

COVER SHEET

5.3 Te Hiku Sports Hub Complex Project PGF Application	Decision																														
<p>Background & context:</p>	<p>Recommendation(s):</p>																														
<p>Applicant Organisation:</p> <ul style="list-style-type: none"> Te Hiku Sports Hub Incorporated <p>Location:</p> <ul style="list-style-type: none"> Kaitaia, Northland <p>Proposal: The Te Hiku Sports Hub Complex is a two stage development programme to:</p> <ul style="list-style-type: none"> Replace an aging outdoor seasonal pool with an indoor aquatic facility (toddlers, learn to swim, 8 lane main pool and hydrotherapy pool) Establish a multipurpose indoor facility that will house: reception, sport clubrooms, team changing rooms and fitness centre Upgrade playing surfaces & a 2km fitness trail. <p>Funding Sought:</p> <ul style="list-style-type: none"> Total project value: \$1^{Commercial Information} PGF Funding: \$3,000,000 Other Funding will come from: <table border="1" data-bbox="204 1487 778 1989"> <tr> <td>Commercial Inf</td> <td></td> <td></td> </tr> <tr> <td>Work already underway using committed spending in</td> <td></td> <td>\$^{Commercial Informat}</td> </tr> <tr> <td>Commercial Information</td> <td></td> <td></td> </tr> <tr> <td>Allocated for general construction</td> <td></td> <td>\$^{Commercial Infor}</td> </tr> <tr> <td>% of estimated Facility capital costs (Commercial Inform</td> <td></td> <td>\$^{Commercial Informa}</td> </tr> <tr> <td>% of these costs)</td> <td></td> <td></td> </tr> <tr> <td>Commercial Information (via targeted rates tbc)</td> <td></td> <td>\$^{Commercial Informa}</td> </tr> <tr> <td>Commercial Information (in progress)</td> <td></td> <td>\$^{Commercial Informa}</td> </tr> <tr> <td>Commercial Information (in progress)</td> <td></td> <td>\$^{Commercial Informa}</td> </tr> <tr> <td>TOTAL</td> <td></td> <td>\$^{Commercial Informa}</td> </tr> </table> <p>*Commercial Information</p>	Commercial Inf			Work already underway using committed spending in		\$ ^{Commercial Informat}	Commercial Information			Allocated for general construction		\$ ^{Commercial Infor}	% of estimated Facility capital costs (Commercial Inform		\$ ^{Commercial Informa}	% of these costs)			Commercial Information (via targeted rates tbc)		\$ ^{Commercial Informa}	Commercial Information (in progress)		\$ ^{Commercial Informa}	Commercial Information (in progress)		\$ ^{Commercial Informa}	TOTAL		\$ ^{Commercial Informa}	<p>We recommend that the IAP:</p> <p>a) Note that the project has been assessed by the PDU and that the majority of benefits identified are community based with aspects of additionality achieved but overall does not deliver a level of economic and productivity benefits expected from PGF projects.</p> <p>b) Note that the Far North District Council (FNDC) has confirmed a financial contribution to this project of \$^{Commercial Information} and Northland Regional Council (NRC) is expected to contribute \$^{Commerc} from a targeted rate.</p> <p>c) Note that the Labour party announced in September 2017 a manifesto commitment for a financial contribution of \$^{Commercial Information} would be made available from the Regional development fund.</p> <p>d) Note that given point c. the PDU proposes to put this application to Ministers for a decision to fund \$3,000,000.00 from the PGF towards the \$^{Commercial Information} total required to develop Te Hiku Sports Hub Complex , subject to:</p> <ol style="list-style-type: none"> Evidence being provided that all of the other funding has been secured Confirmation of final project costs and schedule of how funds will used Final due diligence being completed noting that the initial review has raised no issues Applicant to provide a detailed
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project plan and regular reporting to PDU on progress of the project.

Background:

The Te Hiku Sports Hub will be located at Moerua Park on the southern boundary of Kaitaia township and is a two stage development. Stage 1 is nearing completion (site works and then upgrading playing surfaces and a fitness trail). Stage 2 includes building the Aquatic Centre and the multipurpose indoor facility.

It will sit on the same central site as Te Ahu Kaitaia which is a multi-functional community facility in Kaitaia (houses the area's library, museum, i-SITE, information centre and council customer services).

Commercial Information

[Redacted Commercial Information]

The purpose of this briefing is to consider the provision of PGF funds to the Te Hiku Sports Hub

Alignment to PGF criteria:

Increased Economic Benefit

Recruitment and retention is largely community based through :

- Key infrastructure having the potential to attract people/ families to move to Far North for employment especially in areas of healthcare and education.
- Construction employment and skill development in the construction industry through the building of a significant piece of regional infrastructure.
- Ongoing employment opportunities, year round, at the new facility (Commercial Info: FTE is claimed).
- The hospitality and tourism sectors may see increased revenue as larger scale events are drawn to the facility.

Additionality

- Te Hiku Sports Hub is building on an existing, albeit inadequate facility. As such, the project meets the PGF criteria of additionality. Improvements, including the establishment of an all season aquatic centre and an upgrading of the fields, will greatly increase the ability of the complex to host events throughout the year, addressing its current seasonal limitations.
- Land was originally gifted from the Te Rarawa Iwi for community use. This project will support maximizing the opportunities for Maori and all residents of Te Hiku to gain advantages from the utilisation of this land.
- Stage 1 has ensured that the land development improves storm water control, not only for this site but for the whole Kaitaia township.

Alignment with regional plans/ Stakeholder support

The project has strong regional support:

- The site is secure within the FNDC Reserve management plan.
- Project is included in the FNDC 2015-2025 Long term plan (LTP) and in the draft 2018-28 LTP.
- It is also included in the Northland Regional Council 2018-28 LTP (to be approved in June).
- Listed as top priority for Northland Sports Facility plan.
- Partnerships and relationships have been developed with regional and local sporting and community stakeholders including Sport Northland, Northland District Health Board, Foundation North, Northland Regional Council, local general practitioners, health professionals, iwi, police and social agencies.

Management and Governance

- A QS report has been contracted from [Commercial Information]'s based on submitted preliminary drawings and concept design reports.
- A Governance Committee has been established to replace the original management committee and Project mentors identified. Chair of this Committee is the Deputy Chair of the FNDC.
- All tenders are subject to both the FNDC tender process and scrutiny of Governance Committee. Te Hiku Sports Hub Inc will be the prime party for all third party contractors which will be selected via the tender process.
- The facility will eventually be owned by the community and managed by the Governance Board on behalf of the FNDC, NRC and the local community, in a similar way to the model provided by the Te Ahu Trust Board.

Risks Issues:

The Key risk is the failure to raise [Comm]0% of the estimated cost.

Mitigation: FNDC are committed and have budgeted for a [Comm]0% contribution of estimated facility capital costs from a targeted differential rate no earlier than 2018/19 (provided the community raise [Commercial Info]0% of these costs). Stage two costs will not be incurred until the funding goals have been met and a condition of this recommendation is that the PGF funds will not be released until all of the additional funding is secured.

Once completed the key will be ensuring a business model which is sustainable including for ongoing operational costs.

Mitigation: Maintenance costs and funding sources are to be covered by Far North District Council via a targeted rate, and through eventual commercial operator maintenance obligation. EOI's have already been sought for the operational contract and those received have indicated that the operation will be well supported and sustainable.

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:* - Privacy of natural persons [REDACTED]

[REDACTED]. The committee's view is that both these conflicts can be managed via the tender procurement process (FNDC process). Rationale is that \$[Commercial In] of rate payers money has already been spent on Stage 1, and more is committed through the LTP to an eventual targeted rate which will pay for an annual OpEx subsidy as well as a [Comm]0% contribution to

the Capex of the facility build.

- *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*:- Project listed as a top priority for both NRC 2018-28 LTP and Northland Sports Facility plan and is in the FNDC LTP
- *Commercial funding availability*: - % of funding is being sought from a combination of council, community and Charitable/ gaming trusts.

Consultation undertaken or implications:

Legal	N/A	HR	N/A	Finance	N/A	MBIE policy	N/A	Other	TPK
Supporting proposal:									
Yes									
Appendices:									
Yes - Application									
Sponsor(s):									
The Labour party announced in September 2017 a manifesto commitment for a financial contribution of \$2,800,000 would be made available from the Regional development fund.									
Manager/Author of paper:									
Privacy of natural persons , Investment Team									