

9.0 Comparison of Options

The options are compared below under three headings. Firstly the physical stadium features and costs, secondly the community benefits and lastly the community investment.

9.1 Stadium Features And Costs

Stadium Features

	1A	1B	2A	2B	2C	2D
Permanent Seats	25,000	25,000	30,000	30,900	25,000	25,000
Premium Seats	10,000 +	10,000 +	7,500 +	7,500 +	10,000 +	10,000 +
Temporary Seats	5,000	5,000	-	-	5,000	5,000
Standard Total Capacity	30,000	30,000	32,000	30,900	30,000	30,000
Corporate Facilities:	As existing					
Lounges	2 x 500 pers	2 x 500 pers	-	2 x 500 pers	2 x 500 pers	2 x 500 pers
Founders Lounge	120 pers	120 pers	-	-	120 pers	120 pers
Hirers Lounge	48 pers	48 pers	-	-	48 pers	48 pers
Suites	18	18	42	~ 27	18	18
Rating of Stadium in New Zealand	1	4	7	5	2	4

The number of seats, corporate boxes, etc, while easy to compare on a qualitative basis, offer very different qualitative features. The new stands proposed in options 1A, 1B, 2C and 2D offer much superior viewing lines, proximity to the players and general facilities. To capture this qualitative element a subjective assessment has been made of where the stadium options would rank in terms of other stadia in New Zealand. This assessment sees Option 1A as being arguably the best stadium for sports played on a rectangular field. Conversely Option 2A would see Carisbrook ranked seventh in New Zealand and under pressure from a number of provincial towns.

Stadium Cost and Direct Returns from Stadium

	1A	1B	2A	2B	2C	2D
Development Costs	188,000,000	144,000,000	29,350,000	69,000,000	184,155,000	131,050,000
+ Major Maintenance (PV)	6,359,000	4,711,000	6,769,000	4,597,000	6,359,000	4,711,000
- Operating Profit/Loss(PV)	3,568,000	1,964,000	(7,306,000)	(5,351,000)	(3,792,000)	(4,921,000)
Total Present Value Costs	190,791,000	146,747,000	43,425,000	78,948,000	194,306,000	140,682,000

All costs are based on 2010 values. In the case of the major maintenance costs and operating profit these are present value figures based on a 7.5% discount rate. It is envisaged that where the options generate an operating surplus (Option 1a and 1b only) that this is used to meet some of the major maintenance costs.

9.2 Community Benefits

Comparison of the community benefits of the options requires consideration of their contribution to the community in terms of economic, social and cultural benefits.

The options are compared below using the seven key community outcomes used by DCC to assess its projects, these being;

Economic Well Being

1. Wealthy community
2. Accessible city

Environmental Well Being

3. Safe and healthy people
4. Sustainable city and environment

Social and Cultural Well Being

5. Supportive community
6. Culture and learning
7. Active city

Of these outcomes, only Outcome 1, Wealthy Community, can be easily quantified in terms of economic impact. The other outcomes rely on what can be a subjective assessment of benefits. A comparison of these community benefits is provided in section 7.0 of the report and is summarised in the following table. A weighting between the outcomes has not been provided as that is a decision for DCC, ORC and CTO.

	1A	1B	2A	2B	2C	2D
Economic well being						
1. Wealthy Community	High	High	Low	Low	High	Medium
2. Accessible City	High	High	Low	Low	Medium	Medium
Environmental well being						
3. Safe and healthy people	High	High	Low	Low	Medium	Medium
4. Sustainable city and environment	High	High	Low	Medium	High	High
Social and cultural well being						
5. Culture and learning	High	High	Low	Low	Medium	Medium
6. Supportive community	Medium	Medium	Low	Low	Medium	Medium
7. Active city	High	High	Low	Medium	High	High

While the above has not been quantified, the economic impact does provide this. The key figures for each of the options are shown in the table below (\$m):

	1A	1B	2A	2B	2C	2D
Dunedin Economy						
Positive economic impact (=A)	402.6	288.7	91.9	153.9	277.7	208.5
Opportunity costs (=B)	134.5	98.5	21.5	52.7	146.7	102.5
Net economic impact (A-B)	268.1	190.2	70.4	101.2	131.0	106.0
Economic impact ratio(A/B)	3.0	2.9	4.3	2.9	1.9	2.0
Otago Economy						
Positive economic impact (=A)	365.5	266.0	78.1	134.7	241.7	184.2
Opportunity costs (=B)	142.1	106.0	23.3	57.0	154.4	109.8
Net economic impact (A-B)	223.4	160.0	54.8	77.7	87.3	74.4
Economic impact ratio(A/B)	2.6	2.5	3.4	2.4	1.6	1.7
Summary assessment						
	High	Medium	High	Medium	Low	Low

9.3 Community Investment (\$m)

	1A	1B	2A	2B	2C	2D
DCC						
Primary	65	65	16	36.8	65	65
Miscellaneous	20	-	-	-	25	-
ORC						
Primary	30	30	7.45	17.32	30	30
Miscellaneous	7.47	-	-	-	11.625	0
Community Trust of Otago	10	7	2	4	7	7

9.4 Summary

As noted, a comparison between options is dependent on the promotion of each of the community outcomes. However there are some clear summary comparisons that can be made:

Option 1a

A new roofed multi purpose stadium at Awatea Street

This delivers the best economical, cultural and social impact to the city and Otago. The multi-purpose nature of the facility and its link with the University provides strength to the financial operation and economic benefits. The cultural and social outcomes are strengthened by the fresh, bold statement that a facility of world recognition achieves.

The option has the biggest level of community investment, which, while being justified in terms of economic and social return, needs to be considered from an affordability aspect.

Option 1b

A new unroofed multi purpose stadium at Awatea Street

The cost of the roof removes some of the robustness from the operating financials and economic impact. In addition the loss of this unique feature reduces to some extent the excitement and uplift of the asset within the community.

The investment is some \$40 million less than Option 1a.

Option 2a

A minor refurbishment of Carisbrook

This option provides the lowest social and cultural return for the investment. This option could be perceived as sending a signal that the community has failed to adequately address a major weakness in the facilities and branding. The resulting loss of tests and the Super 14 franchise reflect this outcome. On the economic impact side, the option performs well.

The \$29 million investment required should achieve test status for a further five years and Super 14 franchise for a further 10 years.

Option 2b

A new south stand at Carisbrook

This option does not perform as well as the new stadium option in terms of social and cultural outcomes, although it is an improvement on Option 2a. The economic benefit of the option is reasonably strong.

The investment of \$69 million should secure Carisbrooks place as a test venue for some time into the future, however, it places the ground behind the likes of Waikato Stadium.

Options 2c and 2d

A new stadium at Carisbrook

This option delivers reasonably well on the social and cultural aspects however, the lack of synergy with the University and the multi purpose opportunities that might spin off from that involvement diminish the return. From an economic return point of view the option performs poorly.

The investment for these options is significant given the weak community benefits.