

Notice of Meeting:

I hereby give notice that an ordinary Meeting of the Community Committee will be held on:

Date: Tuesday 11 June 2024
Time: 9:30 am
Meeting Room: Council Chamber and Audio-Visual Link
Venue: Municipal Building, Garden Place, Hamilton

Lance Vervoort
Chief Executive

Community and Natural Environment Committee

Te Roopuu Haapori me te oranga o te Taiao

OPEN LATE AGENDA

Membership

Chairperson Cr Kesh Naidoo-Rauf
Heamana

Deputy Chairperson Cr Anna Casey-Cox
Heamana Tuarua

Members	Mayor Paula Southgate	Cr Louise Hutt
	Deputy Mayor Angela O'Leary	Cr Andrew Bydder
	Cr Maxine van Oosten	Cr Geoff Taylor
	Cr Moko Tauariki	Cr Sarah Thomson
	Cr Ewan Wilson	Cr Emma Pike
	Cr Mark Donovan	Cr Tim Macindoe
	Maangai Olly Te Ua	Vacancy

Quorum: A majority of Members (including vacancies)

Meeting Frequency: Two monthly

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7 June 2024

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Council Report

Item 11

Committee: Community and Natural Environment Committee

Date: 11 June 2024

Author: Maria Barrie

Authoriser: Helen Paki

Position: Unit Director - Parks and Recreation

Position: General Manager Customer and Community

Report Name: West Town Belt Park Development Project Update

Report Status	<i>Open</i>
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Purpose - *Take*

1. To update the Community and Natural Environment Committee on progress with the West Town Belt Development Project, Stage 1 Demolition of Founders Theatre works.
2. To seek the Community and Natural Environments Committee approval for an increase to Contract Sum to complete stage one works.

Staff Recommendation - *Tuutohu-aa-kaimahi*

3. That the Community Committee
 - a) receives the report;
 - b) approves the Project Budget increase for Stage one works to \$3,654,380 which includes an increased new contract sum \$2,700,000 for CON0001592-2022 Demolition of Founders Theatre; and
 - c) notes that any balance of funding from the \$4,165,000 West Town Belt Development Project funding will be directed to complete basic development of Boyes Park.

Executive Summary - *Whakaraapopototanga matua*

4. The approved budget to demolish Founders Theatre and re-develop Boyes Park is \$4,165,000. The project is being undertaken in 2 stages: with stage 1 being the Demolition of Founders Theatre being largely undertaken in the current financial year and stage 2 the redevelopment of Boyes Park, as per the approved concept (**attachment 1**), to be undertaken in 2024/25.
5. Staging the project is logical in a work programming sense but it also has the benefit of understanding the out-turn cost of the demolition and matching the scope or reinstatement to match the residual budget.
6. The stage 1 demolition of Founders Theatre is in progress and an unprecedented amount of asbestos contamination has been found which requires a rebalance of the approved project budget between Stage 1 and Stage 2 to stay within the approved budget.
7. Staff have been working closely with contractors, consultants and WorkSafe to ensure the additional asbestos is being managed in a safe manner while minimising the cost impacts as far as possible.

8. The additional asbestos requires an increase of the Approved Contract Sum for CON000592-2022- Demolition of Founders Theatre. The increase required is within the delegation of the chief executive who will exercise this delegation once Committee has approved the balance of funding between Stage 1 and Stage 2.
9. Based on this report there will be at least \$510,000 to develop Boyes Park to a very basic level (returned to grass, repair of Dame Hilda Ross Fountain) which will establish a basic recreation area, noting that any unspent contingency may increase this figure to enable some path connections through the site.
10. Staff consider the matters in this report have a low level of significance and that the recommendations comply with the Council's legal requirements.

Background - *Koorero whaimaarama*

11. The Founders Theatre site has been the subject of multiple reports to Council dating back to 2016. At the August 2023 Community and Natural Environment Committee, a final decision on proposals to repurpose the Founders Theatre site was made resulting in the West Town Belt Park Development (WTBPD), delivery of the preferred option from the 2022 public engagement, becoming a live project.
12. Tender documents for Stage 1 of the WTBPD Project – Demolition of Founders Theatre were prepared, and engineers estimates updated prior to an open public request for tender in June 2023. The tender documents included asbestos findings from the invasive pre-demolition survey carried out by qualified local experts Asbestos Risk Management Ltd.
13. At the 31 August 2023 Finance and Monitoring Committee, the Committee approved \$2,700,000 be bought forward from the 2024/25 financial year to enable a physical works contract to be let and West Town Belt Development project stage 1 works to begin.
14. Stage 1 works were estimated to cost up to \$2,700,000. This amount was expected to cover costs associated with Founders Theatre demolition, moving a WEL Energy transformer box and detailed design of the park redevelopment, leaving \$1,365,000 available for park redevelopment in 2024/25.
15. Under CE delegation, and following a rigorous tender evaluation process, Yakka Contracting Ltd were awarded the contract to complete demolition of Founders Theatre for the tendered sum of \$1,273,122.00. The approved contract sum was set at \$1,656,000 made up of the tender sum plus 30% contingency.
16. The site was established on 3 November 2023, and asbestos removal works commenced on 4 November 2023.

Discussion - *Matapaki*

17. The WTBPD project was to be delivered as a two-stage project, with demolition works being complete in the 2022/23 financial year, moving into the redevelopment from July 2023. Each stage was intended to deliver the following:
 - i. Stage 1 - building demolition, levelling, and re-grassing of the site, engagement, and park design.
 - ii. Stage 2 – physical works relating to redevelopment of the site as a park space that can be designed to meet the concept plan outcomes, with consideration of available budget.

18. Invasive pre-demolition asbestos surveys of the building identified that there were 8 key areas containing asbestos, from 72 samples taken. This equated to 14 tonnes of asbestos to be removed which was accounted for in the tender sums. Contingencies of \$382,878,000 (30%) and \$56,086 (10%) were applied to the physical works and project management respectively to allowed for anticipated issues that would be considered reasonable in a demolition project of this type.
19. As demolition works progressed, several areas were found to contain asbestos that were not identified in the initial report. These areas were inaccessible prior to demolition starting and both Yakka Contracting and the independent asbestos monitoring firm have indicated these findings are extremely unusual. Following these new findings staff worked with the contractors and experts to review the remaining works and risks.
20. Based on information available at the time, staff and consultants believed the remaining risks had been accounted for and the contract sum was increased on 8 May 2024, under CE delegation to \$2,041,329 (including a \$253,579 contingency) which along with other project costs was still within the \$2,700,000 Stage 1 budget allocation.
21. However, further significant A and B class asbestos was discovered later in May 2024, underneath roofing iron in the stagehouse roof and 1000m2 auditorium roof.
22. Based on the large quantities of A Class asbestos that have been discovered and the rapid escalation of issues from the discovery in the auditorium roof, staff have ascertained that these contingency sums will not be sufficient, and costs cannot be managed within the original \$2,700,000 Stage 1 budget allocation for works. They have been working with contractors, and expert consultants to re-forecast project risks and budgets.
23. A timeline of each discovery is detailed in **attachment 2**. Each discovery has added to the timeline to complete the project, as testing is needed to confirm type, and analysis of methodology to ensure that it can be safely removed in the most cost-effective way.
24. It is believed that changes to the building over time have hidden asbestos in unusual places and the removal is made more challenging due to the building's construction; concrete formwork and little reinforcing means structural integrity risks have needed to be carefully managed throughout the removal process. Additional asbestos has been found:
 - i. wrapped around pipes from a disconnected heating system that were underneath the concrete floor in the west wing, with residue in the soil beneath.
 - ii. between concrete wall cavities of the auditorium that had fallen from ceiling void above when the ceiling asbestos was partially removed in the early 1990s. Some asbestos was left in place with a spray locking technique in the early 1990s.
 - iii. in the stagehouse roof which had been renewed, however, the old roof, containing asbestos, was left in place with a new roof skin covering. There was no record of this in Council documents.
 - iv. Within the auditorium roof. This roof was rebuilt in the 1990s, however residual asbestos remained and due to the changes in compliance and regulations required safe removal.
25. The demolition work is 77 % complete. Based on discovery of asbestos to date, staff expect further asbestos may be found within the foundations of the building, which the original contingency would have accommodated, however due to these other items a new contingency to completion is recommended.
26. These major asbestos associated costs would likely have impacted any decision for Founders Theatre, including a renewal. The age and unique elements of the structure of the building have made it more challenging to remove asbestos.

27. During the project Yakka Contracting have been proactively working with staff, consultants and WorkSafe to ensure costs and risks are minimised. Examples of this are:
- i. Initial methodology for asbestos removal in the wall cavities required scaffolding, however, an alternative method was negotiated, reducing costs by \$525k in scaffolding and rigging.
 - ii. Initial methodology for the auditorium roof asbestos removal included scaffolding and wrapping, which would have added an additional \$1,000,000 in cost, and several months to the timeline. An alternative method was negotiated and approved by WorkSafe, reducing this cost to \$300,000 and minimising time impact.

Options

28. Ceasing works at this stage of the demolition is not considered a viable option, therefore, staff have assessed that there is only one reasonable and viable option for the Committee to consider. This assessment reflects the level of significance (see paragraph 49).

Option 1 – Complete the WTBDP project stage one works.

29. This option results in the demolition of the Founders Theatre being completed establishing a functional recreation area, along with the small carpark based on current estimates in the finance section (**Attachment 3**). If the contingency is not required, any balance of funds may be used to install path connections and refresh the Dame Hilda Ross Memorial Fountain on site.
30. The site will be left as open grassed space, available for informal recreational use by the community and would remain available for future park development if funding becomes available.

Financial Considerations - *Whaiwhakaaro Puutea*

31. The total budget to complete the West Town Belt Redevelopment Project is \$4,065,000. \$2,700,000 was bought forward to 23/24 financial year leaving \$1,365,000 in the 24/25 financial year.
32. The Stage 1 project costs were initially estimated to cost up to \$2,700,000. Actual tender contract prices following competitive open market tender, led to CON0001592-2022 - Demolition of Founders Theatre being awarded in October 2023. The project costs and budget to deliver stage one was \$2,272,733 as shown below:

Item / Description	Estimated / Tendered Cost	Contingency	Budget Allocation / Approved Contract Sum
Stage 1: Physical Works Contract Sum (based on Tender Sum)	\$1,273,122	\$386,878	\$1,660,000
Stage 1: Project costs including removal of WEL transformer	\$551,468	\$61,275	\$612,743
Total Stage 1 Estimate:	\$1,824,590	\$448,153	\$2,272,743
Total Stage 1 Budget Allocation			\$2,700,000
Balance to complete Stage 1 (design/professional fees)			\$427,257

33. On 8 May 2023 a project sum and contract sum increase was approved for Stage 1 works due to the initial discovery of asbestos:

Item / Description	Budget Allocation / Approved Contract Sum	Revised Estimated Costs / Variations	Revised Additional Contingency	Revised Approved Contract Sum/ Budget Allocation
Stage 1: Demolition Physical Works Contract Sum	\$1,660,000	\$1,787,750	\$253,579	\$2,041,329
Stage 1: Project costs including removal of WEL transformer	\$612,743	\$592,804	\$65,867	\$658,671
Revised Stage 1:	\$2,272,743	\$2,380,554	\$319,446	\$2,700,000
Total Stage 1 Budget Allocation:	\$2,700,000			\$2,700,000

34. Based on the most recent asbestos discoveries and detailed methodology checks it is recommended that Project Budget for stage one works be increased to \$3,654,380 to allow works to continue and make allowance for likely further asbestos discovery.

Item / Description	Budget Allocation/ Approved Contract Sum	Recommended Budget Allocation/ Contract Value	Recommended Contingency for remainder of works	Recommended Approved Contract Sum/ Project Budget
Physical Works Contracts Sum	\$2,041,329	\$2,336,959	\$421,750	\$2,757,709
Project costs including removal of WEL transformer	\$658,671	\$685,611	\$211,060	\$896,671
Recommended Total Stage 1 Budget Allocation	\$2,700,000	\$3,022,570	\$632,810	\$3,654,380
Total Budget available for Stages 1&2:	\$4,165,000			\$510,620

35. The restated budget leaves \$510,620 to deliver Park development projects. 2020 estimates suggest that \$2m was required to deliver the preferred concept plan. Staff recommend any remaining budget following demolition is prioritised to install a central path, and renewal of the Dame Hilda Ross Memorial Fountain.
36. To the end of May 2024, \$869,494.00 has been paid to Yakka Contracting against a contract sum of \$2,041,329. Project costs of \$563,041 have also been spent. A breakdown of these costs is included in **Attachment 4**.

Legal and Policy Considerations - *Whaiwhakaaro-aa-ture*

37. Staff confirm that the options presented in this report complies with the Council's legal and policy requirements.

Climate Change Impact Statement

38. Staff have assessed this option against the Climate Change Policy for both emissions and climate change adaptation.
39. An adaptation assessment has been undertaken and the project adequately responds to climate change risk.
40. An emissions assessment has been undertaken and the project increases greenhouse gas emissions, but this can be mitigated.
41. Overall outcomes will result in 75-80% of all building materials of the Theatre will be re-used and recycled, all contaminated materials will be appropriately disposed at certified landfill site.

Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

42. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental and cultural wellbeing of communities in the present and for the future ('the 4 wellbeings').
43. The subject matter of this report has been evaluated in terms of the 4 wellbeings during the process of developing this report as outlined below.
44. The recommendations set out in this report are consistent with that purpose.

Social

45. The site being returning to green space will ensure that future residents of the Central City will have access to a socialising space located within easy walking distance that contributes towards them feeling a sense of belonging and social inclusion.

Economic

46. A park space in the West Town Belt will provide for a more prosperous community by contributing to the creation of an attractive central city that people wish to call home. This brings economic benefits by making the city more enticing for investment, by attracting tourists, creating sources of employment, and by increasing property values.

Environmental

47. Creating amenity within the Central city enables biodiversity enhancement, the filtering of water, cooling the city, active modes of transportation and increases the cities resilience to extreme weather events like flooding.

Cultural

48. Council respects the special status of Tangata Whenua, are committed to the principles of Te Tiriti O Waitangi and further Maaori aspirations through building mana-enhancing partnerships.
49. Through any future design process there will be opportunity to provide for representations of previous site uses including European and Maaori history of this place.

Risks - *Tuuraru*

50. Risks associated with the decisions in this report are mainly reputational associated with community perceptions:
 - i. That the building should have been repurposed for community use.
 - ii. Expectations that a fully developed Park space will be delivered in 2024/25.
 - iii. Perceptions of that costs are unreasonable for the demolition of the building.

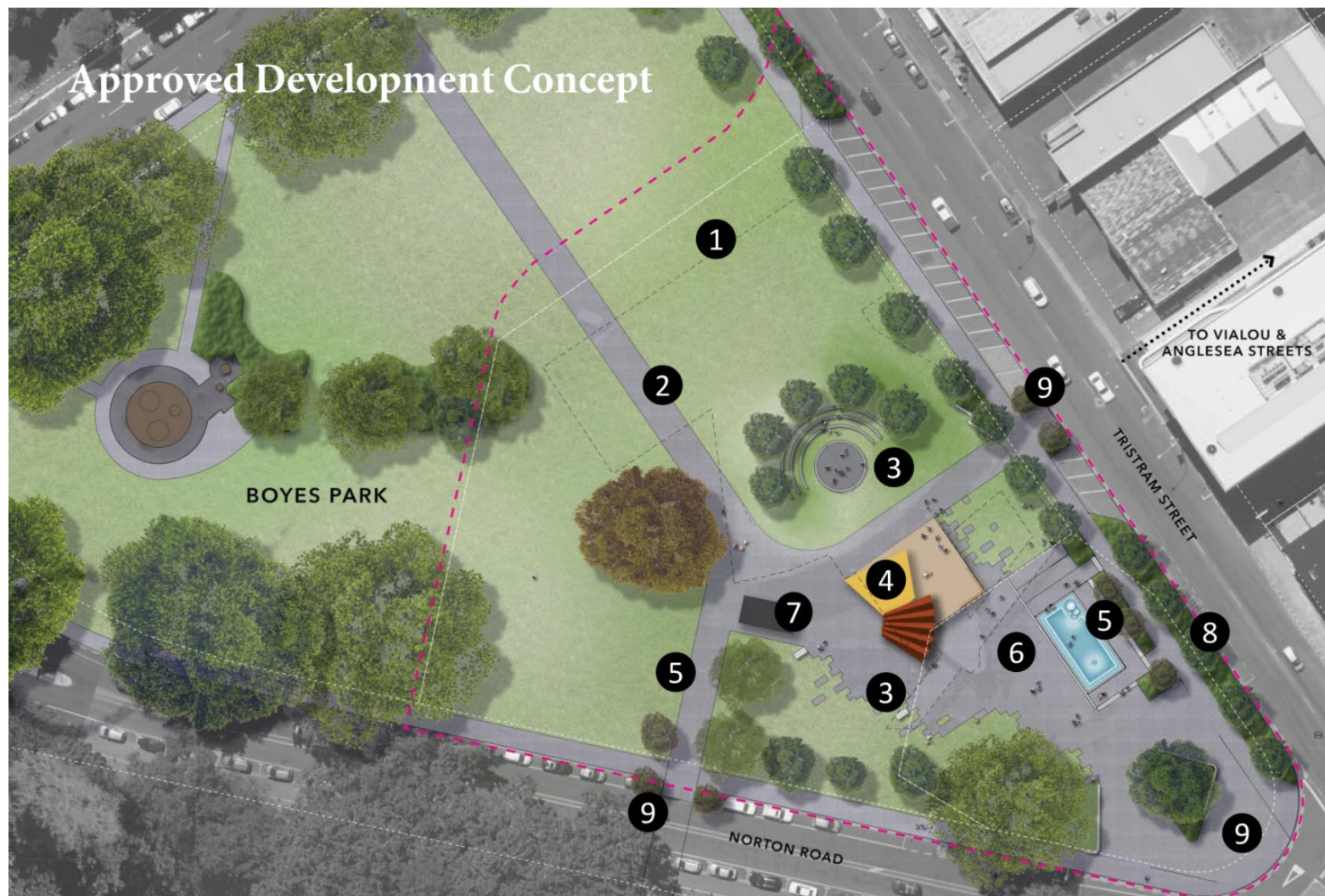
51. Staff consider these risks can be somewhat mitigated through release of the information in this report.

Significance & Engagement Policy - *Kaupapa here whakahira/anganui*

52. Staff have considered the key considerations under the Significance and Engagement Policy and have assessed that the recommendation(s) in this report has/have a low level of significance.
53. Community views and preferences are already known to the Council through previous public engagement and committee agenda items.
54. Given the low level of significance determined, the engagement level is low. No engagement is required.

Attachments - *Ngaa taapirihanga*

- Attachment 1 - Approved Development Concept
- Attachment 2 - Project Timeline Comparison
- Attachment 3 - Basic Park Development
- Attachment 4 - Cost breakdown to date

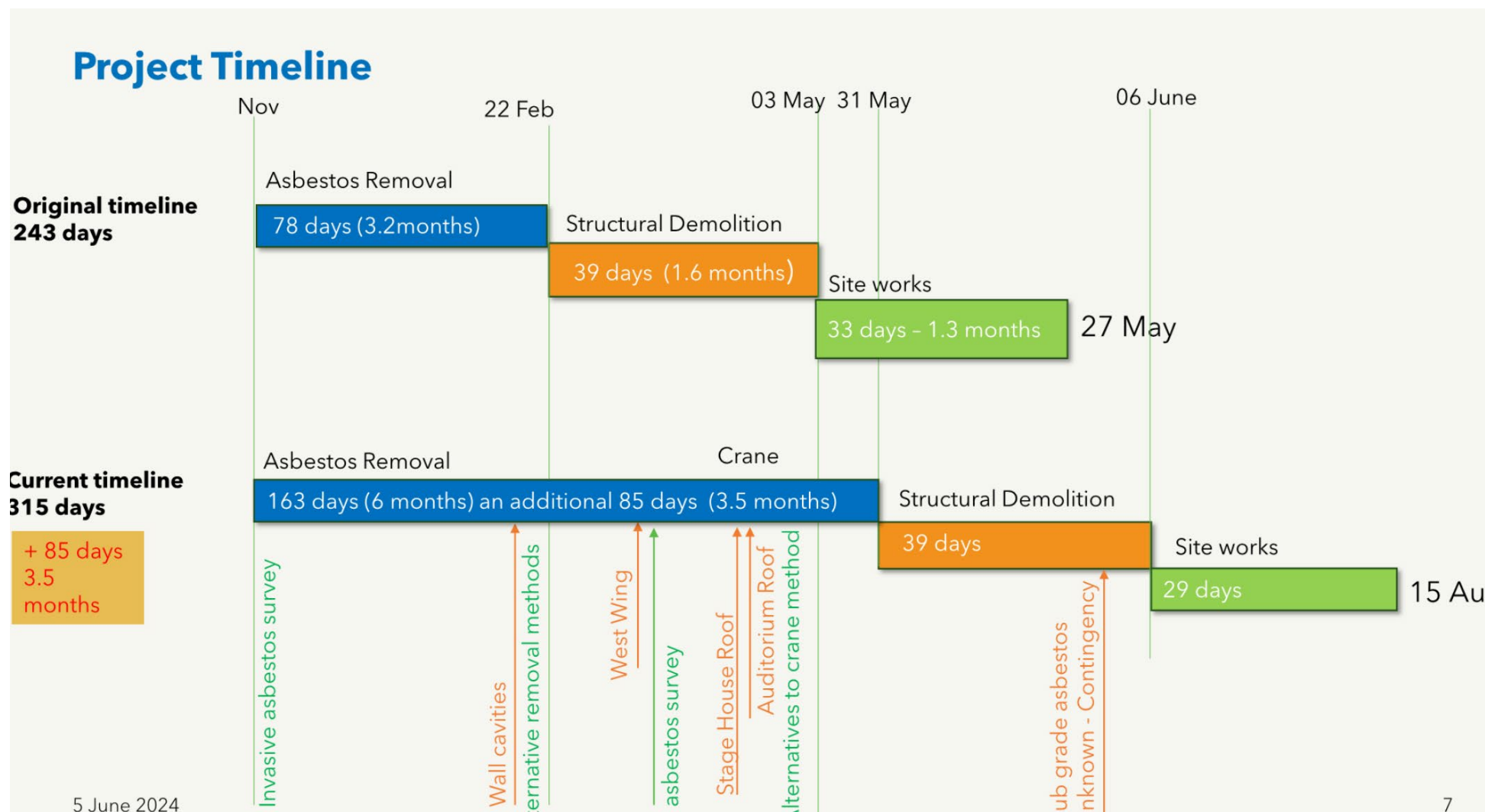


Key

1. New flat lawn space (~5,000m²)
2. 5m wide accessible path
3. Amphitheatre performance space
4. Canopy structure for performance and shade
5. Existing Dame Hilda Ross memorial fountain repaired and made accessible.
6. Engaging, playful public art
7. Potential public bathrooms/storage
8. Integrated street path and planting
9. Clear, safe park entrance

Throughout:

- Park furniture such as seating, cycle racks, bins, drinking fountains, lighting.
- Wayfinding, safety and interp signage.
- Garden beds and additional park trees.





Key

1. New flat lawn space (~5,000m²)
2. Existing Dame Hilda Ross memorial Fountain and hardstand retained. Fountain repaired and activated
3. Existing vegetation retained. No new planting
4. Existing minimal park furniture retained.
5. Half of existing car park retained.

APPENDIX SPEND TO DATE STAGE ONE

Supplier	Capex Actuals
Internal Charges	\$73,470
Asbestos Risk Management	\$122,439
Engineering	\$31,071
Electrical and WEL	\$137,148
Contract Management, MSQA, Environmental Compliance	\$198,913
Yakka Contracting Limited	\$869,494

