

**EXTRACT FROM THE NON-PUBLIC MINUTES OF A FINANCE AND STRATEGY COMMITTEE
MEETING HELD ON 14 MARCH 2011**

PART C (B):

16 FORSYTH BARR STADIUM BASE BUILDING FURTHER REQUIREMENTS

A report from the Acting Chief Executive (Athol Stephens) summarised the need to confirm changes to the Forsyth Barr Stadium project to achieve both the financial revenues projected and readiness for the Rugby World Cup (RWC).

The changes were due to:

- a) A change in scope or operating clients requirement
- b) The fact that the originally proposed strategy for funding had not proved successful.

All significant changes to the approved scope of work must be authorised and approved by the Stakeholder. The PDT and DVML had been involved in compiling the summary.

The matters in hand were:

Initial

- Catering fit out to service the Stadium
- Internal and external way finding signage
- Movement of the media suite from its present position in the South stand to a new position on top of the redesigned North stand and Academy of Sport
- Permanent or re-locatable toilets to the West stand
- Big screen for stadium.

Subsequent

- Upgrade in the fit out of level 2a
- A Wi-Fi system throughout the stadium required for conferences, meetings, etc
- A telephone exchange to connect the stadium to the outside world.

The Committee was therefore asked to consider the additional funding requirement, acknowledging that there had been changes in the original scope of work and that where an original strategy for securing funding or allocating costs was allowed for at the beginning of the project, some of those had not been successful.

The timeframes were considered to be highly important in the case of the first five items, which, if unresolved, would have an immediate impact upon the Rugby World Cup.

Mr Stephens spoke to the report and advised that the additional toilets were on level 3 and not level 4 as mentioned in the report.

Messrs Stewart Barnett, David Davies Guy Hedderwick and Darren Burdon were invited to the table to respond to questions from the Committee.

During discussion Councillor Hudson left the meeting at 4.00 pm and returned at 4.13 pm.

The Committee took a recess from 5.09 pm until 5.35 pm.

Councillor Noone retired from the meeting at 5.30 pm.

Following an in-depth discussion, it was moved (Acklin/Bezett):

- "1 That the Committee recommend that Council approve the additional capital expenditure on the "Initial" list (deemed to be necessary) at a combined cost of up to \$5.15m comprising:
 - a) Catering fit out
 - b) Big screen
 - c) Relocation of the media suite
 - d) Way finding signage
 - e) Relocatable toilets to the west stand
 - f) Additional toilets on level 3.
- 2 That the Committee recommend that Council approve additional borrowing of \$5.15m required to fund the capital expenditure, noting that additional unbudgeted revenue arising from the expenditure will contribute to the debt servicing costs.
- 3 That the Committee recommend that Council together with Dunedin Venues Management Ltd identify the quantum of the new revenue that can be applied to debt servicing.
- 4 That the Committee recommend that Dunedin Venues Management Ltd and the Dunedin City Council explore all possible options to achieve funding from non-ratepayer sources.
- 5 That the Chief Executive be authorised to draw down loans to the limit authorised by Council, in stages, as required.
- 6
 - a) That the Committee recommend that Council note the items on the subsequent list at a further cost of \$650,000 and that Dunedin Venues Management Ltd provide a further business case on the fitout of level 2a.
 - b) This would be based on confirmed intentions to lease.
 - c) That the business case would address repayment of any loan for this over a fixed term period, based on market rates.
- 7 That the Mayor be given the authority to release all of any of this information to the public at a time deemed appropriate by Council."

It was agreed that each item be taken separately.

Following discussion on the additional toilets and a desire that Carisbrook Stadium Trust and Hawkins Construction provide funding towards the catering fit out, an amendment to the first resolution was moved (Wilson/MacTavish):

- "1 That the Committee recommend that Council approve the additional capital expenditure on the "Initial" list (deemed to be necessary) at a combined cost of up to \$5.15m comprising:
 - a) Catering fit out – subject to Council requiring the Carisbrook Stadium Trust and Hawkins Construction to provide a baseline build of kitchen to at least \$1m.
 - b) Big screen
 - c) Relocation of the media suite
 - d) Way finding signage."

Following further discussion the amendment was **put and lost**.

It was requested that each section of resolution 1 be taken separately.

Following discussion, Resolution 1a was **put and carried** with Councillors MacTavish and Vandervis recording their votes against.

Following discussion, Resolution 1b was **put and carried** with Councillors MacTavish and Vandervis recording their votes against.

Following discussion, Resolution 1c was **put and carried** with Councillors MacTavish and Vandervis recording their votes against.

Following discussion, Resolution 1d was **put and carried** with Councillor MacTavish recording her vote against.

Following discussion, Resolution 1e was **put and carried** with Councillors MacTavish and Vandervis recording their votes against.

Following discussion, Resolution 1f was **put and carried** on a division 7:6.

For: Councillors Acklin, Bezett, Brown, Collins, Hudson, Stevenson and Thomson
Against: Councillors Butcher, MacTavish, Staynes, Vandervis, Wilson and Mayor Cull

Following discussion, Resolution 2 was **put and carried** on a division 8:5.

For: Councillors Acklin, Bezett, Brown, Collins, Hudson, Staynes, Thomson and Mayor Cull
Against: Councillors Butcher, MacTavish, Stevenson, Vandervis and Wilson

Following discussion, Resolution 3 was **put and carried** with Councillors MacTavish and Vandervis recording their votes against.

Following discussion, Resolution 4 was **put and carried**.

Following discussion, Resolution 5 was **put and carried** with Councillors Butcher, MacTavish, Stevenson and Vandervis recording their votes against.

Following discussion, Resolution 6 was **put and carried**.

Following discussion, Resolution 7 was **put and carried**.