
REPORT 1
(1215/52/IM)

JOHNSONVILLE COMMUNITY CENTRE PROPOSED EXTENSION TO BUILDING: ADDITION OF NEW 100 PERSON MEETING ROOM

1. Purpose of Report

To seek Committee support and landowner approval for a proposed extension to Johnsonville Community Centre through the construction of an additional first floor meeting room capable of holding up to 100 people.

2. Executive Summary

The Johnsonville Community Centre, located on Frankmoore Avenue, is the busiest community centre in Wellington. The Council owns both the community centre land and buildings. Increased usage of this facility over the coming years is predicted with the continuing expansion of Wellington's northern suburbs.

The proposed extension to the Centre comprises the construction of an additional first floor meeting room to accommodate up to 100 people. This will result in increased capacity for the facility and the opportunity to target new user groups.

The report recommends that the Council provide landowner approval for the proposed extension. Officers consider that the proposal fits well with the strategic direction of the Northern Growth Management Framework and the Urban Development Strategy whereby urban development and intensification of land use will be facilitated in Johnsonville. Such activities will require additional social and community infrastructure and the proposal therefore will help to meet this need.

The proposed extension is to be at no capital cost to Council, funded instead by the Community Centre. The majority of the funds will be provided by means of a grant from the Johnsonville Licensing Trust with the balance coming from the Community Centre's reserve funds. The Community Centre currently has available funds of \$350,000.

The Community Centre has provided the Council with a cost estimate of \$330,000 for the project, dated 2002. The Council is concerned about the continuing accuracy of this estimate and has requested an updated quotation. This will be presented to Councillors at the Committee meeting on 7th February 2006. As a condition of Council granting landowner approval, the Community Centre is required to provide officers with further information, including a breakdown of all costs.

A further condition of landowner approval is that the Community Centre undertakes further needs assessment work. This will consider existing and predicted needs as well as an analysis of alternative options. It is anticipated that this additional information will be presented to Council officers by May 2006.

Council's commitment to the project will be limited to the provision of architectural and project management services. The project will be managed by Council's architects with input from Council officers and the Community Centre management committee. If landowner approval is obtained construction is expected to start towards the end of 2006.

Although it is anticipated that all initial construction works (including resource consent application costs etc) will be at no cost to Council the proposal does have ongoing financial implications for Council. These costs will be the additional costs of ongoing maintenance, depreciation and insurance for the extended building and are highlighted in the table in section 5.1 of the report. The forecast total additional future cost between 2005/2006 and 2014/2015 is estimated at \$115,570 including total depreciation and insurance costs of \$78,750. This equates to an average additional cost of approximately \$11,550 per annum which will be added to Annual Plan project A468.

3. Recommendations

It is recommended that the Committee:

1. *Receive the information.*
2. *Provide landowner approval for the proposed first floor meeting room extension to the Johnsonville Community Centre building (3 Frankmoore Avenue, Johnsonville) subject to the following conditions:*
 - a) *That the Johnsonville Community Centre is solely responsible for all costs associated with undertaking the proposed extension (including but not limited to construction costs, resource consent fees, technical reports etc)*
 - b) *That the Council's contribution to the project will be limited to the provision of architectural, project management services and ongoing maintenance, depreciation and insurance costs.*
 - c) *That the Community Centre is responsible for obtaining all necessary regulatory and statutory permits for the proposed extension.*
 - d) *That the Community Centre, prior to lodging any resource consent application, will provide Council officers with evidence of:*
 - a. *Further needs assessment work they have undertaken on the proposal to include existing and projected community needs, an analysis of alternative options including a reconfiguration of existing community centre accommodation and other alternative local accommodation options .*
 - b. *The Community Centre's ability to fully fund the entire project (allowing for any contingencies) on a fixed price contract basis and to include an up-to-date and itemised breakdown of project costs provided by a suitably qualified person.*

3. *Note that all building work is to be effectively planned and managed to ensure minimum disruption to adjoining properties and community centre users during the period of construction.*
4. *Agree that total additional maintenance costs of \$11,550 per annum are to be included in the Long Term Council Community Plan for Annual Plan Project A468.*
5. *Note that in the event that the Community Centre is unable to fully fund the proposed extension project, any decision by Council on whether to provide additional financial resources will be subject to the usual Council Annual Plan decision-making process.*

4. Background

The Property

The current Johnsonville Community Centre opened in 1995. It is a large Council-owned building situated adjacent to Keith Spry Pool and comprising several meeting rooms, a hall, a purpose built crèche, two retail outlets leased to a craft shop (The Spot), an Opportunity Shop and a dedicated youth space. On the first floor there are five office spaces currently leased by the Community Centre to a number of small businesses. The Community Centre and Keith Spry pool have shared parking facilities between the two properties. See aerial photograph attached as Appendix one.

The Centre is governed by a voluntary Management Committee (established as an Incorporated Society). The Committee employs four staff to manage the centre and to provide services to the community.

The popularity of the Johnsonville Community Centre has continued to grow over the last 10 years to the extent that the facility is currently nearing capacity with its existing rooms on most days. The maximum capacity of the existing larger meeting rooms is either 40 or 50 seated people and the hall can accommodate up to 200 people.

Over the past year 3,500 people have used the centre each week with an additional 40 young people using the Youth Service on a weekly basis. 133 groups use the centre, of which 95 are permanent user groups. These numbers are increasing steadily. The Community Centre is used by all sectors of the community and users are drawn from all parts of the wider Wellington area. A full list of users is attached as Appendix two.

An identified need has been established by the Johnsonville Community Centre for a room which can accommodate 70 - 100 people.

Current Council Support

The Johnsonville Community Centre receives a non-contestable grant of \$34,630.00 per annum. The Community Centre is expected to provide services to the community as per a signed Funding Agreement.

Community Centres are monitored on a six-monthly basis and are required to submit a full set of audited accounts annually as well as a business plan and budget for the following year. Council's City Communities staff are in contact with the community centres and monitor their performance. The Johnsonville Community Centre is in a sound financial position and has the ability to make a surplus each year.

The Proposal

The proposal is to construct an additional meeting room capable of seating up to 100 people on the first floor of the Centre. The meeting room would be built on the north-western end of the building over the existing hall kitchen, youth room and hall toilets. See architectural drawings attached as Appendix two.

The new meeting room will follow the existing design of the building and would be accessed from the existing stairs (an additional staircase is to be constructed to provide a secondary means of escape). A new lift is to be installed in the lobby. The construction costs for this lift are to be met by the Community Centre whilst the ongoing maintenance costs will be the responsibility of the Council. The proposed new meeting room will be approximately 10m x 9m.

A resource consent will be required for the proposed addition as the land is zoned Outer Residential in the Wellington City District Plan. The consent process will consider issues such as parking, noise etc.

The Community Centre approached the City Architects who have drawn up preliminary plans for the meeting room. CW Consultants have prepared a cost estimate based on these plans for \$330,000.00 (19th November 2002). This is discussed in more detail in section 5.1 below.

It is intended that the entire proposal will be carried out with no capital cost to Council.

Council's City Communities, Property and Recreation Wellington teams have been involved in the proposal outlined in this report.

On completion, the extension to the community centre building will be added to the asset management plan for Community and Childcare centres. The entire property will remain in the ownership of the Council.

5. Discussion

5.1 Cost Implications

This report seeks Committee's support to provide landowner approval for the proposed extension to the Community Centre building. This approval is conditional on the Community Centre funding the cost of undertaking the project.

Council is making a contribution towards the project through the provision of Council's Architects' design and project management expertise. These services will be provided at no cost to the Community Centre.

The Centre has indicated that the majority of funding has been provided by way of a grant from the Johnsonville Licensing Trust. The remaining funds will be drawn from the Community Centre's reserves. The total amount of currently available funds is approximately \$350,000. The Community Centre has indicated that they will be able to source additional funding if required.

The cost estimate for the project, supplied by the Community Centre, of \$330,000 is dated November 2002. This had an accuracy of plus or minus 20%. The estimate was prepared on the available information at the time. The Council is concerned about the continuing accuracy of this quote as the scope of the project has changed since it was prepared. In addition building costs have significantly increased since 2002. In officers' view it would not be prudent for the Community Centre to continue to rely on this quote. The Council has requested an updated quotation. This revised quotation will be presented to Councillors at the Committee meeting on 7th February 2006.

However, as a condition of landowner approval the Council requires the Community Centre to provide a breakdown of all anticipated costs to ensure that the Community Centre has the ability to fully complete the construction project without recourse to the Council for additional funding. The Community Centre is also to provide evidence of available funding to cover the entire project including any contingencies (on a fixed price contract basis) to ensure that project risks are minimised. The Community Centre is confident that they will be able to source the required funds. This information should be presented to officers by May 2006.

Once the proposed extension has been completed there will be ongoing operational financial implications. The forecast future costs are outlined in the tables on the following page.

The forecast total additional future cost (on previously budgeted figures) between 2005/2006 and 2014/2015 is \$36,820 excluding depreciation and insurance (\$115,570 including depreciation and insurance). This equates to an average additional cost of approximately \$11,550 per annum (including depreciation and insurance).

The addition to the building will be an entirely new construction and therefore required maintenance over the next 10 years should be at a minimum. The new lift makes the largest ongoing contribution to the additional OPEX costs. It is not anticipated that these additional OPEX costs will be offset by an increase in revenue as the Council does not charge community centres rent.

Cost Implications

Table One: Johnsonville Community Centre Current Operational Expenditure

Item	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15	Total	Comments
Mntnce (Reactive)	\$7,710	\$9,550	\$9,550	\$9,550	\$9,550	\$9,550	\$9,550	\$9,550	\$9,550	\$9,550	\$93,660	
Mntnce (Planned Opex)	\$2,100	\$2,100	\$50,100	\$2,100	\$2,100	\$5,100	\$2,100	\$2,100	\$5,100	\$52,100	\$125,000	Includes internal and external paint, annual bldg washes, gas heater, floor maintenance
Mntnce (Planned Capex)				\$6,000	\$4,000							
Service Contracts	\$4,570	\$5,764	\$5,764	\$5,764	\$5,764	\$5,764	\$5,764	\$5,764	\$5,764	\$5,764	\$56,446	Includes annual IQP inspections and general contract admin
Depreciation	\$51,600	\$51,600	\$51,600	\$51,600	\$51,600	\$51,600	\$51,600	\$51,600	\$51,600	\$51,600	\$516,000	
Insurance	\$3,790	\$3,790	\$3,790	\$3,790	\$3,790	\$3,790	\$3,790	\$3,790	\$3,790	\$3,790	\$37,900	
Total	\$69,770	\$72,804	\$120,804	\$78,804	\$76,804	\$75,804	\$72,804	\$72,804	\$75,804	\$122,804	\$839,006	

Table Two: Johnsonville Community Centre Revised Post-Extension Operation Expenditure

Item	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15	Total	Comments
Mntnce (Reactive)	\$7,710	\$9,550	\$9,800	\$9,800	\$9,800	\$9,800	\$9,800	\$9,800	\$9,800	\$9,800	\$95,660	Allowance of additional \$250.00 p.a. for new meeting room from '07/'08.
Mntnce (Planned Opex)	\$2,100	\$2,100	\$50,600	\$2,600	\$2,600	\$5,600	\$2,600	\$2,600	\$7,600	\$53,600	\$132,000	See note 1
Mntnce (Planned Capex)				\$6,000	\$4,000					\$3,500	\$13,500	Includes new carpet and spouting replacement (see note 2)
Service Contracts	\$4,570	\$5,764	\$8,804	\$8,804	\$8,804	\$8,804	\$8,804	\$8,804	\$8,804	\$8,804	\$80,766	Includes annual IQP inspections. Lift maintenance and general contract admin
Depreciation	\$51,600	\$60,350	\$60,350	\$60,350	\$60,350	\$60,350	\$60,350	\$60,350	\$60,350	\$60,350	\$594,750	From completion of construction
Insurance	\$3,790	\$3,790	\$3,790	\$3,790	\$3,790	\$3,790	\$3,790	\$3,790	\$3,790	\$3,790	\$37,900	
Total	\$69,770	\$81,554	\$133,344	\$91,344	\$89,344	\$88,344	\$85,344	\$85,344	\$90,344	\$139,844	\$954,576	

Additional per annum expenditure (difference between pre and post extension)	\$0	\$8,750	\$12,540	\$12,540	\$12,540	\$12,540	\$12,540	\$12,540	\$14,540	\$17,040		Average annual increase = \$11,557
--	-----	---------	----------	----------	----------	----------	----------	----------	----------	----------	--	---------------------------------------

Notes

- 1) Cost of exterior paint increased by \$1000 in '14/'15. Allowed \$2,000 to re-paint interior of new meeting room in '13/'14. Cost of exterior building wash increased by \$500.00 per annum from '07/'08.
- 2) \$3,500 added to '14/'15 for carpet replacement in new meeting room
- 3) From '07/'08 additional \$540.00 per annum added for IQP inspection of lift and additional \$2,500 per annum added for service contract cost of lift maintenance.

5.2 Project Risks

Officers consider that there is a very low financial risk to Council given that the Johnsonville Community Centre is to fund the entire project. The Council will satisfy itself that the Community Centre has sufficient funds in reserve to fund any potential cost over-runs prior to the commencement of construction. However, the Community Centre is well managed and in a solid financial position with the ability to make a profit each year. Last year's net surplus totalled \$27,124.00

However, in the event that the Community Centre is unable to fully fund the proposed extension project and has fully considered alternative options including more fundraising or reducing costs, any decision by Council on whether to provide additional financial resources will be subject to the usual Council Annual Plan decision-making process.

The requirement for resource consent poses a potential project risk. The proposed addition requires a resource consent application given the underlying zoning of the land as Outer Residential. The intensification of the community centre use of the land and its contingent environmental effects will need to be fully considered as part of the application process. It is likely that the Community Centre will be required to undertake a traffic management/impact report to consider potential parking constraints for both community centre and existing pool users.

With the exception of the possible parking implications the proposed addition to the community centre building will not impact on any future development that may be planned for Keith Spry Pool. The Community Centre extension is to be built at first floor level rather than encroaching on any ground-level land that may be required by the pool. The additional meeting room facility will provide a further opportunity for pool users to access the adjacent community centre facilities.

Prior to undertaking any construction the Council will enter into an agreement with the Community Centre to clarify the roles and obligations of each party

5.3 Identified Community Need

The Community Centre Management Committee has undertaken needs assessment work that identified a need for a meeting room that can hold up to 100 people. The existing rooms at the Centre can accommodate up to 50 people and the hall can accommodate up to 200. Repeated requests for a 100 person capacity size of meeting space are currently being turned away by the Centre on a weekly basis. The Committee has briefly considered alternatives to this construction project such as the reconfiguration of their existing accommodation. However, the Committee believes that further expansion of the building is the most appropriate way of enabling the building to continue to be effective in fulfilling its community functions.

Based on the above identified need the Johnsonville Community Centre carried out a community consultation process. A public consultation meeting was held on 21 July 2005. Invitation flyers were delivered to each household in the neighbouring streets. Invitations were also delivered to all nearby businesses. An advertisement was placed in the Independent Herald one week prior to the meeting. The meeting attracted very few members of the community and there were no objections received.

The report recommends that as a condition of Council's landowner consent approval the Community Centre will, prior to lodging any resource consent application, provide evidence of further needs assessment work they have undertaken on the proposal. This further work should include, for example, a survey of existing and projected community needs and an analysis of alternative options that have been considered including a reconfiguration of their existing community centre accommodation and other alternative local accommodation options which may cater for meetings of up to 100 people.

5.4 Policy Implications

The Community Facilities Review currently underway will be finalised later this calendar year. However it is considered that this proposal aligns well with the preliminary findings of the review which support the development of a hierarchy of suburban community centres. The proposed project falls within the Northern Ward which is the fastest growing area in Wellington. The requirement for some additional community facilities has already been considered in this area as evidenced by the Newlands development project. The Newlands centre will not provide meeting accommodation of the type proposed for Johnsonville. The Johnsonville project complements Newlands as it is limited to the extension of an existing facility and the construction is to be funded by the Community Centre. This project should not impact on future review outcomes.

Council's Urban Development Strategy team has considered this proposal and it is their view that the proposal also fits well with the strategic direction of the Northern Growth Management Framework and the Urban Development Strategy whereby urban development and intensification of land use will be facilitated in Johnsonville. Such activity will require additional social and community infrastructure and this proposal therefore will help to meet this need.

6. Conclusion

It is recommended that the Strategy & Policy Committee provide landowner approval for the proposed extension to the Johnsonville Community Centre subject to the conditions outlined in the recommendations of this report.

The majority of the project costs are to be met by the Community Centre. Council's contribution to the project is through the provision of technical architectural and project management expertise. The future costs outlined in section 5 of the report are not anticipated to be significant.

The provision of an additional meeting room facility will provide greater flexibility for community centre users and encourage increased community participation.

Contact Officers: *Pauline Kislick, Community Centre Liaison Officer*
 Kate Lang, Acting Team Leader Community Purpose Property

Supporting Information

1) Strategic Fit / Strategic Outcome

This project fits well with our new proposed strategic outcomes:

- More liveable
- Stronger sense of place
- More inclusive
- More engaged
- Better connected

2) LTCCP/Annual Plan reference and long term financial impact

The financial implications are discussed in section 5 of the report. The total additional cost to Council over a 10 year period is \$115,570.

3) Treaty of Waitangi considerations

N/A

4) Decision-Making

This is not a significant decision but a report to seek support and approval for a community project.

5) Consultation

a) General Consultation

The Community Centre has undertaken a consultation process. The City Communities and Recreation Wellington business units have also been involved in discussions with the Community Centre Management Committee.

b) Consultation with Maori

This has been included within the general consultation undertaken by the Community Centre.

6) Legal Implications

N/A

7) Consistency with existing policy

This is a stand alone project at no cost to Council to extend an existing facility this does not therefore have an impact on existing and future policy.

APPENDIX ONE