

## COVER SHEET

1. Runanga Miners' Hall Restoration Project PGF Application	For: Approve
<p><b>Background &amp; context:</b></p> <p><b>Applicant Organisation:</b></p> <ul style="list-style-type: none"> <li>Runanga Miners' Hall Trust</li> </ul> <p><b>Location:</b></p> <ul style="list-style-type: none"> <li>West Coast</li> </ul> <p><b>Proposal:</b></p> <ul style="list-style-type: none"> <li>To complete the restoration of the Runanga Miners' Hall, noting that the project has completed a number of projects within this programme already</li> </ul> <p><b>Funding Sought:</b></p> <ul style="list-style-type: none"> <li>Total project value: \$Commercial Information</li> <li>PGF Funding: \$Commercial Information</li> </ul> <p><b>Background:</b></p> <p>The Runanga Miners' Hall is a Category 1 heritage building. It sustained damage in 2014 and was issued with a S124 notice by council, stopping access and the ability to use the facility. The Runanga Miners' Hall Trust gained ownership of the Hall in 2014 from the council and has been working on restoring it since then. This work has included:</p> <ul style="list-style-type: none"> <li>Reroofing the building</li> <li>A feasibility study undertaken by Quality Tourism Development</li> <li>Structural engineering by Dunning Thornton</li> </ul> <p>This application is seeking funding to undertake repairs to the building that will allow it to reopen. This work includes:</p> <ul style="list-style-type: none"> <li>Foundations</li> <li>Piling</li> </ul>	<p><b>Recommendation:</b></p> <p><b>We recommend that SROs:</b></p> <ol style="list-style-type: none"> <li><b>Discuss</b> The Runanga Miners' Hall Trust PGF application</li> <li><b>Note</b> The PDU has assessed the application and has sought technical advice from MCH and Lotteries (DIA)</li> <li><b>Note</b> The application meets PGF criteria via the strong <b>community benefit</b> the redevelopment of the facility would have, and that it is located in a <b>surge region</b>. A limited <b>tourism</b> opportunity will be associated with its redevelopment</li> <li><b>Note</b> While the applicant has provided a detailed financial forecast, the PDU has assessed that risk exists with the ongoing viability of the Hall</li> <li><b>Note</b> Due Dil has been completed but due to lack of middle names of a number of Trustees more work should be done – should the application be successful</li> <li><b>Note</b> A possible funding solution in regard to the PGF might be to provide the <b>Comm</b>% co-funding the <b>Commercial Information</b> require of applicants</li> <li><b>Support the recommendation to Approve</b> up to \$408,120 (<b>Comm</b>%) from the PGF fund towards The Runanga Miners' Hall Trust PGF application</li> </ol>

- Drainage
- Earthquake strengthening
- Structural repairs
- Timber remediation

The applicant has supplied a substantial level of material with their application that provides confidence the project would be well managed, including a detailed five year financial forecast for ongoing revenue and opex.

The facility will be used for a variety of activities and meets PGF funding criteria under the strong community benefit that will be associated with its operation. The activities include:

- A commercial cafe
- Music concerts
- Exhibitions
- Conferences/ meetings
- Private functions
- A venue for speakers
- Theatre
- Film festivals

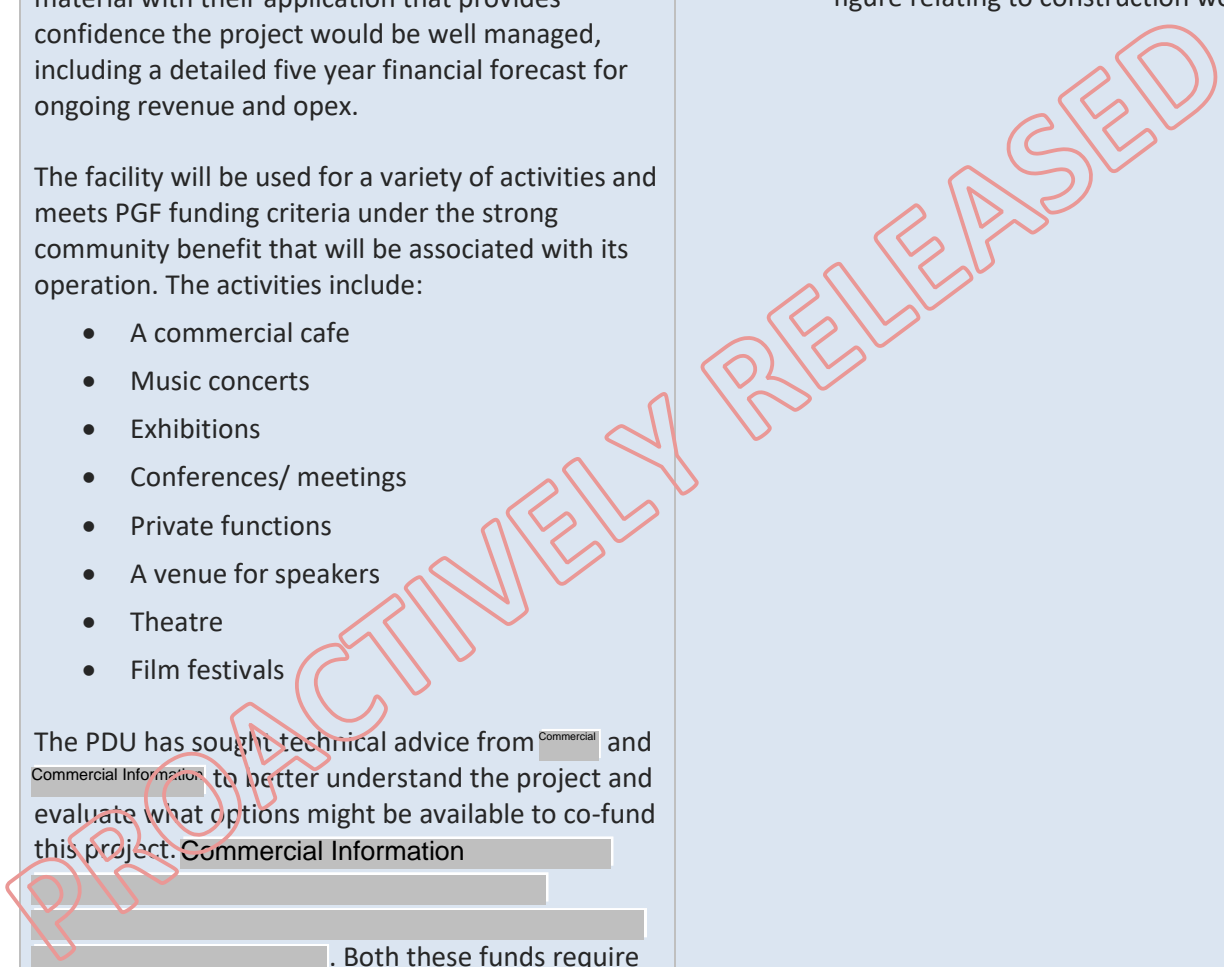
The PDU has sought technical advice from Commercial and Commercial Information to better understand the project and evaluate what options might be available to co-fund this project. Commercial Information

Commercial Information. Both these funds require Comm% co-funding from the applicant. The PDU has spoken to Commercial Information

As such, a PGF option to fund the Runanga Miners' Hall Restoration could be to provide Comm% funding. This would allow the applicant to approach Commercial Informatio for the Comm% funding gap that would remain.

subject to:

- I. Complete Due Diligence following the applicant providing the full names of all Trustees
- II. Due Diligence on all contractors to the project
- III. The PDU being confident on the final figure relating to construction works



**PGF criteria that this proposal supports:**

PGF Criteria	Assessment Commentary	Rating (1✓ to 5✓)
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**Link with fund and government outcomes**

Creates permanent jobs	<ul style="list-style-type: none"> <li>The project will generate <b>Commercial Information</b></li> </ul>	✓✓
Delivers benefit to the community	<ul style="list-style-type: none"> <li>The facility has a long history of providing a venue for the community. This aspect of its redevelopment is a key driver for the project</li> </ul>	✓✓✓✓
Increased utilisation and returns of Maori asset base	<ul style="list-style-type: none"> <li>N/ A</li> </ul>	
Enhanced sustainability of natural assets	<ul style="list-style-type: none"> <li>N/ A</li> </ul>	
Mitigation of climate change effects	<ul style="list-style-type: none"> <li>N/ A</li> </ul>	
<b>Additionality</b>		
Adding value by building on what is already there	<ul style="list-style-type: none"> <li>The Miners' Hall has been in place since 1908 although it was rebuilt in 1937 following a fire. It has long provided the community with a facility in which activities and events can be held and its redevelopment seeks to reintroduce and then continue this work</li> </ul>	✓✓✓✓
Acts as a catalyst for productivity potential in the region	<ul style="list-style-type: none"> <li>Limited. The Hall will be available as a space in which commercial activity can be undertaken (art exhibition), as well as housing the café that will be established as part of the redevelopment</li> </ul>	✓✓
<b>Connected to regional stakeholders and frameworks</b>		
Alignment with regional priorities	<ul style="list-style-type: none"> <li>The project will provide a tourism attraction for the town but this value must be considered limited</li> </ul>	✓
Support from local governance groups (inc. Councils, Iwi/Hapu)	<ul style="list-style-type: none"> <li>The project is supported by regional bodies <b>Commercial Information</b> Grey District Council are supportive of the project, as are Tourism West Coast</li> </ul>	✓✓✓
<b>Governance, risk management and project execution</b>		
Robust project management and governance systems	<ul style="list-style-type: none"> <li>The Trust has gained support from a number of reputable companies including <b>Commercial Information</b> for engineering. The feasibility study is comprehensive and includes a detailed five-year forecast modelled off conservative figures. A contractor has been approached to undertake the works. This all speaks to strong Governance and provides confidence in the project</li> </ul>	✓✓✓

Risk management approach	<ul style="list-style-type: none"> <li>A risk/ mitigation register has been provided and outlines ongoing management of the facility. The applicant notes that through the construction phase the contractor will provide a site register for workplace risks</li> </ul>	✓✓✓✓
Future ownership / operational management	<ul style="list-style-type: none"> <li>The Trust will continue to own the Hall. A possible issue could arise if current Trustees leave and are replaced by less capable people</li> </ul>	✓✓✓

**The purpose of this briefing is to consider recommending PGF funds to the Runanga Miners' Hall Restoration project**

**Risks Issues:**

The applicant has provided a risk/ mitigation register. This outlines possible issues with the ongoing operation of the facility post its redevelopment. The applicant also notes a register will be developed by the contractor engaged to undertake the site works. The PDU has assessed this and believes it is reasonable, noting follow-up once the contractor has been hired would be prudent.

The largest risk outside the above is the uncertainty around the economic viability of the project. The PDU notes the feasibility study has taken a conservative view of patronage in developing its five-year revenue forecasts. However, the fact the facility has not operated for some time, and that the market for additional activities in the Hall, art exhibitions, conference facility etc, has not been tested, must be acknowledged as a risk.

**Eligibility points of note:**

- Due diligence*:- Full due diligence is to be completed. It is a condition of approval that due diligence is to be to the satisfaction of the Head of PDU Investment team.
- Conflict(s) of interest*:- Based on the information provided no conflict of interest is evident noting that full due diligence will inform this item further.
- Illegal Activity*:- Based on the application information provided and feedback from other agencies there is no indication that the applicant or project has been involved in, or associated with illegal activity
- Alignment with Regional development plans*:- The project has been given the support of GDC and Tourism West Coast and certainly has an opportunity to attract tourism in the area.
- Commercial funding availability*:- Given the nature of the project which is to redevelop a Category 1 listed building in a low-traffic region, access to commercial funding is not considered a feasible option.

**Consultation undertaken or implications:**

<b>Legal</b>	N/A	<b>HR</b>	N/A	<b>Finance</b>	N/A	<b>MBIE policy</b>	N/A	<b>Other</b>	MCH, DIA
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<b>Supporting proposal:</b>	Yes
<b>Appendices:</b>	Yes - Application
<b>Sponsor(s):</b>	N/A
<b>Manager/Author of paper:</b>	ELH Investment Team

PROACTIVELY RELEASED