

Carisbrook Stadium Trust Mission

To capture this unique moment in Dunedin's history by demonstrating and encouraging creativity, courage, collaboration and far-sightedness. This enabling a stadium that provides a platform for a proud legacy of social, cultural sporting and educational excellence, as well as economic benefits to Dunedin and Southern New Zealand







Hotel, Tourism and Leisure









1.0 Executive Summary

1.1 Introduction

The Southern New Zealand region faces an opportunity to provide an iconic legacy for the future. This legacy is a new or redeveloped stadium which will become a community asset of pride and self-belief.

Since August 2006 the Carisbrook Stadium Trust (CST) has investigated options for either a new multi-purpose stadium or an upgraded/redeveloped Carisbrook. This report is the culmination of the investigations of CST and their consultant team.

The choice in front of Dunedin, Otago and the southern region is, broadly speaking, to select one of two paths to achieve this vision.

One path is to develop a new multi-purpose stadium that is not just used for rugby, nor just for sport. It would have a much wider use which would embrace cultural, educational, entertainment and recreational uses. This will provide significant community benefit, both socially and economically. Of particular importance, this option sees the University of Otago linked into the facility and provides the opportunity to enhance the role of the University and its economic benefit in the community.

The second path is either an upgrade or total redevelopment of the existing Carisbrook site. Upgrading would rejuvenate what is, in effect, a tired and antiquated stadium. A number of the upgrade options fail to provide long term solutions for the city and Otago in terms of retaining international test rugby and its Super 14 franchise, however they provide low cost, low economic and social return options. CST strongly believes that whichever option is progressed by the community through DCC and ORC that an approach of reprioritising other capital projects is the prime form of funding these parties commitments rather than covering the costs through an increase in rates.

The opportunity of developing an icon for future generations is a tremendous challenge. It cannot be taken lightly. The information on the feasibility and comparison of these options provided in this report will enable the stakeholders and communities of the southern region to make an informed choice as to which path to take.

1.1.2 The Options

The development options studied included the following:

- 1. A new multipurpose 25,000 30,000 seat stadium located on Awatea Street developed with shared facilities with The University Otago.
- 2. The redevelopment of the existing Carisbrook Stadium.

1.1.3 Awatea Street Development

The Awatea Street site was selected as the preferred new site due to the opportunity to link the development with the University of Otago's requirement for additional space. The development of a new stadium at Awatea street looks at a mixture of permanent and temporary seating solutions and builds on the reputation of the existing Carisbrook Stadium and its colloquial name and reference as the "House

of Pain". The development has looked at a number of unique opportunities offered by integrating the facilities with the University of Otago and its student population. The development options investigated for the new stadium include various stadia configurations and roofing options with certain recommendations made in relation to facility mix and accommodation. A detailed brief outlining the facility requirements to service a 25,000 capacity stadium with the ability to expand its size to 30,000 patrons has been developed and tested with the development of a financial feasibility prepared by Horwath HTL.

The Awatea Street options summarised in this document include:

Option 1a – New 25,000 – 30,000 seat stadium with a fixed roof over the stands and pitch

Option 1b - New 25,000 – 30,000 seat stadium with a fixed roof over the stands only

1.1.4 Carisbrook Stadium Redevelopment

The development options investigated at the existing Carisbrook Stadium site have been developed with reference to the previous redevelopment studies undertaken by Otago Rugby Football Union (ORFU) and the former Carisbrook Working Party in 2004. The development options for Carisbrook contained within this report include the following options:-

Option 2a - Increasing the number of premium seats by providing a new roof over the existing corporate suite structure to the North stand and adding seats to the terraces. In addition limited internal refurbishment to the existing Neville Street stand and completion of deferred maintenance will be undertaken. This providing the stadium with a total capacity of 30,000

Option 2b - Demolition of the existing Burns Street stand and development of a new South stand. This providing the stadium with a total capacity of 30,900

Option 2c - Development of a new 25,000 – 30,000 stadium with a fixed roof over the stands and pitch based on the proposals developed for the Awatea Street site, without university or commercial integration.

Option 2d - Development of a new 25,000 – 30,000 stadium with a fixed roof over the stands only based on the proposals developed for the Awatea Street site, without university or commercial integration

- 1.2 Summary of the Awatea Street Options (Options 1a and 1b)
- 1.2.1 What does the stadium look like?





The existing Carisbrook Stadium is a well known landmark within the city of Dunedin and the international rugby world. The ground's nickname "House of Pain" is a mark of respect to the hard fought battles that have been fought on the hallowed turf. Carisbrook Stadium provides a physical backdrop to an intense physical experience and celebration of what the community holds as very special.



The new stadium design endeavors to achieve two unique goals, being an integration with the University of Otago and to provide a fixed roof over the playing field. It is important that the new stadium enhances and nurtures the "House of Pain" mythology, and it is with this in mind that a building of an angled, sharp and uncompromising shape has been proposed.

1.2.2 How much will it cost to build?

At this early stage of the design process there remains a high level of volatility in the estimates of costs. In view of this, a number of methods have been used to develop the estimate. These include two professional quantity surveyors estimates and a benchmark comparison.

The estimate considered for Option 1a is to be in the range \$180-195M, with a figure of \$188M (excluding GST) being used for comparison of options. The breakdown of this estimate is shown below.

Item	Costs
Stadium Works	\$92,000,000
Escalation	\$13,150,000
Contingency	\$9,900,000
Consultancy fees	\$13,000,000
Sub Total	\$128,050,000
EFTE Roof	\$37,350,000
Sub Total	\$165,400,000
Land Cost/Trust Cost/Development Contingency	\$22,600,000
TOTAL	\$188,000,000

Table 1 - option 1a cost to develop

For Option 1b (excluding the roof) the estimate figure is \$150,000,000 excluding GST which allows for providing the structure to enable a roof to be constructed at a later date.

These estimates are achievable but will require appropriate design management, scope control and innovative procurement.

The movement from the Preliminary Feasibility study estimate of \$165,000,000 can largely be attributed to the increase in the cost of the ETFE roof. A concept design on this component has now been completed with direct costings provided by the ETFE supplier.

1.2.3 How will development costs be funded?

Horwath HTL has assessed possible funding scenarios for a new stadium. A range of outcomes is forecast based on experience at Westpac Stadium, Mt Smart Stadium and Eden Park. Given positive anecdotal support for donations and the experience at Wellington in exceeding forecast targets, funding forecasts at the upper end of the range have been used. The sources of funding and amounts for each basis are shown in the table below:

	With Roof (1a)	Without Roof (1b)
Funding Source		
Dunedin City Council	65,000,000	65,000,000
Otago Regional Council	30,000,000	30,000,000
University of Otago (synergy)	10,000,000	10,000,000
Community Trust	10,000,000	10,000,000
XXXXXX	xxxxxx	xxxxxx
XXXXXX	XXXXXX	XXXXXX
Total Funding	188,000,000	150,000,000
Development Cost	188,000,000	150,000,000
Misc Funding	27,470,000	0

Table 2 - Option 1a and 1b Funding Sources

The increase in the capital cost forecast for Option 1a, due primarily to the roof, has created an increased funding requirement to that shown in the preliminary feasibility. This is in the order of \$27.5M Various options exist to meet this cost including donations and sponsoship, specifically related to the roof, central government support, further DCC and ORC funding, limited private debt and a reduction in construction scope. Further work is required to develop these sources. Not all avenues of sourcing the \$27.5M have been exhausted, but for the purpose of option comparison and economic analysis it is assumed that the DCC and ORC will provide the funding surplus of \$20M and \$7.47M respectively.

Working Capital Requirements

The programme requires a significant amount of work to be completed to enable all hurdles to be removed and to keep on track for the Rugby World Cup. July 2008 appears as the date when key funding commitments will be received, the land will be secured unconditionally, plan change and resource consent obtained, and a construction price commitment made.

There are two key phases to get to that milestone date of July 2008. Firstly, design sufficient to submit a plan change in July 2007, following DCC's decision on which option it wants to pursue, needs to be undertaken. In addition, over the period March

2007 to July 2007, CST recommends further work to better understand construction costs, private sector and possibly central government funding sources and progress agreements with land owners and the University. This information will allow DCC to make a fully informed decision in July 2007 along with assessing community feedback. The cost of this phase of work is estimated at \$800,000 exclusive of GST.

The second phase is for the period of July 2007 to July 2008. This phase sees the bulk of the design completed, private sector funding threshold secured, marketing of the stadium commenced, and the plan change and resource consent obtained. The cost of this phase is estimated at \$11M exclusive of GST.

1.2.4 What are the operating projections?

The table below indicates the average likely annual earnings before interest, tax, depreciation and amortisation, that can be expected from the proposed Awatea Street developments

The figures are an annual average result of a 15 year cycle..

Item	Option 1a – With Roof	Option 1b – Without Roof
Total Projected Revenue	\$3,530,000	\$3,095,000
Total Projected Variable Costs	(\$1,049,000)	(\$985,000)
Total Overheads	(\$2,172,000)	(\$1,944,000)
Total Net Cashflow	\$308,000	\$165,000

Table 3 – Option 1a and 1b Operating Projections

The positive operating surplus, which is contrary to most stadia around NZ is a reflection of the multi purpose nature of the facility and the spin off from University activity. At the level of surplus shown debt funding should be avoided.

The figures above do not include for major maintenance items. A present value estimate based on 2010 dollars, for all capital maintenance over the next fifty years is \$6,359,000 for Option 1a and \$4,711,000 for Option 1b. This cost will be reduced by accumulated operating surpluses.

1.2.5 When will it be ready?

Development of the multipurpose facility at Awatea Street can be achieved by the Rugby World Cup in 2011. Significant challenges exist which will need to be overcome to ensure that this date is achievable. Overcoming these challenges will require strong and proactive collaboration by the key project partners: CST, DCC, ORC, University of Otago and ORFU.

The dominant constraint in the programme is the late sign-off by the ORC of their involvement and level of contribution to the development. This is currently forecast for July 2008. This delayed sign-off increases the period of uncertainty carried by the early project funders, being principally DCC. As discussed in section 1.2.3 the progress of, and hence funding of, the next two phases of work, being March 2007 to July 2007 and July 2007 to July 2008, are critical to achieving this programme. The programme is based on DCC coordinating the necessary funding to maintain progress on the development. This was the role undertaken by Wellington City Council (WCC) with their multipurpose stadium, where WCC provided working capital of \$15M in 1996, two years ahead of construction commencement.

The key milestone and overview programme are provided below.

Milestone	Option 1a
Submit Masterplan Feasibility to Project Stakeholders	Feb 07
ORC and DCC begin consultation process	End Feb 07
CST Decision to Proceed with Option 1a	Mar 07
DCC Commitment to Project	Jul 07
University Development agreement	July 07
Land purchase conditional agreement	July 07
ORC Commitment to Project	Jul 08
Land purchase made	July 08
Plan change obtained	July 08
Private funding threshold achieved	July 08
Commence Construction on site	Jul 08
Practical Completion	Dec 10
Stadium Trials Complete and Stadium Ready for Rugby World Cup	Feb 11

Table 4 - Option 1a key milestones



Figure 4 – Option 1a Summary Programme

For Option 1b (the omission of the roof over the pitch), the consultation, design and preconstruction activities remain similar to Option 1a. The reduced scope of this option sees a 2 month reduction in the construction period.

1.2.6 What are the key challenges?

Any development of this scale has key challenges to overcome at this stage of the project. The primary risks and challenges have been split into the following headings:

- Development Costs risks that will impact on an escalation of the proposed development costs.
- Time risks that will impact on programme delays to the proposed development
- Funding risks that will impact on securing funding for the proposed development
- Partners obtaining the full support and commitment from development partners
- Operational assumed revenue projections are not realised

A detailed risk analysis and management plan has been included within section 2.8 of the technical report. When considering options 1a and 1b, the risks remain similar. The primary risks identified for these options are summarised below:

- CST cannot secure the working capital to progress the design in line with the proposed programme (\$800,000 March 2007 to July 2007, and \$11M July 2007 to July 2008)
- The period in which ORC require for their consultation process provides great uncertainty of the project and financial risk to other funding partners
- Delays to the plan change process results in missing the RWC 2011deadline
- DCC's committment to fund the project.
- ORC's committment to fund the project
- The level of funding required from other sources, (\$65.5M for option 1a or \$55M for option 1b)

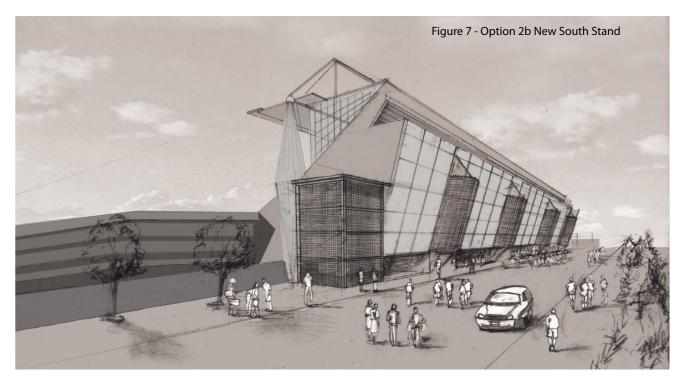
- 1.3 Summary of the Carisbrook Site Options (Options 2a, 2b, 2c and 2d)
- 1.3.1 What does the stadium look like?





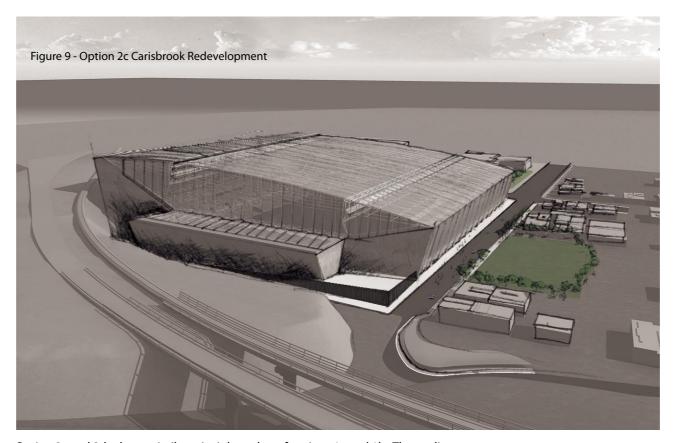
Option 2a comprises a new roof over the existing North stand and extends the seating in front of this stand to increase the number of premium covered seating between the 22 metre lines. The South Stand will undergo minor refurbishment to provide better team, office, media and spectator facilities through fixtures, fittings and cosmetic treatments to the internal spaces only. Deferred maintenance is also dealt with. This option does not allow any further upgrade to the other stands within Carisbrook. The field retains a capability to continue to host one day cricket matches.

Option 2b comprises a new Main Stand designed to increase spectator enjoyment, by bringing them closer to the action, elevating them and providing better facilities in line with modern stadium standards. The bottom tier is designed to curve round the edges of the pitch. The southern façade is angled to create an overhang over the pedestrian walkway and increase the sense of anticipation. Deferred maintenance will be undertaken in other parts of the stadium. It is important that the new stand enhances and nurtures the "House of Pain" mythology, and it is with this in mind that the building of an angled, sharp and uncompromising shape has been proposed. The ground will be rectangular and not suitable for cricket.





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Option 2c and 2d adopt a similar principle to that of options 1a and 1b. The stadium is divided into 4 distinctly separate stands with their own personalities. Each stand is book ended by monolithic buttress walls to enhance the rugged nature of this new "House of Pain". The location of the existing Carisbrook does not fit within the University precinct and consequently the options do not contain University or commercial space. Option 2d will in principle adopt a similar design without the proposed ETFE roof enclosing the pitch.

These options build on the concept of Option 2b for the south stand, which could, if required be completed on a staged basis.

1.3.2 How much will it cost to build?

The comments made in Section 1.2.2 regarding the range of estimates at this early stage of design apply to these upgrade options.

After comparison of the various estimate approaches, the following estimates are appropriate for the options.

Item	Option 2a	Option 2b	Option 2c	Option 2d
Stadium Works	\$21,750,000	\$49,500,000	\$96,625,000	\$92,000,000
Escalation	\$2,000,000	\$4,700,000	\$14,800,000	\$14,000,000
Contingency	\$2,000,000	\$7,400,000	\$10,400,000	\$9,450,000
Consultants	\$3,000,000	\$6,500,000	\$13,175,000	\$13,000,000
Sub Total	\$28,750,000	\$68,100,000	\$135,000,000	\$128,450,000
ETFE Roof	\$0	\$0	\$46,555,000	\$0
Trust Costs	\$600,000	\$900,000	\$2,600,000	\$2,600,000
TOTAL	\$29,350,000	\$69,000,000	\$184,155,000	\$131,050,000

Table 5 – Options 2a, 2b, 2c and 2d Development Costs

Options 2a and 2b allow for a level of deferred maintenance on the existing stands. Option 2c and 2b assume that the works are undertaken in a single stage.

The disturbance to ongoing Carisbrook matches in Options 2c and 2d can be mitigated by staging the works. This could cost upwards of \$30M in escalation and staging costs depending on the delay in staging the works.

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1.3.3 How will the costs be funded?

Horwath HTL has assessed the possible funding scenarios for each of the upgrade options. The funding sources are shown in the table below:

Funding Source	Option 2a	Option 2b
Ground membership, Corporate Suites, Founders Club, Naming Rights, Caterer	3,900,000	10,880,000
Dunedin City Council	16,000,000	36,800,000
Otago Regional Council	7,450,000	17,320,000
Otago Community Trust	2,000,000	4,000,000
Total Funding	29,350,000	69,000,000
Development Cost	29,350,000	69,000,000

Table 6 – Options 2a and 2b Funding Sources

The funding scenarios for options 2c and 2d are shown below:

Funding Source	Option 2c	Option 2d
Ground membership, Corporate Suites, Founders Club, Naming Rights, Caterer	42,530,000	29,050,000
Dunedin City Council	65,000,000	65,000,000
Otago Regional Council	30,000,000	30,000,000
Otago Community Trust	7,000,000	7,000,000
Misc Funding	39,625,000	
Total Funding	184,155,000	131,050,000
Development Cost	184,155,000	131,050,000

Table 7 – Options 2c and 2d Funding Sources

The funding scenario for Option 2c as shown indicates a significant demand for "miscellaneous" funding. The discussion provided in Section 1.2.3 applies to this scenario, with the default case being the funds are provided by DCC and ORC at \$27.125 and \$12.5M respectively.

Working Capital Requirement

As noted in section 1.2.3, July 2008 is the likely date when all major challenges will be overcome. To enable that to be overcome and to meet the Rugby World Cup date working capital will be required.

For options 2a and 2b the phase one works identified in section 1.2.3 do not need to be completed by July 2007 and can therefore be deferred to phase 2 (July 2007 to July 2008).

For options 2c and 2d, it is strongly preferable that phase 1 works, to the cost of approximately \$800,000, are carried out prior to July 2007 if the Rubgy World Cup is to be achieved.

1.3.4 What are the operating projections?

The table below indicates the average annual earnings before interest, tax, depreciation and amortisation, that can be expected from the proposed upgrade or redevelopment of the Carisbrook site. The figures are an average annual result over a 15 year cycle.

Item	Option 2a – Minimal Upgrade	Option 2b - New South Stand	Option 2c – Redevelopment with Roof	Option 2d – Redevelopment Without Roof
Total Projected Revenue	\$1,890,000	\$2,037,000	\$2,939,000	\$2,558,000
Total Projected Variable Costs	(\$567,000)	(\$777,000)	(\$994,000)	(\$932,000)
Total Overheads	(\$1,687,000)	(\$1,599,000)	(\$2,172,000)	(\$1,944,000)
Total Net Cashflow	-\$365,000	-\$339,000	-\$227,000	-\$319,000

Table 8- Options 2a, 2b, 2c and 2d Operating Projections

Discussion will be required with DCC as to how the operating loss would be covered each year. On a present value basis the losses over a 50 year period adds a liability of some \$8 to \$10M across the options.

The annual operating losses shown are exclusive of major maintenance costs. A present value estimate of the major maintenance expenditures over 50 years for the option are as follows:

Option 2a \$6,769,000

Option 2b \$4,597,000

Option 2c \$6,359,000

Option 2d \$4,711,000

1.3.5 When will it be ready?

All options can realistically be delivered before the Rugby World Cup in 2011. Option 2c and 2d face similar challenges to Options 1a and 1b related to the provision of working capital, ORC consultation and funding process and the resource consent duration.

The summary programmes below outline the development programme for each of the options considered at the existing Carisbrook site.

Milestone	Option 2a	Option 2b	Option 2c	Option 2d
Submit Masterplan Feasibility to Project Stakeholders	Feb 07	Feb 07	Feb 07	Feb 07
ORC and DCC begin	End Feb	F., J.F., 07	End Feb	End Feb
consultation process	07	End Feb 07	07	07
CST Decision to Proceed with Multiple Options	Mar 07	Mar 07	Mar 07	Mar 07
DCC Commitment to Project	Jul 07	Jul 07	Jul 07	Jul 07
ORC Commitment to Project	Jul 08	Jul 08	Jul 08	Jul 08
Commence Construction on site	Jul 08	Jul 08	Jul 08	Jul 08
Practical Completion	Sep 09	Apr 10	Feb 11	Nov 10
Stadium Trials Complete and Stadium Ready for Test Matches	Oct 09	May 10	Mar 11	Nov 10

Table 9 - Options 2a, 2b, 2c and 2d Milestone Summary

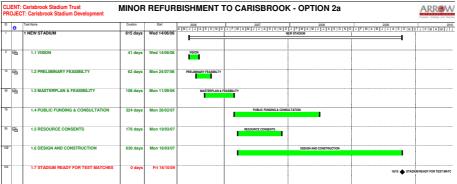


Figure 10 – Option 2a Summary Programme

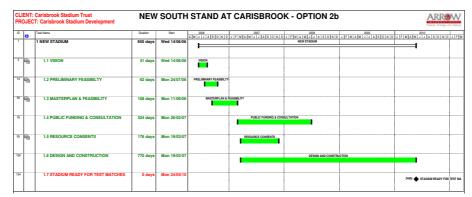


Figure 11 – Option 2b Summary Programme

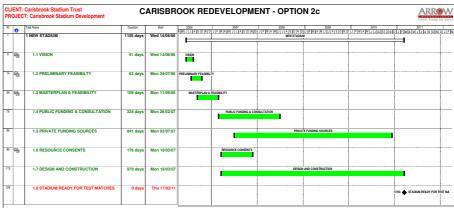


Figure 12 – Option 2c Summary Programme

For Option 2d (the omission of the roof over the pitch), the consultation, design and preconstruction activities remain similar to Option 2c. The net affect of this option during the construction period will provide reduced construction period of approximately 2 months.

A redevelopment of the existing Carisbrook Site will require careful consideration of the impact of the works on the ongoing use of Carsibrook. Summarised below are the affects these redevelopment options could have on the operation of Carisbrook Stadium:

Option 2a Minimal Upgrade – This option has the ability to be sequenced outside the Air New Zealand Cup, Super 14 and test match fixtures. This upgrade will require a construction period of less than 12 months. This construction period could be sequenced to allow the stadium to remain operational during this upgrade.

Option 2b New South Stand – This option may require all Air New Zealand Cup, Super 14 and test match rugby to be relocated to an alternative venue during the upgrade period. To cause minimal disruption to scheduled events, the staging of this option will be considered in further detail during the next stage of the project.

Option 2c and 2d Complete Redevelopment – Option 2c and 2d has a construction period of 26 and 24 months respectively. Each of these options assume the stadium will be closed for the duration of the construction period. An alternative scenario could be considered during the next stage to determine the feasibility of staging this option to allow Carisbrook to remain operational. The impact of any loss of income due to a closure of Carisbrook has not been modelled in the feasibility.

1.3.6 What are the key challenges?

A detailed risk analysis and management plan for each of the existing Carisbrook options has been included within the technical report.

When considering options 2a and 2b, the key challenges remain similar. These are summarised below:

- CST cannot secure the working capital to progress the design in line with the proposed programme.
- Securing funding from DCC and ORC
- The period in which ORC require for their consultation process provides great uncertainty to the project and financial risk to DCC
- Obtaining commitment from NZRU to provide test match rugby for the stadium.
- Disruption to Carisbrook over the construction period.

When considering options 2c and 2d the challenges remain similar to those identified for option 1a and 1b. These risks are summarised below:

- CST cannot secure the working capital to progress the design in line with the proposed programme.
- Not obtaining the required planning notification to progress the development.
- The period in which ORC require for their consultation process provides great uncertainty and risk of the viability of the project and financial risk to other funding partners.
- Delays to the resource consent process results in missing the RWC 2011deadline.
- The level of funding required from DCC is not achieved.
- The level of funding required from ORC is not acheived.
- The level of funding required from other sources is not achieved (\$39.6M for option 2c)

1.4 Development Partners

Aside from the key funding partners who jointly established the Trust (Dunedin City Council, Otago Regional Council and the Community Trust of Otago), there are three other organisations critical to the success of the development options.

University of Otago (Options 1a and 1b only)

The University remains fully supportive of developing part of their campus contiguous with the stadium. The University has demonstrated that support financially and publicly. CST and the University continue to work under a Memorandum of Agreement pending confirmation of the facilities that will take space in the new campus.

New Zealand Rugby Union (All Options)

The NZRU has been anxious to see that Otago is seriously progressing a solution to the Stadium issue option. A very positive meeting in Wellington on 13 February 2007 has seen a positive shift by NZRU and resulted in a statement of support.

Otago Rugby Football Union (All Options)

The Trust continues to work under a Heads of Agreement with ORFU. Sale and Purchase Agreements and Operational Agreements will be developed once the preferred option is identified.

1.5 What is the economic and social impact?

Each option has been passed through an economic model to assess the economic benefit generated by the option and the "cost" of that option to the community. This analysis enables a comparison of the value created in the community by each dollar spent on the respective development (the economic impact ratio)

The analysis has been undertaken over a 50 Year life of the asset and discounted back to present value in 2010 dollars. The table below presents the summary outputs from the model for the total Otago region. For clariy, the present value return has also been presented as the average likely impact in any one year

	Options							
	1a	1a 1b 2a 2b 2c 2d						
Positive Economic Impact (\$M)	365.5	266	78.1	134.7	241.7	184.2		
Average annual positive economic impact (\$M)	24	17	4	7	15	11		
Opportunity cost (\$M)	142.1	106.0	23.3	57.0	154.4	109.4		
Net Economic Impact (\$M)	223.4	160.0	54.8	77.7	87.3	74.4		
Economic Impact Ratio	2.6	2.5	3.4	2.4	1.6	1.7		

This information indicates that Option 1a and 2a deliver the best economic return on the total cost/investment. However, the options provide significantly different total impacts with Option 1a delivering approximately \$24M per annum and Option 2a, \$4M per annum.

1.5.1 Social impact

A social impact study has been carried out by the University of Otago. This provided strong literature evidence of the positive contribution of assets such as stadia to communities. Unfortunately, given the limited time it was not possible to attempt a quantification of that benefit.

With reference to the literature research a qualitative analysis has been made of each of the options by comparing their likely performance against the seven community outcomes used by DCC to assess projects for Council investment. These are tabled below:

COMMUNITY OUTCOME	1a	1b	2a	2b	2c	2d
Economic well being						
1. Wealthy Community	High	High	Low	Low	High	Med
2. Accessible City	High	High	Low	Low	Med	Med
Environmental well being						
3. Safe and healthy people	High	High	Low	Low	Med	Med
4. Sustainable city and environment	High	High	Low	Med	High	High
Social and cultural well being						
5. Culture and learning	High	High	Low	Low	Med	Med
6. Supportive community	Med	Med	Low	Low	Med	Med
7. Active city	High	High	Low	Med	High	High

Note that the wealthy community outcome has, in this case, been assessed in terms of meeting the DCC's vision rather than a quantitive financial assessment. It is possible that community decision makers may wish to weight the outcomes in their decision making. However, a simple comparison of the above assessment shows that the new multi-purpose stadium, in conjunction with the University best meets the community outcomes.

The challenge in any comparison comes in comparing these social and cultural benefits with the direct economic benefits and costs. This is tackled in section 1.6

1.6 Comparison of Options

The options can best be compared by utilising the seven key community outcomes identified by the DCC. In this case, for simplicity the economic impact data has been taken to reflect the assessment of the "Wealthy Community" outcome. The table below provides a summary assessment of the options against those outcomes.

	1a	1b	2a	2b	2c	2d
Economic Well Being						
1. Wealthy Community						
Positive economic impact (\$m)	365.5	266.0	78.1	134.7	241.7	184.2
Average Annual positive economic impact (\$M pa)	24	17	4	7	15	11
Opportunity Cost (\$m)	142.1	106.0	23.3	57.0	154.4	109.8
Economic impact ratio	2.6	2.5	3.4	2.4	1.6	1.7
Summary economic assessment	Med	Med	High	Med	Low	Low
2. Accessible City	High	High	Low	Med	Med	Med
Environmental Well Being						
3 Safe and healthy people	High	High	Med	Med	High	High
4. Sustainable city and environment	High	High	Low	Med	High	Med
Social and Cultural Well Being						
5.Supportive Community	High	High	Low	Low	Med	Med
6. Culture and learning	High	High	Low	Low	Med	Med
7. Active City	High	High	Low	Low	High	Med

Comparison between these very different outcomes, in particular the social and cultural outcomes with the economic is difficult and can be subjective.

From the comparison it is assessed that there are three realistic options. These are:

Option 1a – A new roofed multipurpose stadium at Awatea Street

Positives	Best social and cultural outcomes
	Strong economic return on investment
	Establishes Dunedin as arguably the premier rectangular sports
	stadium in New Zealand
	Supports and leverages key Dunedin/Otago institutions and the
	University of Otago
Negatives	Significant investment
	Uncertainties in the development are high.

Option 1b – A new un-roofed multipurpose stadium at Awatea Street

Positives:	Good social and cultural outcome
	Good economic return although less than 1A.
	Dunedin would rank fourth as a rectangular sports stadium in New Zealand
Negatives:	Significant investment
	Uncertainties in the development are high.

Option 2b – New south stand at Carisbrook

Positives:	Lower investment
	Reasonable economic return on investment
	Holds test and Super 14 franchise for a reasonable time.
Negatives:	Weak social and cultural return on investment
	Dunedin would continue to be threatened by investment at other stadia. To address this weakness there is benefit in undertaking
	both option 2a and 2b jointly.

Option 2a provides the poorest social and cultural outcomes. The investment would not produce a medium or long-term solution for the city. The position of Dunedin as a city without tests or a Super 14 franchise is a major step backwards for the City. While the economic benefit ratio is the strongest, it does not include any future investment that will be required should the City and Otago choose to step back into the international sports and recreation arena. Option 2c and 2d are considered to provide too weak an economic return for the investment as well as weak social and cultural outcomes.

1.7 Recommendation and Way Forward

Recommendation

The best option for Dunedin is Option 1a, a new multi-purpose roofed stadium at Awatea Street. It is the belief of the Trust that this option will be a catalyst for growth, community vitality and pride for generations to come.

To progress this option with confidence requires the weaknesses identified in the option to be addressed: significant community investment; and development uncertainties.

The Trust recommends that Option 1a be embraced by the community leaders as the preferred option, that work commences immediately to better scope the key risk areas being construction costs and the provision of private funds.

If on review of this additional information, the 'miscellaneous' funding requirements are not confirmed or reduced from the current levels then Option 1b should be developed.

In this second scenario, the structure of the stands for Option 1b should be built to allow a roof to be added at a later date. This premium will be approximately \$6.0M making the overall investment \$150M.

The Way Forward

The following steps are recommended to progress this opportunity:

The Dunedin City Council accepts option 1a and the intention to meet the Rugby World Cup in 2011, and allows for a funding contribution of up to \$85M for the project.

The Otago Regional Council accepts option 1a and the intention to meet the Rugby World Cup in 2011, and allows for a funding contribution of up to \$37.5M for the project.

All partners in this opportunity (DCC, ORC, CTO and Otago University) work to find funds to allow further investigation of the key project risks by May 2007. Estimated cost \$800,000. This includes costs for the securing a CEO for the Trust.

With positive feedback from the public consultation and confirmation on the community investment, Dunedin City Council makes a decision for either Option 1a or a staged approach via Option 1b (inclusive of roof capacity)

If the public consultation results in negative feedback or the further investigation of the project does not reduce the community investment to specified levels, then an expanded Option 2b should be progressed.

Dunedin City Council and Otago Regional Council need to work together to provide confidence to Dunedin City Council in relation to the working capital put forward prior to Otago Regional Council decision in July 2008.

Conclusion

A unique opportunity unfolded for Dunedin and Otago at the end of 2005. The work undertaken in this report confirms that the vision of an iconic asset, a new multi purpose campus stadium on Awatea Street, which will be a catalyst to growth and vitality in the region remain achievable.

Significant challenges remain to be overcome. This catalyst opportunity is viable and profitable and calls for confidence and collaboration in taking the next steps forward.

