which will examine the viability of the proposal so that a decision can be informed by objective analysis. This will eventuate in a decision to take forward, amend, refine or abandon a proposal to develop a stadium.
12. At that point, it is envisaged that a decision by Council and any other key stakeholders would be required to progress any further with the proposal.

## Funding

13. It is estimated that the approximate total cost for Phase One and Phase Two will be \$85,000. Given the regional and sub-regional nature of this opportunity, the project working group aims to formalise a proposed partnership approach which will involve key local and regional stakeholders and seek their endorsement and funding support to this approach. At this stage the proposed key regional stakeholders that would form the partnership along with potential levels of funding support is envisaged as follows:

Stakeholder	Funding
Sport NZ	\$40,000
Tauranga City Council	\$20,000
Western Bay of Plenty District Council	\$5,000
Bay of Plenty Regional Council	\$5,000
Priority One	\$5,000
Community contribution	\$10,000
<b>Total</b>	<b>\$85,000</b>

14. Whilst initial key regional stakeholders have been identified as above, this does not preclude the possibility of this partnership to identify and include other partners such as Tangata Whenua as the proposed work is undertaken.
15. The existing 2018/19 Economic Development budget will be used to support this initiative as Council's contribution, on the basis that other parties co-invest and form the partnership. Any further Council contribution, beyond phases 1 and 2 would be brought back to Council for consideration.

## Options

### Option 1: Endorse the recommended approach to assess the feasibility of a stadium in the WBOP

16. This option would approve the recommended project process. It will allow the formalisation the partnership and consist of a project working group and a project governance group. The funding will be sought and confirmed from the identified parties, with the two groups then governing and managing the work identified as Phase One and Phase Two.

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>A robust, evidence based approach is undertaken to ascertain whether a stadium is viable in the WBOP</li> </ul>	<ul style="list-style-type: none"> <li>Expenditure</li> </ul>

Budget – Capex: N/A

Budget – Opex: \$20,000 within existing economic development budget for 2018/19

Key risks: None

Recommended? Yes

### Option 2: Maintain the status quo

17. This option would not endorse the approach outlined within this report and would not advance a robust assessment of the feasibility of a stadium in the WBOP.

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>No expenditure</li> </ul>	<ul style="list-style-type: none"> <li>Council is unable to take a holistic and evidence based view regarding this subject matter and would be unable to critically assess any private proposal for a stadium within the WBOP (should it arise).</li> </ul>

Budget – Capex: N/A

Budget – Opex: N/A

Key risks:

There is a risk that by not adopting the recommended approach and process whilst there is interest and expertise available, Council would not exploit the opportunity for the partnership to obtain a base of evidence from which any future proposal for a stadium in the WBOP could be considered. Considering a proposal without this could result in a stadium that is inappropriate, underutilised or unsupported by community, and becomes a financial burden.

Recommended? No

## Significance and engagement

18. Under the [Significance and Engagement Policy 2014](#), the undertaking of the assessment of need and the feasibility study is of low significance. Should a proposal or further work materialise following these first two phases, it is likely to have high significance.

## Appendices

No.	Title
A	Stadium proposal and process flow Objective ID: A9543427

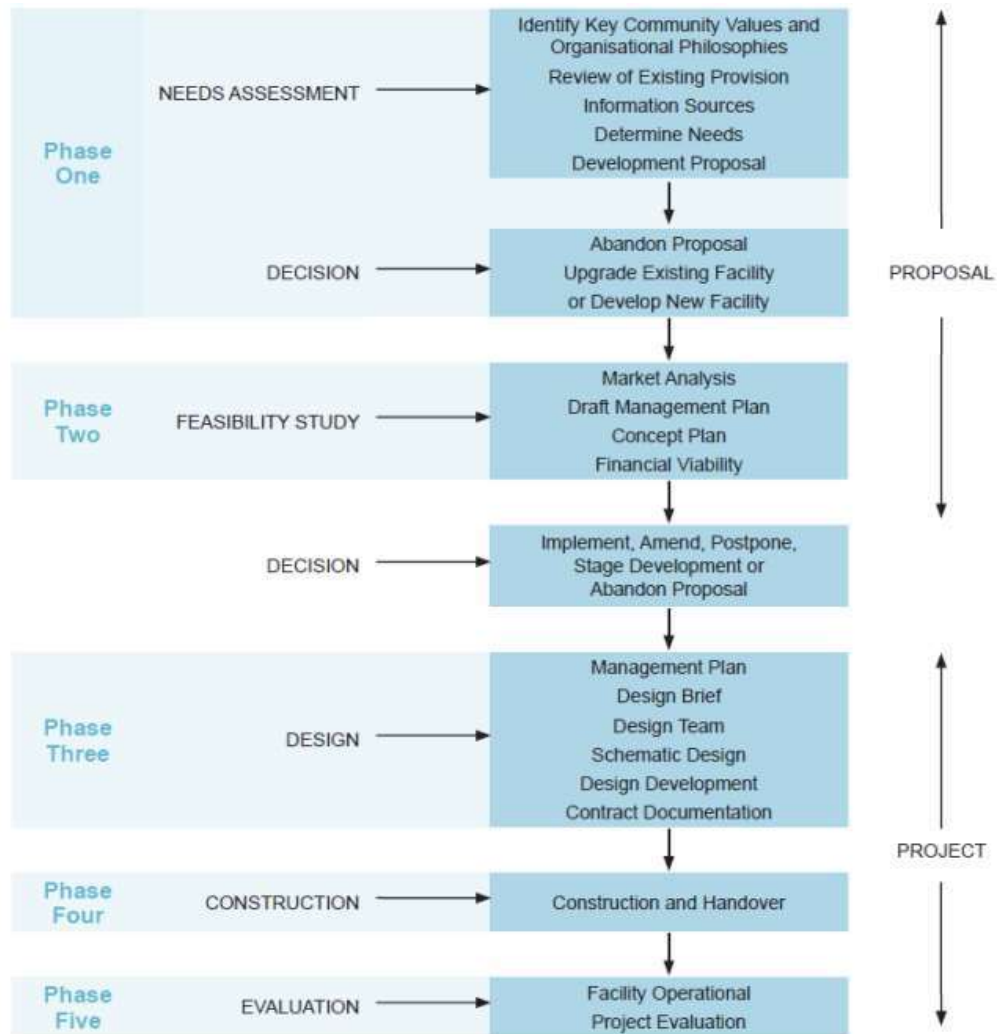
### Signatories

<b>Authors</b>	Ben Burnand, Principal Strategic Advisor
<b>Committee lead review</b>	Ross Hudson, Team Leader: Strategy Development
<b>Authorisers</b>	Jacinda Lean, GM: Chief Executive Group

**10.3.1 Attachment A to DC402 - Stadium proposal and process flow**

Attachment A to DC 402

**Recommended stadium proposal and project process**



Note: Phase Two will include an understanding of the financial viability and potential funding models.