

WHANGANUI VELODROME REVIEW

**October 2020
Confidential**



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EXECUTIVE SUMMARY

This SGL Executive Summary and full Report should be read in conjunction with the Executive Summary and full Design and Cost Review Report by BOON Team Architects and Rawlinsons Quantity Surveyors.

OBJECTIVE AND METHODOLOGY

Leisure, community facility and funding advisory consultancy SGL was asked to undertake an independent review of the proposed roofing of the Whanganui Velodrome, which was conducted from mid-March to the end of July 2020.

The original objective was to complete “a comprehensive independent assessment of the roofing options for the Whanganui Velodrome based on supplied historical documentation and engagement with identified key stakeholders.”

However, given the volume of work, energy and commitment by RVDT members and others over a long period time, it was important to validly assess what was being proposed, and hence the brief was revised to review the robustness of the business case and design fit-for-purpose for the three design options proposed by RVDT.

The three Options being proposed by RVDT, which were based on the Copeland Associates Architects design, were:

- Option One: Protect Track – Cycling Only
- Option Two: Cycling, Skating and Concerts – Basic
- Option Three: Cycling, Skating, Concerts – Full.

As a consequence, it was important to also conduct a comprehensive design and cost review. Under SGL’s direction, Whanganui District Council directly contracted BOON Team Architect’s and Rawlinsons Quantity Surveyors

Furthermore, as the investigation process progressed, it became apparent that there was only about a 15% difference in the capital cost estimates for the three Options, and for clarity the consequent focus shifted to examining Option Three.

SGL and BOON also wish to clarify the process undertaken was a Review process only. The reviewers’ role was not to develop a business case nor a workable design for the velodrome, but to provide clear advice on the current business case, design fit-for-purpose and cost estimates for the proposal developed to date by the Regional Velodrome Development Trust.

Note, key ‘SGL Commentaries’ are provided throughout the full Report and for ease of reading most are duplicated in this Executive Summary.

PRELIMINARY REVIEW

SGL initially undertook a Preliminary Review from mid-March to mid-April 2020.

The purpose of the Preliminary Review, which involved reading about 80 documents, was to provide early observations to the Whanganui Velodrome Steering Committee and to then mutually agree on the subsequent process required for the Review.

In short, SGL advised the Steering Committee that the expected and sufficiently robust information for a project of this scale had not been sighted – there was a large number of partially completed investigative and project development processes, for a project with changing objectives over a 20-year period, with a lack of clarity that some substantively fundamental items for the current proposal had ever been properly addressed.

As per the SGL Commentaries in this section:

SGL Commentary 1

Based on the information provided in the principal feasibility documents, one did not have the required level of information to make informed decisions (regarding the future direction of the project).

SGL Commentary 2

The covered velodrome was a project with a valid genesis based on an original competitive advantage, but circumstances then changed with the project then essentially being argued on the basis “a roof was needed to safeguard an existing quality track” coupled with a visually compelling design, and/or trying to position itself with a possible broader purpose to better meet funder requirements.

However, at no stage had a sufficiently valid needs case for either cycling currently or for the expanded purposes been sufficiently demonstrated.

Furthermore, the necessary utilisation projection, financial projection and valid capital funding assessment had never been fully completed to enable proper consideration of a project of this scale.

LEARNINGS FROM OTHER VELODROMES

SGL undertook desktop research on the range, cost, facility specification and function of all velodromes in Australia and spoke directly to a representative of the Silverdome (the velodrome in Launceston, Tasmania), plus further researched two velodromes in Europe, namely the Derby Arena (UK) and the Hanns-Martin-Schleyer-Halle in Stuttgart (Germany).

As per the SGL Commentary in this section:

SGL Commentary 3

Velodromes are foremost designed for their core purpose, to cater for cycling.

Because of their specialised and largely single-purpose main function, velodromes are usually built to cater for large population catchments, with a core population of greater than 1 million people and with regional catchments of several millions of people. Even then, some utilisation levels can be quite low.

Velodrome infields are often used for regular and event indoor court sports, and sometimes for alternate sports use.

Where velodromes are used for other entertainment and exhibition purposes, other supporting infrastructure is also provided to improve the capability of the venue to host these types of activities, including 1,500+ permanent seating and additional function space.

Capital costs of recent velodrome builds are in the order of \$45M+.

It also appears the majority if not all velodromes require a high level of annual operating subsidy, potentially \$400,000 to \$500,000 before depreciation.

Silverdome in Tasmania appears to be the velodrome catering for the range of activity most similar to the activities envisaged by the Whanganui Regional Velodrome Development Trust. Silverdome's activities include cycling, exhibition, and entertainment performances, but it should also be noted their permanent seating is an important part of their entertainment capability/set up in some configurations, and similarly a supporting auditorium is an important part of their exhibition offering. This velodrome is also owned and managed, and one assumes subsidised, by the Tasmanian State Government.

NEEDS CASE AND PROJECT DEVELOPMENT PROCESS

In this section SGL reviewed the overall needs case and in particular considered the findings of the Cycling Needs Assessment by Global Leisure Group in 2019.

What Were and Are the Key Questions?

The original key and suggest unchanged driver was to cover the wooden cycling track to protect it from the weather and in parallel to increase the overall usability of the track – so that the cycling community would be able to safely train all year round and also confidently commit to the time and expense of hosting events without the threat of cancellation due to weather.

Therefore, suggest the key questions were, and remain, ***firstly why (what's the case for?) and then how can one cost effectively put a roof over a quality outdoor cycling track?***

As per the SGL Commentary in this section:

SGL Commentary 4

Suggest with the application of a 30-minute catchment only (which by Avantidrome's definition includes club and school riders) and incomplete treatment of regional high performance activity, that the 2019 GLG report understated the cycling demand for a covered Whanganui velodrome, and based on Avantidrome 2017-18 metrics suggest there could be over 1,900 hours of annual track use for regular and event cycling. This equates to about half of the total 2017-18 cycling utilisation of the Avantidrome.

Other key comments are:

- Subject to demonstrated demand and a covered velodrome, Cycling NZ are supportive of the establishment of a 7th performance hub in Whanganui

- GLG’s suggestion of an outdoor paved velodrome appeared to ignore the fact there is an existing velodrome with a wooden track whose substructure is in very good condition and a multi-million investment in infrastructure.

Furthermore, suggest there is, to date, no clearly demonstrated demand for speed skating nor for wider event use. Both types of activities appear to have been included to help build an improved multi-functional, financial, and economic case to secure public funding.

PRINCIPAL FINDINGS OF THE DESIGN AND COST REVIEW

The principal findings from this BOON and Rawlinsons Design and Cost Review are included here as the findings affect the inputs for the remaining sections. These findings were:

- There still remain some design risks for cycling functionality if the velodrome is to achieve Union Cycliste International Category 2 rating (and if so, would therefore be able to attract the same kind of cycling events that are hosted by the Invercargill velodrome)
- A 180m to 200m speed skating track can be accommodated within the infield area (final specifications subject to specialist detailed design)
- Event occupancy within the infield area is approximately 650 to 750 people, subject to the new second tunnel being constructed and confirmation by further design development, detailed fire safety assessment, and consenting work. For arena infield occupancy of more than 650 to 750 people a combination of (permanent) widening of the existing tunnel and temporary ‘over-track’ egress routes will be required
- The current design has substantive limitations for the hosting of concerts in the infield area, and in particular the construction of temporary egress routes is likely to make most concerts unviable
- The estimated capital cost after full of the revised RVDT/BQH estimates in October 2020, and based on starting construction in mid-2022, **ranges from about \$30.25M for Option One to \$35.22M for Option Three.** Please note, based on improved design and capital cost understanding from the Review discussion on 8 October 2020, some risk provisions from earlier cost estimates have been removed and some still remain.

Please see the Design and Cost Review Executive Summary and the full Report for further detail.

OPERATING EXPENDITURE

As part of the operational financial performance review, SGL spoke to the General Managers of both the Avantidrome in Cambridge and for the Invercargill velodrome, and also compared indicative estimates to the actual summary financial statements for the Avantidrome for the financial year ending 31 March 2019 and to the RVDT business case estimates.

As per the SGL Commentary in this section:

SGL Commentary 5

Suggest assessment of the **projected annual operating costs at this time for the Copeland Design at \$35.22M** should be based on SGL’s Medium indicative estimate of **about \$966,300 before depreciation** - about 60% of the Avantidrome’s current actual annual costs before depreciation of \$1.615M.

Suggest Avantidrome wages seem high but includes Gym operational costs and are also based on an established event and activity programme compared to SGL's estimate, which assumes a lean and base operation only initially; and annual energy costs for ventilation and heating for the Avantidrome are substantively higher than (are currently anticipated) will occur with the Copeland design. Depreciation costs for the Avantidrome also appear to be very conservative (\$1.271M/\$31M = 4.1%). The annual depreciation of \$1,049,200 applied by SGL is now an indicative but itemised estimate by Rawlinsons Quantity Surveyors on 22 October 2020, based on Option Three costing 35.22M.

Please note, SGL's indicative expenditure projections assume a paid staff member on site during all (92 per week) hours of operation. Subject to adequately addressing health and safety requirements, it may be possible for accredited representatives of say the Whanganui Cycling Club to be the designated on-site supervisor and enable staff savings for agreed periods; plus to simply reduce the opening hours/close the facility when not justified, and consequently reduce overall staffing hours and costs as sensible.

OPERATING REVENUE

Material Revenue Items

In the RVDT business case, Y1 sponsorship income accounts for \$850,000 or 57% of the total revenue; and non-cycling/skating events \$309,000 or 21% of the total revenue – together \$1.159M or 78% of the total revenue of \$1.481 M.

Similarly, Y5 sponsorship income accounts for \$850,000 or 45% of the total revenue; and non-cycling/skating events \$588,000 or 31% of the total revenue – together \$ 1.438M or 76% of the total revenue of \$1.902 M.

In summary, sponsorship, and non-cycling/skating event income account for over 75% of the total projected annual revenue.

Furthermore, of the non-cycling/skating event income (see RVDT business case page 40), Y1 concert revenue accounts for \$236,000 or 73% of the event income of \$309,000; and in Y5 \$371,840 or 63% of the event income of \$588,000. ***In summary, concerts account for about two thirds of the non-cycling/skating event income.***

As per the SGL Commentaries in this section:

Sponsorship Discussion

SGL Commentary 6

SGL suggests the realistic upper level of operating sponsorship is at best up to \$200,000 per year and in the early years, due to capital funding requirements, could be much lower. Furthermore, to achieve closer to this level than not will require a good level of visitation and event programme to be achieved. To SGL's indicative annual revenue estimate some gaming revenue is also added, with a High annual gaming revenue estimate up to \$80,000. Again, in early years this gaming support may be diminished because of Gaming Trust support for capital funding.

Concert Discussion

RVDT's business case is projecting a very high level of concerts annually, from 9 in Y1 (4 with about 2,175 people and 5 @ 4,900), rising to 19 in Y5 (8 @ 2,175 and 11 @ 5,000). SGL additionally notes there is a high level of proposed food and beverage festivals annually, with 7 projected in Y5, but food and beverage festivals are not further discussed here.

SGL makes the following comments:

- From all information sighted, there is no benchmarked case for this level of concert activity in a provincial centre such as Whanganui
- Suggest this level of activity is extremely high with almost one concert every month in Y1, with Y5 concert activity projected to be double Y1. As one example only, Silverdome (the velodrome in Launceston, Tasmania) host only two concerts annually
- Viable concerts are dependent on achieving the required crowd numbers. As commented by the Avantidrome General Manager, "One needs 5,000 people for a concert to be viable – above 5,000 people to attract big name acts, and small name acts don't attract anyone." Consequently, proximity to a large population base, together with lower venue costs and ease of venue set up, will all influence an operator's decision to proceed. Furthermore, to attract a concert may often require the venue to underwrite some of the risk. As per the BOON Design and Cost Review and a subsequent scaffolding estimate, the proposed velodrome design is also likely to require about an \$80,000 temporary egress cost across the track to cater for a 6,000 concert crowd, plus the proposed design does not allow readily accessible nor cost efficient set up and management.

SGL Commentary 7

As discussed in this section, suggest there is low potential to host concerts on a viable basis.

However, given infield occupancy levels and similar to the Invercargill velodrome (which would probably require a similar infield set up), suggest one could consider developing and drive a diverse trade show and community event programme, if this demand is not already adequately catered for at other existing venues. A possible revised approach and corresponding revenue estimates are described in the Events commentary in the Indicative Annual Revenue Estimation.

Overall Operating Financial Performance

SGL Commentary 8

When considering the overall financial performance of Option Three, one could reasonably consider the Medium Revenue projections and either the Low to Medium Expenditure projections, **and a likely consequent annual operating deficit range before depreciation from \$600,000 to \$400,000**, and with very good management possibly as low as \$200,000. Annual depreciation has been estimated to be a further \$1.05M by Rawlinsons Quantity Surveyors, based on Option Three costing \$35.22M.

This level of projected annual deficit is consistent with understood operating deficits currently occurring at some other velodromes.

OWNERSHIP, GOVERNANCE AND MANAGEMENT

From all discussions to date, ownership, governance, and management of the future facility have not been considered.

CAPITAL FUNDING

Please note, all comments below **assume a valid project**.

From detailed review of potential available funding in the region, but with the qualifier no specific testing with funders has occurred, and based on SGL's experience of similar types of major community projects, suggest the potential achievable funding for a valid project from all non-government sources other than the NZ Lottery Board is up to about \$10.5M.

The current Cost Review by BOON and Rawlinsons Quantity Surveyors indicate a project cost based on the Copeland design realistically ranging from \$30.25M to \$35.22M. Less \$10.5M from the other funding sources identified above, this therefore means **from \$19.75M to \$24.72M is required from local government and non-Lottery Board central government sources**. Again, based on funding experience of many community projects suggest **30% to 45% funding leadership of the total project cost would normally be needed for this type of project from local government** as part of advocating the required remaining level of Government funding, which one must clearly say could, even then, not be realised, i.e. the final level of support will be dependent on the validity of the community and economic case, and to justify these levels of funding would need to be regarded as a transformative project for Whanganui District and the wider region.

For clarity, by 'local government support' mean the combined support from the Whanganui District Council and/or Horizons Regional Council. **Based on a \$35.22M cost, the likely level of local government support required to achieve the capital funding for the project will therefore range from about \$10.6M to \$14.2M.**

OVERALL CONCLUSIONS

Summary Findings

Cycling demand for a covered velodrome in Whanganui appears to be about 2,000 track hours per year which equates to about half the level of proposed use of the Avantidrome in 2017/18.

There is currently no demonstrated demand need for speed skating nor for the wider concert and other non-cycling event use being proposed.

The proposed Copeland Design Options are estimated to cost from about \$30.25M to \$35.22M, based on construction starting in mid-2022 and are likely to require no less than about one third+ of this cost to be funded from local government sources (i.e. from Whanganui District Council and/or Horizons Regional Council). There also still remain some design risks for cycling functionality and the current infield is likely to have low suitability and to be unviable for the majority of concerts.

The ongoing net operating cost before depreciation for Option Three to Whanganui District Council is likely to be about \$400,000 to \$600,000 per year, and even higher for the other two Options. The annual depreciation for Option Three will be about a further \$1.05 million.

In summary, there is no current valid case to proceed with the current design proposal, which based on its current scope will be an expensive facility to build and operate, and which will not meet some of the functional requirements currently proposed.

However, suggest there is an improved cycling needs case to consider a cost-effective solution for the covering of the outdoor track.

Possible Alternative Development Options

The purpose of this Report and the Design and Cost Review was to assess the current Copeland design options.

At this time, the consultant review team has only given limited consideration to alternative development options with the assumption that the primary focus would be on catering for track cycling and competitive event cycling up to a UCI category 2 homologation status.

If no roof covering is provided, specialist track advice will be required regarding the best track solution to achieve long term protection of the asset and maintenance of past levels of activity.

With regard to a roof covering that focuses solely on providing weather protection for the cycling track, there are likely to be a number of lower cost options.

These options may be of a similar construction to the current roof proposal (i.e. a structural steel frame and tensile fabric canopy), or a structural steel frame and profiled steel roofing/cladding. Further detailed work is required to validly assess these options.

1.0 OBJECTIVE AND METHODOLOGY

All figures in this Review are GST exclusive unless stated otherwise.

1.1 Original Review Objectives

Leisure, community facility and funding advisory consultancy SGL was asked to undertake an independent review of the proposed roofing of the Whanganui Velodrome.

The original objective was to complete “a comprehensive independent assessment of the roofing options for the Whanganui Velodrome based on supplied historical documentation and engagement with identified key stakeholders.”

Furthermore, the original objective was to assess “the possible attributes that would warrant a decision to significantly invest in roofing the existing Velodrome and to what capacity”, or to assess “the possible attributes that would warrant a decision to decommission the Velodrome.”

1.2 Preliminary Review

SGL initially undertook a Preliminary Review from mid-March to mid-April 2020. The purpose of the Preliminary Review, which involved reading about 80 documents, was to provide early observations to the Whanganui Velodrome Steering Committee and to then mutually agree on the subsequent process required for the Review.

1.3 Revised Process Immediately Following the Preliminary Review

Following SGL’s initial feedback, the Steering Committee requested it was very important SGL hear directly from representatives of the Regional Velodrome Development Trust (RVDT), so they were able to explain in person the current design and business case. Prior to this occurring, Whanganui District Council also contracted RVDT representative Martin Visser to complete some missing business case information.

Mr Visser forwarded this updated business case information to SGL on 13 May, with Steve Bramley from SGL then undertaking a Zoom call with RVDT representatives Bob Smith and Martin Visser on 22 May, and a further follow up call on 25 May with Martin Visser to seek clarity on missing or unclear information.

At the first opportunity, Steve Bramley then visited Whanganui on 3 June and met with Council, RVDT and Cycling representatives. Following feedback from Steve Bramley, further corrected and/or updated business case information was then received from Martin Visser on 29 May, 11 June, and 12 June.

1.4 Consequent Revised Overall Objective/Focus and Methodology

As all information was reviewed it became evident that the focus needed to shift to assess the validity of the three Options being proposed by RVDT, which were based on the Copeland Associates Architects (CAA) design and were:

- Option One: Protect Track – Cycling Only
- Option Two: Cycling, Skating and Concerts – Basic
- Option Three: Cycling, Skating, Concerts – Full.

Given the volume of work, energy and commitment by RVDT members and others over a long period of time, it was important to validly assess what was being proposed and to determine, with adjustments as required, that one of the Options provided a solution that addressed real community need/demand, that the proposed design was fit-for-purpose for the proposed function/s, and that the project was achievable (could be funded) and operationally viable within acceptable and justifiable parameters.

Consequently, SGL's brief was adjusted to focus on this purpose, and to not try to consider potential alternate courses of action. For clarity, ***the revised brief was to review the robustness of the business case and design fit-for-purpose for the three CAA Options proposed by RVDT.***

As a consequence, it was important to also conduct a comprehensive design and cost review. The purpose of this review was to assess the design's fit-for-purpose and to also review the previous cost estimates for the three Options being proposed. Under SGL's direction, Whanganui District Council directly contracted BOON Team Architect's and Rawlinsons Quantity Surveyors to undertake this design and cost review, which occurred from 19 June 2020 to 27 July 2020.

As part of this review BOON had considerable contact with CAA's current design team consultants plus also made direct contact with the Union Cycliste Internationale (UCI), the international body based in Switzerland which is responsible for the approval of cycling tracks for competition. Please also note, a member of the BOON Team Architects team was Dominic Buckell from Chibnall Buckell Team Architects, who were the design team for the Cambridge's Avantidrome.

In parallel with this design and cost review SGL:

- Interviewed representatives from Sport NZ and the Giblin Group (Capital Fundraising Specialists and funding advisers to the RVDT), and also interviewed the General Managers of both the Cambridge Avantidrome and ILT Stadium and Velodrome in Invercargill
- Undertook desktop research on the range, cost, facility specification and function of all velodromes in Australia and spoke directly to a representative of the Silverdome (the velodrome in Launceston, Tasmania), plus further researched two velodromes in Europe, namely the Derby Arena (UK) and the Hanns-Martin-Schleyer-Halle in Stuttgart (Germany)
- Specifically reviewed the functional potential of a velodrome, needs case, projected operating expenditure and operating revenue, and capital funding for the proposed project.

In turn, on receipt of BOON’s Design and Cost Review, SGL updated and further addressed the relevant elements of the business case review.

Please Appendix 1 for all people interviewed by SGL; and please see Appendix 2 for a full list of documents sourced and read by SGL during the course of this Review.

This document should be read in conjunction with the Whanganui Velodrome Design and Cost Review.

SGL and BOON provided a report overview to Whanganui District Council on 10 September 2020. A meeting was then convened by Council between representatives of RVDT, RVDT’s design team and with the SGL review team, with Councillors and staff present, to discuss the Review’s findings. In particular, both design teams discussed aspects of the design and capital cost estimates. Based on improved design and capital cost understanding, the review team reviewed their capital cost estimate, plus also investigated further depreciation costs, plus also scaffolding costs for events.

The Full Review was completed in late October 2020.

1.5 Summary of Methodology Elements and Timeframe

SUMMARY OF METHODOLOGY ELEMENTS AND TIMEFRAME	
Description	Dates (2020)
Preliminary Review by SGL	Mid-March to mid-April
Further RVDT Business Case Development by Martin Visser	Late April to mid-May
Preliminary Design and Business Case Understanding and Clarification by SGL, including visit to Whanganui to meet with Council, RVDT, and Cycling Representatives	Mid-May to Mid-June SGL Visit to Whanganui on 3 June
Design and Cost Review by BOON Team Architects	19 June to 27 July
External Interviews and Research by SGL	Mid to end of June
Draft Report	2 August 2020
Meeting with Whanganui District Council	10 September 2020
Review Discussion with RVDT and the RVDT Design Team, with Whanganui Councillors and Staff present	8 October 2020
Final Report	27 October 2020

1.6 Clarity on the Review Process – What It Is and What It Isn’t

SGL and BOON also wish to clarify the process undertaken was a Review process only. The reviewers’ role was not to develop a business case nor a workable design for the velodrome, but to provide clear advice on the current business case, design fit-for-purpose and cost estimates for the proposal developed to date by the Regional Velodrome Development Trust.

However, because there was such a high level of partial information developed over a very long timeframe, with multiple versions and updates, and often not the right questions being asked in the right order, it has been a confusing situation for stakeholders such as Whanganui District Council just as for the review team, to get to the bottom of what is valid or not.

Consequently, SGL and BOON have been very thorough to cross-check as far as possible all material information and then to discuss the project severally and collectively from a need, operational viability, capital funding achievability, design, and capital cost perspective.

The approach has been to benchmark against other velodromes where relevant, or against known or usual norms, but SGL hasn't tried to build a zero-based utilisation nor operational model – this was beyond the scope of this work. However, SGL and BOON have taken this review exercise much further than one normally might, as it was important to try and provide clarity why there was agreement or not with each specific aspect of the project.

Also, each aspect of our investigation often affected another, for example, whether the venue was suitable or not for concerts >2,500 people impacted operating revenue; similarly, final capital costs and design implications affected operational costs; and also on the most fundamental level, if there was insufficient demand for different activity types then what project and design scope did that then suggest and warrant.

1.7 Acknowledgements

SGL and BOON also wish to fully acknowledge the helpfulness and assistance at all times by all representatives of the Regional Velodrome Development Trust and also by the CAA consultant team; and for the support and professionalism of Whanganui District Council Project Officer, Kellie Brougham.

2.0 PRELIMINARY REVIEW

2.1 Purpose and Summary Feedback

SGL initially undertook a Preliminary Review from mid-March to mid-April 2020. The purpose of the Preliminary Review, which involved reading about 80 documents, was to provide early observations to the Whanganui Velodrome Steering Committee and to then mutually agree on the subsequent process required for the Review.

In short, SGL advised the Steering Committee that the expected and sufficiently robust information for a project of this scale had not been sighted – there was a large number of partially completed investigative and project development processes, for a project with changing objectives over a 20-year period, with a lack of clarity that some substantively fundamental items for the current proposal had ever been properly addressed.

2.2 Preliminary Review Approach and Specific Observations

The information review was primarily based on firstly seeking to see a valid needs argument for the proposed facility, and to then sight a supporting benefits argument, utilisation projection, operating financials, design and capital cost estimation, plus capital funding profile for each facility option, in turn allowing or not allowing an informed decision to be made. At the preliminary review stage no attempt was made to consider if the design was fit-for-purpose.

Following reading of the majority of the documents provided, SGL made the following comments:

- This project had not been well served by the order of the project development process, nor by the completeness and/or quality of previous reports. Why:
- At an early stage it would have been normal for a detailed needs analysis to have been undertaken
- This detailed demand analysis appeared to have only occurred by GLG in 2019 and then only for cycling
- There was no detailed demand analysis for regular activity for speed skating, a repeatedly stated potential major user of the expanded facility
- At no stage did it appear that a sufficiently detailed projected annual utilisation¹ had been prepared based on the proposed facility, either for a base proposal or facility option - *Please note, as the Review process progressed and feedback was provided, improved information was sighted, but in particular for events limited basis was provided for the projected event profile*
- One would have expected an options analysis to include a comparison between not just the capital cost and benefits but to also provide comparative utilisation and net operating cost information, plus to understand the (realistic) capital funding implications for principal stakeholders for the different options
- For some options, specific design information with matching cost estimation was not clearly apparent and possibly not available, for example the 2017 ‘Roof only’ option was stated to have a full capital cost of \$6.8 million, but what this did or did not include was unclear, including whether a satisfactorily completed facility could be provided for this amount

¹By detailed annual utilisation meant projected number of visits and duration of visit by activity type, by day and by week, by term and by holiday period, for at least each principal activity space, with in turn total projected annual utilisation, with at least one or more methods cross validating the total projected use by each proposed user and activity type.

- In the consultant reports for the velodrome, there was no detailed description nor critical analysis of sport and event facilities and their corresponding activity and event programme in the Whanganui District and wider regional catchment, and in turn no substantive discussion regarding the strategic potential and case for other activities to be re-located or developed.

SGL Commentary 1

Based on the information provided in the principal feasibility documents, one did not have the required level of information to make informed decisions (regarding the future direction of the project).

2.3 This Project Has Been the Victim of a Changed Positioning and also ‘Almost Funding Success’ Over an Extended Period of Time, Where Original Premises Do Not Now Hold

At the project inception:

- Whanganui had a quality wooden outdoor cycling track, and was the home of leading cycling personnel such as then national cycling coach, Ron Cheatley
- This current cycling track was also based at the iconic Cooks Gardens which holds a special gravitas in New Zealand’s sports history
- The original project responded to this competitive advantage...a proud sporting area when Whanganui had the best outdoor cycling track in the country and when there was no indoor velodrome in New Zealand.

Not being successful in the 2011 national velodrome bid was a body blow for the project.

However, since the development of the Cambridge Velodrome:

- Although cycling was still the primary/central project driver, no needs case had been adequately demonstrated
- With a much-diminished cycling needs case, and an increasing shift by public funders to support multi-use projects, it appears the project then sought to advocate an expanded facility proposition catering for both cycling and inline skating, and also for events and functions, but no robust work has been sighted that validates this expanded activity need and opportunity
- However due to effective advocacy, this project came close to securing major central government support in 2017, which one would assume gave the project renewed life.

SGL Commentary 2

The covered velodrome was a project with a valid genesis based on an original competitive advantage, but circumstances then changed with the project then essentially being argued on the basis “a roof was needed to safeguard an existing quality track” coupled with a visually compelling design, and/or trying to position itself with a possible broader purpose to better meet funder requirements.

However, at no stage had a sufficiently valid needs case for either cycling currently or for the expanded purposes been sufficiently demonstrated.

Furthermore, the necessary utilisation projection, financial projection and valid capital funding assessment had never been fully completed to enable proper consideration of a project of this scale.

2.4 Subsequent Whanganui Steering Group Feedback and Revised Process

Following SGL’s initial feedback, the Steering Committee requested it was very important SGL hear directly from representatives of the Regional Velodrome Development Trust (RVDT), so they were able to explain in person the current design and business case.

Prior to this occurring, Whanganui District Council also contracted RVDT representative Martin Visser to complete some missing business case information. Mr Visser forwarded this updated business case information to SGL in mid-May.

3.0 LEARNINGS FROM OTHER VELODROMES

SGL undertook desktop research on the range, cost, facility specification and function of all velodromes in Australia and spoke directly to a representative of the Silverdome (the velodrome in Launceston, Tasmania), plus further researched two velodromes in Europe, namely the Derby Arena (UK) and the Hanns-Martin-Schleyer-Halle in Stuttgart (Germany).

The findings from the research are summarised in this section.

3.1 Summary Tables of Key Information for Other Velodromes

Name and Location		Population		Opening and Capital Cost		
Velodrome Name	Location	City/District Population	Regional Population	Opened	Original Currency	NZD
Avantidrome	Cambridge, NZ	Cambridge 19,150 (as at 2018)	Waikato 458,202 (as at 2018)	2014	NZD 31.00M	31.00M
Invercargill Velodrome	Invercargill, NZ	Invercargill 56,200 (as at 2018)	Southland Region 101,200 (as at 2018)	2006	NZD 11.00M	11.00M
Adelaide Superdome	Gepp Cross, Adelaide, AUS	Adelaide 1.35M (as at 2019)	South Australia 1.75M (as at 2019)	1993	AUD 13.45M	14.17M
Anna Meares Velodrome	Chandler, Brisbane, AUS	Brisbane 2.5M (as at 2019)	Queensland 5.07M (as at 2019)	2016	AUD 59.00M	63.50M
Dunc Gray Velodrome	Bankstown, Sydney, AUS	Sydney 5.31M (as at 2019)	NSW 7.99M (as at 2019)	1999	AUD 42.00M	45.19M
Perth SpeedDome	Midvale, Perth, AUS	Perth 2.04M (as at 2019)	Western Australia 2.59M (as at 2019)	1989	Unknown	Unknown
Silverdome	Tasmania, AUS	Launceston 67,449 (as at 2018)	Tasmania 534,281 (as at 2019)	1985	Unknown	Unknown
Derby Arena	Derby, ENG	Derby 254,374 (as at 2016)	Derbyshire 1.05M (as at 2019)	2015	GBP 27.50M	53.40M
Hanns- Martin-Schleyer-Halle	Stuttgart, GER	Stuttgart 623,738 (as at 2020)	Baden Wurttemberg 11.07M (as at 2019)	1983	Unknown	Unknown

Name	"Cycling Facility"				Other Facilities				Speed Skating Track	Activity Offering (other than Cycling)		
	Velodrome Name	Size of Track (m)	Track Type	Spectator Seating Capacity	Size and Space Located in Centre of Velodrome	Gym/Fitness Centre	Bike Shop	Café/ Restaurant/ Bar		Function Space	Concerts	Exhibitions/ Trade Shows
Avantidrome	250	Siberian Spruce	1,250 permanent seating able to increased to 4,000 seats around velodrome	Space of 3,000m ² . This space is capable of seating up to 1,000 people at tables	Yes plus sports lab & physio	Yes	Café	Yes, unknown size. Also has 2,500m ² office space	No	No	Unknown	Equestrian, tennis, basketball, netball, basketball and athletics
Invercargill Velodrome	250	Siberian Pine	1,064 permanent seating around velodrome	Space of 2,195m ² and has 3 full sized multisport courts	Yes, a training facility is located in the middle on the velodrome	No	Unknown	Unknown	No	No	Unknown	Netball and basketball
Adelaide Superdome	250	Nordic Pine	2,000 seated and 1,000 standing	Space of 2,067m ² . This space can be configured for a variety of different indoor sport competitions	Yes plus wind tunnel & physio	Unknown	Unknown	Yes, unknown size. 4 corporate boxes	No	Unknown	Yes but unknown type of exhibitions and location	Indoor sports
Anna Meares Velodrome	250	Unknown	1,500 permanent seating that can be increased to 4,000 seats around the velodrome	Yes, unknown size (possibly 1.5 courts)	Yes plus physio	Unknown	Unknown	Yes, unknown size	No	Unknown	Unknown	Indoor sports
Dunc Gray Velodrome	250	Baltic Pine	3,150 permanent seating, that was expanded to 5,821 seats	Unknown as at 2020, proposed for future	Unknown	Unknown	Unknown	Unknown	No	Unknown	Unknown	Currently no, but proposed for future
Perth SpeedDome	250	Siberian Pine	1,500 fixed tiered seating that can be increased to 2,300 seats around the velodrome	Yes, a multi-purpose concrete floor which is the size of an inline hockey court	Yes, underneath the cycling track	Unknown	Unknown, but has a canteen	Unknown	Yes	Unknown	Unknown	Inline hockey, figure skating and speed skating
Silverdome	280	Tasmania Hardwood	Up to 3,200 seated around velodome (dependent on configuration)	Indoor sports can be played inside velodrome. Unknown size	Unknown	Unknown	Unknown	Uses arena or auditorium	No	Yes, stage inside velodrome	Yes - 4,500m ² of exhibition space, including velodrome infield and a separate auditorium	Netball, basketball, futsal and indoor hockey
Derby Arena	250	Siberian Spruce	Upper and lower floor areas together can have up to 5,000 people if seated and standing	Yes, includes 13 badminton courts, 1 basketball court, 3 volleyball courts, 2 table tennis tables and 4 pickleball courts	Yes plus dance studio	A cycle hub to hire and repair bikes	Café plus a bar	Yes, unknown size	No	Unknown	Yes	Badminton, netball, futsal, football and volleyball, rugby and table tennis
Hanns- Martin-Schleyer-Halle	285	Hardwood	8,500 permanent seating around velodrome. If including infield area for standing this can cater to a total of 15,000	Space of 4,000m ² and includes 200m athletics running track	Unknown	Unknown	Restaurant plus bar	Yes, uses 6 meetings rooms and inside arena	No	Yes	Yes	Athletics, basketball, motocross, horse shows and tennis

3.2 Observations

3.2.1 Population Catchment

In Australia, there is one velodrome per State, each catering for a significant main city and State catchments. The exception is Silverdome in Launceston, Tasmania – Launceston has a 68,000 population (2018), although the velodrome caters for the Tasmanian State population catchment of over 500,000.

3.2.2 Facility Functionality

All velodromes have permanent seating of 1,500 or greater with exception of Invercargill (which has about 1,000 permanent seats)

Of the 9 velodromes documented, all are using (or proposing to modify to use) their infield for other sports activity and often as a regular indoor court sport venue (e.g. for basketball, badminton, futsal, etc).

Perth SpeedDome has a multi-purpose concrete floor in the middle of its velodrome which is used for inline hockey, figure skating and speed skating.

Silverdome use their venue more extensively for trade shows and entertainment performances. Please note, Silverdome can seat up to 3,200 around the velodrome and this seating is an important element of its entertainment performance capability. Furthermore, an adjacent auditorium is also part of their total exhibition space offer.

Avantidrome and Invercargill velodromes do not host concerts. The maximum fire design occupancy of Avantidrome is 2,500 people – however note the maximum occupancy for their infield only is about 240 people and Invercargill velodrome has a similar infield maximum occupancy.

3.2.3 Indicative Capital Costs

Two of the more recent velodrome builds, the Anna Meares Velodrome in Brisbane (which was built for the 2018 Gold Coast Commonwealth Games) cost about NZD 63M in 2016; and Derby Arena in England about NZD 53M in 2015. Avantidrome, if escalated at 4% per annum since opening in 2014 to say a build completion date in 2024, would cost $(1.04^8 = 1.48. \$31M \times 1.48 =) \$45.88M$.

3.2.4 Operational Sustainability

As two examples only, both Invercargill velodrome and Dunc Gray velodrome in Sydney are heavily subsidised.

Please note, the high level of subsidy required for the Invercargill velodrome is quite separate to the wider staffing costs for the ILT Stadium.

For the Dunc Gray velodrome there was publicly reported concerns in 2016 regarding the high annual costs (about \$500,000) and the low community use of this facility, and as a consequence there were development plans to use the infield for other sports.

See Appendix 3 for individual summaries on other velodromes in New Zealand, Australia, and Europe.

SGL Commentary 3

Velodromes are foremost designed for their core purpose, to cater for cycling.

Because of their specialised and largely single-purpose main function, velodromes are usually built to cater for large population catchments, with a core population of greater than 1 million people and with regional catchments of several millions of people. Even then, some utilisation levels can be quite low.

Velodrome infields are often used for regular and event indoor court sports, and sometimes for alternate sports use.

Where velodromes are used for other entertainment and exhibition purposes, other supporting infrastructure is also provided to improve the capability of the venue to host these types of activities, including 1,500+ permanent seating and additional function space.

Capital costs of recent velodrome builds are in the order of \$45M+.

It also appears the majority if not all velodromes require a high level of annual operating subsidy, potentially \$400,000 to \$500,000 before depreciation.

Silverdome in Tasmania appears to be the velodrome catering for the range of activity most similar to the activities envisaged by the Whanganui Regional Velodrome Development Trust. Silverdome's activities include cycling, exhibition, and entertainment performances, but it should also be noted their permanent seating is an important part of their entertainment capability/set up in some configurations, and similarly a supporting auditorium is an important part of their exhibition offering. This velodrome is also owned and managed, and one assumes subsidised, by the Tasmanian State Government.

4.0 NEEDS CASE AND PROJECT DEVELOPMENT PROCESS

SGL's original commentary on the project status and development process captured in the Preliminary Review section completed in mid-April 2020 remains unchanged.

These original comments are further examined and expanded below.

4.1 Overview

At no stage has a sufficiently valid needs case for either cycling currently or for the expanded purposes been sufficiently demonstrated.

Furthermore, one of the fundamental problems is there has not been a sufficiently logical, methodical nor thorough project development process ... the right questions haven't been asked at the right time, or if so, in several cases not adequately addressed.

The project has also evolved over time...it originally sought to roof a velodrome to protect the existing quality outdoor cycling track; then the community bid to be the national velodrome; then the facility scope expanded to have a cycling, speed skating and entertainment event focus as it sought to build an improved multi-functional, financial and economic case to secure public funding.

As can often happen, suggest the overall project development process has been too captured and led by a visually compelling and smart design ...along the way suggest too much of the focus and solution process shifted to how to make the proposed facility design work, with possibly the original questions one was seeking to answer lost in the process.

4.2 What Were and Are the Key Questions?

The original key and suggest unchanged driver was to cover the wooden cycling track to protect it from the weather and in parallel to increase the overall usability of the track – so that the cycling community would be able to safely train all year round and also confidently commit to the time and expense of hosting events without the threat of cancellation due to weather.

Therefore, suggest the key questions were, and remain, ***firstly why (what is the case for?) and then how can one cost effectively put a roof over a quality outdoor cycling track?***

Regarding the why, one should firstly answer the needs case for cycling, including how can the project grow participation and impact positively on accessibility; what role can the facility play for athlete development; and what is the event potential?

If the answer to the why is valid, one should then consider what is a cost-effective solution to meet this demonstrated need?

And then, as part of the project development process and in particular if capital costs and/or ongoing operating costs are substantive, one should also ask early if there are other strategic priorities and community needs that could be met by modifying or expanding the design scope of the proposed facility.

4.3 Had and Has the Needs Case for the Proposed Utilisation for the Proposed Facility Been Validly Answered?

For the overall project based on the proposed Copeland design, the fundamental questions were then have the needs case for each of the proposed key types of use been adequately demonstrated. In short summary:

- ***The cycling needs had never been adequately demonstrated.*** Consequently, the Sport New Zealand Review in September 2018 recommended the completion of a needs assessment, which was undertaken by Global Leisure Group in late 2019. The findings of GLG Needs Assessment were not accepted by the Regional Velodrome Development Trust. As demonstrating a valid project need is a fundamental question, SGL discusses this report's findings below
- ***There has been no detailed needs assessment undertaken for skating***
- ***At no stage has a valid strategic and needs assessment been undertaken for the range of proposed non-cycling/skating events, nor whether the proposed project is the best solution to address these other event opportunities for both the Whanganui District and wider region*** - Horizon Research conducted some preliminary research and a limited number of event operators were spoken to, and the RVDT business case argued a substantive economic impact based on a large level of non-cycling/speed skating events and in particular concerts, but this event demand has not been adequately assessed nor interrogated. Because of the materiality of proposed concert income in the RVDT business case, SGL discusses in the Operating Revenue section of this report the lack of verification for the proposed scale of annual concert activity and in particular the likely low suitability of the proposed infield area to host viable concert events.

Additional comments now from an event perspective are:

- It would be usual for a regional events strategy to precede any such proposed substantive non-cycling/skating event use, and for a regional events strategy to identify market opportunity and gaps, and to be clearly recommending or not how a modified or expanded scope of a covered velodrome could meet this unmet event need and opportunity. SGL understands no such event strategy has been undertaken
- Invercargill velodrome currently regularly hosts craft shows, boat shows, school graduations, school balls and trade shows in their velodrome infield. Some of this type of event activity could also apply to the future Whanganui velodrome infield. However, SGL has sighted no event analysis work to determine if these types of events are already adequately catered for and/or better suited to existing Whanganui venues.

4.4 Covering the Whanganui Velodrome Needs Assessment Report – GLG November 2019

In the table below are GLG’s principal findings, together with SGL’s observations and basis for revised participation estimates.

Please note, SGL only received GLG’s updated 22 June 2020 draft report immediately prior to submitting this final report. The commentary below and analysis is therefore based on the November 2019 report. However, the findings are still relevant because quite a different approach was used to cross-check estimations. As a result of sighting the June 2020 update SGL has amended some penetration rates only based on updated utilisation information by non-Whanganui-based riders.

GLG 2019 Assessment of Need or Key Finding	SGL Observations or Commentary
<p>From page 4: “Assessment of the need has been examined at three levels as a covered Velodrome could provide for needs at all three levels.</p> <p>National – New Zealand is well supplied with indoor velodromes on a population basis so there is no need for an additional covered Velodrome.”</p>	<p>Understand there is currently no national cycling facility strategy.</p>
<p>From page 4: “Regional – A population- based model maximising accessibility for the most potential users would indicate that any additional indoor or covered Velodrome in the lower North Island should be located in the greater Wellington metropolitan area rather than in Whanganui. The Regional Facilities Plan for Manawatu-Whanganui states New Zealand (and by inference the region) does not require any further velodromes or BMX Supercross tracks on a population basis.”</p> <p>From page 3: “12. A covered velodrome would be desirable to provide reliable and consistent access to track cycling in all weathers. However, this is not essential for Cycling NZ as per use of outdoor tracks even as Regional Performance Centres. If a 3rd covered track was developed, Cycling NZ’s priority for investment on a population-based model would be in metropolitan Christchurch and Wellington where the large population provides a larger pool of potential riders closer to the facility and reduced time and cost barriers enabling greater community participation. Whanganui would be secondary to the priority metropolitan centres using a population-based approach.”</p>	<p>In response to the GLG report, Cycling NZ’s CEO made the following comments in a letter dated 29 January 2020 to clarify their position:</p> <p>“Investing in the upgrade of an already existing velodrome in a location where there is a strongly embedded track cycling culture is, for want of a better term, a no brainer.</p> <p>As stated in CNZ’s April 23rd support letter the advantages of upgrading the existing Whanganui velodrome through the resurfacing and building a roof over the track are numerous. Namely, from an “Every Body Active” (Sport New Zealand strategy) perspective, a covered and resurfaced velodrome would offer a safe environment for tamariki and rangatahi to engage in cycling activities on the track surface and other activities in the infield.</p> <p>From a more high performance view, having a velodrome in Whanganui will attract more cyclists to track cycling from the Manawatu, Wellington, Wairarapa and Taranaki regions which in turn will strengthen and broaden our national athlete pool. <i>A broader pool of track cyclists in the region would lead Cycling New Zealand to lay down the groundwork, in the very near future, for a 7th Performance Hub in Whanganui</i> to support the local talent as they strive to represent New Zealand at the World Championships, Commonwealth Games, Olympics and Paralympic Games.”</p>
<p>From page 4: “District – The current number of school and club users is relatively small at under 50 local participants and projected to increase to under 100 participants with a covered Velodrome.</p> <p>Using the Avantidrome penetration rate of 1 rider per 570 residents equates to latent demand of about 105 regular community riders in Whanganui.”</p>	<p>In their analysis:</p> <ul style="list-style-type: none"> GLG does not appear to have explained the interrelationship between items 18 and 13, i.e. a projected 105 community riders from within a 30-minute metric and projected club/school riders from this same area of about 70 club and school riders <p><u>To discuss here:</u></p>

<p>From page 3: “18. The Avantidrome experience in terms of community riding can provide some steerage regarding latent demand. These regular community riders come from a localised catchment with other riders coming on a more intermittent basis. Applying a 30-minute travel time catchment (as used by the Avantidrome) equates to about a 60,000 resident population comprising Whanganui District (40,900) plus a small part of South Taranaki District (28,300), 50% of Rangitikei District (15,150) because Marton (4,950 residents is within the 30-minute catchment area). Using the Avantidrome penetration rate of 1 rider per 570 residents within approximately 30-minute travel time equates to 105 regular community riders.”</p> <p>From pages 23 and 24: GLG’s Avantidrome metric calculation is based on an estimated population of 200,000 within 30-minutes of the Avantidrome and 350 community riders, i.e. 350/200,000 = 1 rider per 571 people. Furthermore, a community rider is defined as any rider not included in the high performance programme and in 2017/18 community riders accounted for 77% of the track hours used.</p> <p>From page 3: “15. Data from the to the club and school responses indicate 87 track riders used the Whanganui Velodrome in the past year for training. If a covered track was available, respondents have indicated that the number of riders would increase to 161 riders and a total of 11,812 rides per year.” (which includes 70 club and school riders from Whanganui District)</p>	<ul style="list-style-type: none"> • If one assumes high performance riders (hpr) use the track on average <u>say</u> 2.5x as much as a community rider (cr), based on Avantidrome’s data in GLG’s report one can assume there are roughly 42* hp riders or say a ratio of 350cpr:42hpr = 1:8*(77%/350 = 0.22% use per cr. If a hpr equates to 0.55% use per rider, then 23%/0.55 = 42 hpr) • Because the national high performance programme is at Cambridge, but there will be regional hp riders and some hp events, decrease ratio by 20%. Therefore, based on 1hpr: 10cpr, there would be in Whanganui, in the future, about 11 hpr if there are 105 community riders • Also based on Avantidrome 2017-18 track use data by rider type, 3,052 track hours/350 cr = 8.72 hours per year per cr; and 902 track hours/say 42 hpr = 21.48 hours per year per hpr. Note, in the absence of explanation, currently assume these track hours include event use based on 3,954 hours/50 weeks = 79 hours track use per week <p><u>In short summary</u>, suggest the 30-minute metric calculation only does not fairly reflect the cycling demand, as it doesn’t include high performance riders in the lower North Island, and more so does not capture in particular what would be a likely reasonable level of use by Palmerston North club riders, which are about 50 minutes distant by road from Whanganui.</p> <p>Based on the above discussion, if one applied a 33% penetration rate for Palmerston North community riders, there would be 88,300 (PN population 2018)/3/571 = <u>the equivalent of 52 cr.</u></p> <p>However, suggest apply a 67% penetration rate for Palmerston hp cyclists (i.e. train 2 instead of 3 times a week), so therefore (88,300/571/10/0.67 =) <u>the equivalent of 10 high performance riders.</u></p> <p>Using the 2019 table showing 71 other lower North Island riders, and assume use track 1/9th the level of a locally-based hp rider, = <u>the equivalent of 7 hp riders.</u></p> <p>In turn, for annual track hour calculation see table below.</p>
<p>From page 4: “The bottom line There is a need to provide a local opportunity to experience track riding and a development pathway for promising riders. However, this is commonly provided through an outdoor paved Velodrome such as in Nelson (a slightly larger population catchment) where it has recently been replaced. High performance riders aspiring to national honours and international level performance would need to relocate (either temporarily or for extended periods) to further their careers occurs like in other regions and like other sports in New Zealand such as rowing.”</p>	<p>Suggest this statement appears to ignore the fact there is an existing Whanganui velodrome whose substructure is in very good condition and already a multi-million dollar investment in existing infrastructure.</p>

From page 3: “19. 53 schools in the Manawatu-Whanganui regions were sent a questionnaire and 3 follow up reminders over a two-month period between 18 August and 14 October 2019. Only 3 schools responded that they had a need for a covered Velodrome (Huntley School, Whanganui Collegiate and Whanganui Intermediate). This indicates limited demand from schools in the region.”	Suggest an email survey to busy schools with only email follow ups is unlikely to fairly reflect school demand.
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PROJECTED FUTURE TRACK HOURS FOR A COVERED WHANGANUI VELODROME			
Rider Type	Estimated Future Equivalent Locally-Based Riders	Hours Per Rider Type (Based off Avantidrome data 2017-18, for training and events)	Total Track Hours Per Year
Community (includes club, school and trike)	157	9	1,366
High Performance	27	22	581
TOTAL	184		1,946

SGL Commentary 4

Suggest with the application of a 30-minute catchment only (which by Avantidrome’s definition includes club and school riders) and incomplete treatment of regional high performance activity, that the 2019 GLG report understated the cycling demand for a covered Whanganui velodrome, and based on Avantidrome 2017-18 metrics suggest there could be over 1,900 hours of annual track use for regular and event cycling. This equates to about half of the total 2017-18 cycling utilisation of the Avantidrome.

Other key comments are:

- Subject to demonstrated demand and a covered velodrome, Cycling NZ are supportive of the establishment of a 7th performance hub in Whanganui
- GLG’s suggestion of an outdoor paved velodrome appeared to ignore the fact there is an existing velodrome with a wooden track whose substructure is in very good condition and a multi-million investment in infrastructure.

Furthermore, suggest there is, to date, no clearly demonstrated demand for speed skating nor for wider event use. Both types of activities appear to have been included to help build an improved multi-functional and economic case to secure public funding.

5.0 OPERATING EXPENDITURE

5.1 Basis of Indicative Annual Cost Estimation

To seek to assess a valid but indicative level of annual operating expenditure, SGL:

- Discussed principal operating costs with the current General Managers of both the Avantidrome and Invercargill velodromes
- Based the facility's opening hours on 92 hours per week as per the current opening hours of the Avantidrome
- From the findings of the Design and Cost Review by BOON and Rawlinsons, further considered and estimated indicative energy, cleaning, maintenance, and depreciation costs. Please note, following the Joint Review meeting on 8 October 2020, Rawlinsons Quantity Surveyors has prepared an indicative annual depreciation rate based on Option Three costing \$35.22M
- Compared indicative annual cost estimates for principal costs against the actual summary Financial Statements for the Avantidrome/Home of Cycling Charitable Trust for the financial year ending 31 March 2019, and also against the RVDT estimates.

On the next pages, please see:

- Details of principal operating costs advised by both Velodrome's General Managers – please note, detailed financial statements were not sighted for either velodrome and SGL was reliant on verbal advice and email correspondence
- RVDT estimated operating costs for Year 1, with the only change being that SGL has applied an average annualised specialised cleaning cost based on their 10-year average
- Indicative SGL Low and Medium estimates, noting:
 - The assumption that the facility is always staffed during opening hours by at least one staff member, with reception/on-site supervision based on the Minimal Living Wage, with then loadings applied for rostered staff and other on-costs (KiwiSaver, ACC), peak periods and/or recognition of seniority
 - Management provision is held relatively low, which could be increased based on justified opportunity for an expanded eventing programme/increased net revenue
 - No rehabilitation staff costs have been included at this time (as rehabilitation services were overall cost negative)

5.2 Velodrome Annual Operating Costs – Indicative Estimate Only

VELODROME ANNUAL OPERATING COSTS - INDICATIVE ESTIMATE ONLY									
Description	Avantidrome		Invercargill Velodrome		Whanganui (Copeland Design)		Whanganui (Copeland Design)		
	Source: Interview by SGL with Scott Gemmill, GM Avantidrome, June 2020. Note, only provided with specific explanation for material costs. See separate summary of Financial Statements. Items highlighted in green not		Source: Interview by SGL and email from Nigel Skelt, GM ILT Stadium, June 2020. Note, only provided with information for material costs.		Source: RVDT Business Case - 12 June 2020		Indicative SGL Estimate Only		
	\$	Commentary	\$	Commentary	\$	Commentary	Low Estimate \$	Medium Estimate \$ (increase Low estimate by 33% unless stated otherwise)	Commentary
Cleaning - Track		Core cleaning cost \$3.5k per month and up to double in major event months. \$3.5k x 9 + \$7k x 3 = \$52.5k (SGL estimate based off explanation)	17,000	Track dust cleaning twice per week, need to allow 8-10 hours staff time for this per week - 10 hours per week x 52 weeks x \$23.00 x 1.2 = \$14,352, plus about \$2,000 materials cost/year (SGL estimate based off explanation)			17,000	23,000	For Low estimate applied Invercargill track cleaning cost
Cleaning - General	52,500				Addressed as part of wider ILT Stadium operation, e.g. for amenities, surrounds, etc		8,500	11,300	Suggest assign 5 hours per week, x 52 weeks x \$23.00 x 1.2 = \$7,176, plus \$1,200 materials cost/year = \$8,376
Specialist Cleaning						10 year average, i.e. \$590k/10 years = \$59k/year	59,000	77,000	Because of the open-air nature of design, the internal surfaces will have a higher requirement for regular cleaning than would be expected for a fully enclosed facility, plus there will be high access challenges and also bird management/cleaning implications
Energy	240,000	\$20k per month	65,000	Ventilation system is a smoke extractor system x 4. Heating are 4 units in roof, about \$50/unit to run per hour	60,000	Year 1	60,000	80,000	Low end of Invercargill power cost. Assume Copeland design will have lower ventilation and heating costs, consequently used RVDT estimate for Lower estimate
Insurance	110,000	Note, current Avantidrome cost based on its original cost of \$31M in 2014, then applying an annual escalation rate of 4% for 6 years, i.e. \$31M x 1.265 = \$39.2M	80,000	Assigned proportion of total ILT Stadium insurance	74,000	Year 1	100,000	100,000	If \$74k for \$26.3M, on a proportional basis the insurance cost for a \$35.22M facility would be \$99k. Also compare to an escalated Avantidrome capital cost today of about \$39M and Avantidrome's current insurance cost of \$110k. Therefore, \$100k applied for Low and Medium
Regular Maintenance			40,000		15,000	Year 1	24,000	32,000	Include some level of compliance costs, which may have high access challenges. Some regular maintenance addressed under specialist cleaning expense code
Other Property Costs							40,000	53,200	Includes provision for other property costs, i.e. security, rates, water, rubbish, other insurances (e.g. contents, public liability)
Sub-Total Property Expenses (note, italicised totals missing items)	402,500		202,000		208,000		308,500	376,500	

Description	\$	Avantidrome	Invercargill Velodrome		Whanganui (Copeland Design) - RVD Business Case - 12 June 2020		Whanganui (Copeland Design) - Indicative SGL Estimate		
			Commentary	\$	Commentary	\$	Commentary	Low Estimate \$	Medium Estimate \$ (increase Low estimate by 33% unless stated)
Marketing					20,000	Year 1	20,000	27,000	
Other							70,400	93,800	Includes accounting support and audit, bank fees, legal, IT and communications, vehicle costs, other travel and accommodation, staff training, general, etc and contingency. Load based on 0.2 of total staff cost.
Sub-Total Marketing and Other					20,000		90,400	120,800	
Wages:		5 EFT staff plus casual staff and coaches			438,000	initially rising to 5.5 after 7 years. Multiplied by 1.75 for total staff costs			
*Reception/On Site Presence				1 staff member always on site for opening hours			185,000	246,000	Based on 92 hours opening per week ¹ , and 1 reception staff member at all time paid the Minimum Living Wage, plus 0.3 loading for extra reception/on-site staffing at peak times plus seniority loading, plus 0.2 ² loading for rostered staff, = \$23.00 x 1.2 on-cost x 1.4 peak and/or seniority loading x 92 hours x 52 = \$184,853
*Management and Marketing							120,000	160,000	Could address in several ways, eg CEO has a wider and shared facility management role for Whanganui District, other staff resource more operations management with some on-site role, plus possibly marketing contracted eg a possible split could be \$60k towards CEO + \$30k towards Operations + \$30k for Marketing. Includes 0.05 loading for KiwiSaver and ACC for non-rostered staff
*Caretaking							27,000	36,000	Assume 2 days per week @ \$27/hour. \$27 x 1.2 on-cost x 16 hours per week x 52 weeks = 26,956
* Pack-in, pack out							20,000	27,000	Assume some set-up costs unable to be on-charged
*Rehabilitation Staff					120,000	Year 1			Not included
Sub-Total Wages					558,000		352,000	469,000	
TOTAL BEFORE DEPRECIATION					786,000		750,900	966,300	
Long Term Maintenance									Using rough order rule of thumb apply 0.5% per annum, and reduce depreciation accordingly. \$39M x 0.005 = \$195,000
Depreciation					506,000	For a \$26.3M facility cost effectively equates to an average asset life of 52 years or 2%	1,049,200	1,049,200	Depreciation estimate prepared by Rawlinsos Quantity Surveyors on 22 October 2020, based on Option Three costing \$35.22M
TOTAL AFTER DEPRECIATION					1,292,000		1,800,100	2,015,500	

¹Avantidrome Opening Hours: Weekdays 6.00 am to 9.00 pm (75 hours/week), weekends 7.30 am to 4.00 pm (17 hours per weekend), or 92 opening hours per average week

²Living Wage and On-Costs: NZ living wage 2020 is \$22.10. Assume on-costs for rostered staff of 0.2 (0.03 KiwiSaver + 0.08 Annual Leave + 0.04 Stats + 0.01 Sick/Special +0.02 ACC = 1.18), for non-rostered staff 0.05 (KiwiSaver and ACC only)

5.3 Comparison of Annual Operating Expenditure Estimates to Avantidrome Financial Statements for FY2019

ANNUAL EXPENDITURE COMPARISON - AVANTIDROME ACTUALS TO RVDT AND SGL INDICATIVE ESTIMATES						
Expenses	Avantidrome Financial Statements FY2019	RVDT Estimate		SGL Estimate		
	\$	\$	Commentary	Low \$	Medium \$	Commentary
Employee Related Costs	740,963	438,000		352,000	469,000	Wages and on-costs only for SGL
			Excludes rehabilitation wages			
Marketing and Communications	46,022	20,000		20,000	27,000	
Property Expenses	497,787	208,000		308,500	376,500	
Event Expenses	8,502					
Other Expenses	321,335			70,400	93,800	
TOTAL BEFORE DEPRECIATION	1,614,609	666,000		750,900	966,300	
Depreciation	1,270,681	506,000		1,049,200	1,049,200	
TOTAL AFTER DEPRECIATION	2,885,290	1,172,000		1,800,100	2,015,500	

SGL Commentary 5

Suggest assessment of the projected annual operating costs at this time for the Copeland Design at \$35.22M should be based on SGL's Medium estimate of **about \$966,300 before depreciation** - about 60% of the Avantidrome's current actual annual costs before depreciation of \$1.615M.

Suggest Avantidrome wages seem high but includes Gym operational costs and are also based on an established event and activity programme compared to SGL's estimate, which assumes a lean and base operation only initially; and annual energy costs for ventilation and heating for the Avantidrome are substantively higher than (are currently anticipated) will occur with the Copeland design. Depreciation costs for the Avantidrome also appear to be very conservative (\$1.271M/\$31M = 4.1%). SGL's depreciation is now based on an indicative but itemised cost estimate prepared by Rawlinsons Quantity Surveyors on 22 October 2020, based on Option Three costing \$35.22M – see Appendix 4 for this itemised depreciation estimate.

Please note, the above expenditure projections assume a paid staff member on site during all (92 per week) hours of operation. Subject to adequately addressing health and safety requirements, it may be possible for accredited representatives of say the Whanganui Cycling Club to be the designated on-site supervisor and enable staff savings for agreed periods; plus to simply reduce the opening hours/close the facility when not justified, and consequently reduce overall staffing hours and costs as sensible.

6.0 OPERATING REVENUE

6.1 Basis of Indicative Annual Revenue Estimation

To seek to assess a valid but indicative level of annual operating expenditure, SGL:

- Discussed principal operating revenue with the current General Managers of both the Avantidrome and Invercargill velodromes
- From the findings of the Design and Cost Review by BOON and Rawlinsons, further considered major event suitability and in particular egress requirements and associated additional cost implications
- Compared indicative annual revenue estimates for principal costs against the actual summary Financial Statements for the Avantidrome/Home of Cycling Charitable Trust for the financial year ending 31 March 2019, and also against the RVDT estimates.

On the next pages, please see:

- Details of principal operating revenue advised by both Velodrome's General Managers – please note, detailed financial statements were not sighted for either velodrome and SGL was reliant on verbal advice and email correspondence
- RVDT estimated operating revenue for Years 1 and 5
- SGL indicative Low, Medium, and High estimates. Note rehabilitation programme fees have not been included.

Velodrome Annual Revenue – Indicative Estimate Only

VELODROME ANNUAL REVENUE - INDICATIVE ESTIMATE ONLY											
Description	Avantidrome Actuals FY 2019		Invercargill		Whanganui (Copeland Design)			Whanganui (Copeland Design)			
	Source: Interview by SGL with Scott Gemmell, GM Avantidrome, June 2020. Note, only provided with specific explanation for material costs. See separate summary of Financial Statements		Source: Interview by SGL and email from Nigel Skelt, GM ILT Stadium, June 2020. Note, only provided with information for material costs. Items highlighted in green not described		Source: RVDT Business Case - 12 June 2020			Indicative SGL Estimate Only			
	\$	Commentary	\$	Commentary	Year 1 \$	Year 5 \$	Commentary	Low \$	Medium \$	High \$	Commentary
Sponsorship	1,659,014	Not explained from discussion with GM		Not known	850,000	850,000	Figure based on 50% of Avantidrome sponsorship . Equates to 61% of total revenue in Y1 and 47% of revenue in Y5	50,000	75,000	200,000	Low level assumes in early years majority of sponsorship is required to meet capital funding requirements. The Medium level of \$75,000 per year is based on the original Giblin report assessment, and noting Cooks Gardens currently achieves about \$40,000 sponsorship and signage annual revenue. To achieve the High level of \$200,000 per year would require a good level of visitation and event programme to be achieved and realistically no capital funding obligations
Rent	593,012	Major tenants are High Performance New Zealand, Cycling New Zealand and Waikato University, plus also rental from bike shop and café	10,000	Annual rental by Cycling Southland	30,000	32,000	Based on tenancies by Cycling Club and Cycling NZ Performance Hub	30,000	30,000	30,000	
Track Hire - Cycling	493,130	About half of this track hire is from the National Cycling Squad. Trike programme is breakeven, i.e. coaching cost + equipment + equipment R&M = income	50,000	Fluctuates from \$40k to \$60k per year. Note lost about \$200k annual revenue when lost National Cycling team, also a much diminished level of cycling event activity, and also found nearly impossible to create an international event due to riders commitments overseas	198,000	315,000	Note a 60% increase from Y1 to Y5	50,000	80,000	120,000	Low equates to what Invercargill is currently achieving on average. Medium estimate of \$80k based on rough order estimate: Divide Avantidrome income by half as no National Cycling team, then multiply remaining annual income by proportional number of estimated cyclists compared to Avantidrome (i.e. 200/600) = \$82k, whether local or event use
Track Hire - Speed Skating					9,000	27,000		9,000	9,000	9,000	

Description	Avantidrome Actuals FY 2019		Invercargill		Whanganui (Copeland Design) - RVDT			Whanganui (Copeland Design) - Indicative SGL Estimate			
	\$	Commentary	\$	Commentary	Year 1 \$	Year 5 \$	Commentary	Low \$	Medium \$	High \$	Commentary
Events			100,000	Host many events on the infield playing courts of the velodrome including craft shows, boat shows, school graduations, school balls and trade shows (SGL rough estimate only of net income based on understanding of how extra staff and event specific costs are assigned)	309,000	588,000	Note a 90% increase in revenue from Y1 to Y5	75,000	125,000	150,000	As discussed in this section, suggest low potential for concerts, but given infield occupancy levels suggest could develop and drive a diverse trade and community event programme. If charge \$1,500 per day for infield, \$75k equates to 50 days, \$125k to 66 days hire and \$150k to 100 days. Note in a year there are only 100 weekend days, Also acknowledge some of these events may be directly managed, and/or a % of the event gross revenue to apply. Basing High off the Whanganui velodrome being able to find it's own solution, from both event and sport use, to achieve about the same level of annual revenue being achieved by Invercargill (i.e. including sports use, estimate about \$185k per year) However it is noted that some of the Invercargill type of event activity may already be adequately catered for at existing Whanganui venues, and that this High level of event activity may not be possible
Other Sports Hire of Infield			85,000	Other infield sports hire on equivalent of 3 full size netball courts. Note 14 sports based at velodrome including high performance training centre							
Room Hire	67,792	Hold about two trade shows/promotions per year. For infield charge \$1,500/day. However, major logistical exercise to move gym and 100 bikes for hire from infield									
Gym Membership Fee	52,148										
Other	10,523				85,000	90,000	Rehabilitation Programme Fees				
Grants	188,805	In FY2019\$176,000 was a gaming grant from the Grassroots Trust						50,000	65,000	80,000	Not included in RVDT estimate but suggest has probably a higher achievability than an increased level of similar sponsorship income
Donations	24,000	From a Waikato-based Foundation									
TOTAL	3,088,424				1,481,000	1,902,000		264,000	384,000	589,000	
Total Income Less Sponsorship/Grants	1,216,605				631,000	1,052,000	Note a 76% increase in revenue from Y1 to Y5	164,000	244,000	309,000	High revenue w/o sponsorship/grants is 27% higher than Medium

6.2 Material Revenue Items

In the RVDT business case, Y1 sponsorship income accounts for \$850,000 or 57% of the total revenue; and non-cycling/skating events \$309,000 or 21% of the total revenue – together **\$1.159M or 78%** of the total revenue of \$1.481 M.

Similarly, Y5 sponsorship income accounts for \$850,000 or 45% of the total revenue; and non-cycling/skating events \$588,000 or 31% of the total revenue – together **\$ 1.438M or 76%** of the total revenue of \$1.902 M.

In summary, sponsorship, and non-cycling/skating event income account for over 75% of the total projected annual revenue.

Furthermore, of the non-cycling/skating event income (see RVDT business case page 40), Y1 concert revenue accounts for \$236,000 or 73% of the event income of \$309,000; and in Y5 \$371,840 or 63% of the event income of \$588,000. ***In summary, concerts account for about two thirds of the non-cycling/skating event income.***

Therefore, both sponsorship and concert revenue will substantively impact on the financial performance of the velodrome and are discussed below.

6.2.1 Sponsorship Discussion

RVDT advised the projected \$850,000 annual sponsorship was based on 50% of the current understood level of annual sponsorship being achieved by the Avantidrome, with \$200,000 assigned against the annual naming rights of the velodrome and \$650,000 for all other sponsorships.

Sponsorship is also discussed in the Capital Funding section. The material items from this section relevant to this discussion are:

- The Giblin Report 2018 estimated an achievable level of corporate support of about \$750,000 towards the then funding of a \$16M facility - based on about \$75,000 per year for 10 years, linked with the named spaces for all key facility areas
- In project planning to date, there has been no consideration of the potential duplication of sponsorship required for capital funding with on-going operational requirements. In reality, to meet capital funding requirements, corporate support for up to the first 10 years will be linked with all named spaces, leaving only programming sponsorship or signage opportunities for operating sponsorships
- The understood current level of annual sponsorship being achieved by Cooks Gardens is about \$40,000 or less
- Achievable levels of sponsorship are dependent on the market reach of a facility, i.e. If an impactful event programme and/or high visitation, then higher levels of sponsorship support can be achieved. In addition, there must be genuinely identified corporates that have both the capacity and reasons to contribute, whether for commercial and or/corporate social responsibility reasons. SGL is unaware of any specific and substantive corporate interest that has been identified to date.

Further comments by SGL are as follows:

- From discussion with the Avantidrome General Manager, there was a lack of clarity regarding the make-up of the level of annual sponsorship shown in their annual accounts and he advised they had about 30 different sponsors. From the explanation given, SGL assumes a proportion of the business support secured for the capital funding of the Avantidrome continues to be paid annually
- Of Avantidrome's 22 funders/sponsors listed on its website, there is limited potential transferability to the Whanganui velodrome...most are regionally based funders or corporates with strong alignment to the Waikato region. The international/national companies are Avanti, APL Window Solutions ((who are also the Principal Partner of Cycling NZ), BNZ, PwC, Sanitarium and Aon Insurance
- In FY2019 Avantidrome also achieved about \$189,000 from gaming grants
- From SGL's knowledge, the naming rights market for the majority of facility properties in provincial centres is \$100,000 or less per annum.

SGL Commentary 6

SGL suggests the realistic upper level of operating sponsorship is at best up to \$200,000 per year and in the early years, due to capital funding requirements, could be much lower. Furthermore, to achieve closer to this level than not will require a good level of visitation and event programme to be achieved. To SGL's indicative annual revenue estimate some gaming revenue is also added, with a High annual gaming revenue estimate up to \$80,000. Again, in early years this gaming support may be diminished because of Gaming Trust support for capital funding.

6.2.2 Concert Discussion

Concert Demand and Viability

RVDT's business case is projecting a very high level of concerts annually, from 9 in Y1 (4 with about 2,175 people and 5 @ 4,900), rising to 19 in Y5 (8 @ 2,175 and 11 @ 5,000). SGL additionally notes there is a high level of proposed food and beverage festivals annually, with 7 projected in Y5, but food and beverage festivals are not further discussed here.

SGL makes the following comments:

- From all information sighted, there is no benchmarked case for this level of concert activity in a provincial centre such as Whanganui
- Suggest this level of activity is extremely high with almost one concert every month in Y1, with Y5 concert activity projected to be double Y1. As one example only, Silverdome (the velodrome in Launceston, Tasmania) host only two concerts annually
- Viable concerts are dependent on achieving the required crowd numbers. As commented by the Avantidrome General Manager, "One needs 5,000 people for a concert to be viable – above 5,000 people to attract big name acts, and small name acts don't attract anyone." Consequently, proximity to a large population base, together with lower venue costs and ease of venue set up, will all influence an operator's decision to proceed. Furthermore, to attract a concert may often require the venue to underwrite some of the risk. As commented below, the proposed velodrome design is likely to require an extra \$80,000 temporary egress cost to cater for a 6,000 crowd, plus the proposed design does not allow readily accessible nor cost efficient set up and management

- Net revenue for venue operators from events such as concerts can be more about food and beverage yield than venue hire per se, as event management and security costs can diminish venue hire net revenue. However, the proposed design has some services limitations for food and beverage (see further item below)
- There are many examples of concerts failing, e.g. The last concert held by Rotorua Lakes Council at the Rotorua Stadium in 2013 incurred a substantive financial loss, and since that time the Rotorua Venues Team has not pursued another concert.

Fire Egress Implications and Consequent Event Viability

As per the BOON Design and Cost Review, infield occupancy greater than 1,000 will require temporary, over-track egress (in addition to existing tunnel widening), and the larger the event the greater the number of over-track egress routes required.

For a crowd of 6,000, Holmes Fire's preliminary advice is 4 x 4m (2x2) stair units would be required (see BOON Design and Cost Review, page 20). Subsequent advice by scaffolders Scafworx Ltd (October 2020) estimated a cost of \$80,000 to provide four units 6.0m long x 4.0m wide over the velodrome track with stairs at each end.

To discuss concert viability further:

- For about 2,400 people one 4m stair unit is needed at an estimated cost of \$20,000, and thereafter a further 4m unit for about every extra 1,200 people
- If a ticket price was \$115 (GST inclusive), 200 of every 1,200 tickets above the base 1,200 people would be needed to meet this extra egress cost. In a business of tight margins and risk, these additional egress costs will make concerts less viable.

Current Limitations of Event Set Up, Services and Resource Consent

BOON also highlights the venue's current limitations for concert set up and service provision, specifically:

- Concert operators normally require heavy vehicle access to the stage which does not appear possible with the current design
- The current design also does not provide for the provision of services infrastructure (e.g. reticulation and distribution of power, water, and sewer) to the infield area to support large toilet numbers nor food and beverage services. Consequently, provision of some of the amenities outside the arena is likely to be required, but reduced accessibility is likely to diminish food and beverage spend, plus managing the flow of people through the tunnels to an outside area may incur other event set up and supervision costs
- Also please note large events such as concerts have not been addressed in the current resource consent for the velodrome.

SGL Commentary 7

As discussed in this section, suggest there is low potential to host concerts on a viable basis.

However, given infield occupancy levels and similar to the Invercargill velodrome (which would probably require a similar infield set up), suggest one could consider developing and drive a diverse trade show and community event programme, if this demand is not already adequately catered for at other existing venues. A possible revised approach and corresponding revenue estimates are described in the Events commentary in the Indicative Annual Revenue Estimation.

6.3 Indicative Estimate of Annual Operating Financial Performance

Below are two summary tables show the projected operating performance of the Whanganui Copeland Design, based on a \$35.22M capital cost.

Based on SGL's indicative estimates, the first table applies variable revenue estimate, low expenditure estimate, and depreciation based on Rawlinsons estimate dated 22 October 2020.

This table shows a projected annual deficit before depreciation ranging from \$486,900 to \$161,900.

WHANGANUI (COPELAND DESIGN) - INDICATIVE SGL ESTIMATE OF ANNUAL OPERATING FINANCIAL PERFORMANCE - Based on Variable Revenue Estimate, Low Expenditure Estimate, and Depreciation as per Rawlinsons Estimate (22 October 2020)			
Description	Low	Medium	High
Annual Revenue	264,000	384,000	589,000
Annual Expenditure Before Depreciation (Low)	750,900	750,900	750,900
Surplus (Deficit) Before Depreciation	- 486,900	- 366,900	- 161,900
Depreciation (based on Rawlinsons estimate 22 October 2020)	1,049,200	1,049,200	1,049,200
Surplus (Deficit) After Depreciation	- 1,536,100	- 1,416,100	- 1,211,100

Based on SGL's indicative estimates, this second table below applies variable revenue estimate, medium expenditure estimate, and depreciation again based on Rawlinsons estimate dated 22 October 2020.

This table shows a projected annual deficit before depreciation ranging from \$702,300 to \$377,300.

WHANGANUI (COPELAND DESIGN) - INDICATIVE SGL ESTIMATE OF ANNUAL OPERATING FINANCIAL PERFORMANCE - Based on Variable Revenue Estimate, Medium Expenditure Estimate , and Depreciation as per Rawlinsons Estimate (22 October 2020)			
Description	Low	Medium	High
Annual Revenue	264,000	384,000	589,000
Annual Expenditure Before Depreciation (Medium)	966,300	966,300	966,300
Surplus (Deficit) Before Depreciation	- 702,300	- 582,300	- 377,300
Depreciation (based on Rawlinsons estimate 22 October 2020)	1,049,200	1,049,200	1,049,200
Surplus (Deficit) After Depreciation	- 1,751,500	- 1,631,500	- 1,426,500

SGL Commentary 8

When considering the above projections, one could reasonably consider the Medium Revenue projections and either the Low to Medium Expenditure projections, and a likely consequent annual operating deficit range before depreciation from \$600,000 to \$400,000, and with very good management possibly as low as \$200,000.

This level of projected deficit is consistent with understood annual operating deficits currently occurring at some other velodromes.

7.0 OWNERSHIP, GOVERNANCE AND MANAGEMENT

From all discussions to date, ownership, governance, and management of the future facility have not been considered.

SGL notes foremost a skilled team is needed to optimise any event and sponsorship programme. Multiple venue management by one facility operator may also better enable more cost effective and flexible deployment of staff resource, and the indicative operational model and estimate partly reflects the potential for this type of shared resource.

8.0 CAPITAL FUNDING

8.1 Principal Information Sources

- Whanganui Regional Velodrome Redevelopment Feasibility Study - Giblin Group, March 2018 (The Giblin Group are Capital Raising Specialists and this feasibility study included a Funding and Affordability section)
- Business Case for the Whanganui Regional Events Centre – Resurfacing and Roofing the UCI Velodrome in Whanganui, version 2 – Martin Visser, 13 May 2020
- Correspondence Peter Miskimmin, Chief Executive, Sport NZ, 20 September 2018; and Zoom interview by SGL with Julian Todd, Sport New Zealand, on 12 June 2020
- Zoom Interview by SGL with Jenni Giblin, Giblin Group, on 17 June 2020.

8.2 Proposed Capital Funding

The table below summarises the understood proposed capital funding for this project.

The two capital funding profiles shown are:

- As per the Giblin Group Feasibility Study in March 2018, which shows a then proposed breakeven capital funding profile for about a \$16.3M project
- As per the Business Case by Martin Visser in May 2020, which shows a similar level of funding being potentially achieved, but due to the higher project cost of \$26.3M, a consequent projected capital funding shortfall of about \$11.3M. At time of writing, the Regional Velodrome Development Trust still has a ‘Shovel-Ready’ Infrastructure Project application under consideration.

PROPOSED CAPITAL FUNDING FOR THE WHANGANUI REGIONAL EVENTS CENTRE		
All figures are GST exclusive		
Report Source	Whanganui Regional Velodrome Redevelopment Feasibility Study - Giblin Group, March 2018 (Page 56)	Business Case for Whanganui Regional Events Centre, v2 - Martin Visser, 13 May 2020 (Page 37). Also previous Letters of Support/Funding Flow document
Understood Capital Cost at time of each report	Approximately \$16.3M	Approximately \$26.3M for Option 3
Funding Source	Proposed Funding Profile \$M	Proposed Funding Profile \$M
LOCAL GOVERNMENT		
Whanganui District Council	1.00	1.00
Horizons Regional Council	2.00	
Sub-Total	3.00	1.00
CENTRAL GOVERNMENT		
Central Government (not NZ Lottery Board)	6.00	6.00
NZ Lottery Board:		4.00
*Community Facilities Fund	0.50	
* Significant Projects Fund	4.00	
Sub-Total	10.50	10.00
CHARITABLE AND GAMING TRUSTS		
Four Regions Trust	0.50	1.00
Whanganui Community Foundation	1.00	0.50
NZ Community Trust	0.25	0.80
Lion Foundation	0.25	0.50
Sub-Total	2.00	2.80
CORPORATE AND COMMUNITY FUNDRAISING		
Corporate Sponsorships	0.75	2.00
Community Fundraising	0.20	0.20
Sub- Total	0.95	2.20
TOTAL	16.45	16.00
Less then Capital Cost	16.30	27.30
Funding Surplus/Deficit	0.15	- 11.30

8.3 Review of Capital Funding Achievability

8.3.1 From Interview with Jenni Giblin, Giblin Group, 17 June 2020

Jenni Giblin's key comments were:

- Their 2018 report was a feasibility report undertaken on a limited fee basis and with a relatively short timeframe
- The original funding feasibility was based on about a \$16M facility cost
- Jenni commented pre-COVID there was already starting to be a different capital funding environment and obviously there is now quite a different environment for corporate, gaming Trust and other philanthropic funding, and consequently achievable levels of funding from all sources should prudently be reassessed
- To date, the level of local government funding has been low which limits the funding potential from other sources
- With specific regard to corporate sponsorship, Jenni re-confirmed, based on the facility proposed in 2018, that about a \$75,000 annual level of corporate support per year for 10 years should be achievable
- Jenni was not aware the revised project had potentially escalated to about \$27M, and from her experience and knowledge did not believe that level of capital funding would be achievable without substantive support by both local and central government.

8.3.2 Capital Funding for Avantidrome, Cambridge

For comparison, please see below the capital funding profile for the Avantidrome, which opened in 2014. Approximately 50% was collectively funded by central and local government, 18% by Charitable and Gaming Trusts and about 29% from Corporate and Community Fundraising. Sport NZ also contributed a further 1.5M to address specific high performance sporting requirements.

CAPITAL FUNDING PROFILE FOR AVANTIDROME, CAMBRIDGE		
Source: The Avantidrome Project, SOLGM Community Services and Facilities Forum, April 2019)		
Funder	\$M	%
Local Government		
Waikato Regional Council	6.00	
Waipa District Council	1.00	
Sub-Total	7.00	22.58
Central Government		
Sport NZ	8.50	27.42
Charitable and Gaming Trusts		
Trust Waikato	0.50	
Lion Foundation	3.00	
Grassroots Trust	1.05	
Perry Group	1.10	
Sub-Total	5.65	18.23
Corporate and Community Fundraising		
Naming Rights	3.00	
Livingstone Building (Main Contractor)	0.50	
Business/Donations	5.35	
Sub-Total	8.85	28.55
Other		
Waikato University	1.00	3.23
TOTAL	31.00	100.00

8.3.3 Overview of Possible Capacity by Funder

OVERVIEW OF POSSIBLE & REQUIRED CAPACITY BY FUNDER			
Funder	Background Information	Funding History/Status for Project To Date	SGL Commentary
Local Government			
Whanganui District Council (WDC)		\$1M approved	If there is a valid case, then level of WDC is fundamentally too low, and will potentially diminish support from other public funders - suggest for this type of project one would normally need at least one third of the funding from local government and no less than 20%
Horizons Regional Council		In draft 2018 LTP, but did not proceed	
Central Government			
Central Government Funding (not NZ Lottery Board)	In a COVID environment, there is substantive Government stimulus. At this time Infrastructure Fund and future PGF are the most viable options and hence the economic argument is important	Proposed \$6M+, encouraged by past support by Prime Minister Bill English and Ardern when Leader of the Opposition. Application has been submitted to the 'Shovel Ready' Infrastructure Projects, which is still under consideration	
NZ Lottery Board	Relevant funds Lottery Community Facilities Fund (LCFF) and Lottery Significant Projects Fund (LSPF). Historically LCFF is up to \$0.75M, and LSPF usually between about \$1M to \$5M	Understand past LSPF application submitted in early 2018, which was unsuccessful	<i>From SGL discussion with Sport NZ's Julian Todd (June 2020), based on information sighted to date, Sport NZ's position remains unchanged from Miskimmin correspondence of September 2020, i.e. Sport NZ does not support the project as it currently stands. Until they do the project will realistically not receive Lottery funding and suggest also no other central government funding</i>
Charitable & Gaming Trusts			
Whanganui Community Foundation (WCF)	For FY ending 31.03.2019, \$47.8M net assets; \$1.03M grants allocated, \$300k of capital grants. Area Rangitikei, Waimarino and Whanganui	0.5M confirmed from WCF	Appears to be a realistic maximum level of funding
Four Regions Trust	For FY ending 31.03.2019, \$36M net assets, \$1.428M grants allocated. Larger geographic area than WCF	\$0.5M already received from 4 Regions Trust, a further \$0.5M indicated	At \$1M appears to be a realistic maximum level of funding

OVERVIEW OF POSSIBLE & REQUIRED CAPACITY BY FUNDER			
Funder	Background Information	Funding History/Status for Project To Date	SGL Commentary
Charitable & Gaming Trusts (cont.)			
Gaming Trusts	For Whanganui, Palmerston North, Manawatu, Ruapehu and Horowhenua Districts there are a total of 46 gaming venues (as at July 2020). Note, the total number of venues by Gaming Trust, for the 4 highest only and in descending order, are NZCT with 14; Pub Charity with 9; Lion Foundation with 6; and each of Pelorus Trust and Racing Industry Transition Authority (RITA) with 3. For the Whanganui District only, there are 10 total venues, with NZCT with 6; Lion Foundation with 2; Infinity Foundation with 1 and RITA with 1	From gaming, Giblin Group projected \$0.5M, RVDT projected \$1.3M - latter \$0.8M from NZCT and \$0.5M from Lion Foundation. Understand previous positive initial discussions with both NZCT and Lion Foundation	If there is a valid case, suggest potentially could be up to \$1.5M and possibly higher over a multi-year period, with all relevant Gaming Trusts asked to support
Corporate and Community Fundraising			
Corporate Sponsorships	Giblin Group proposed named spaces for key facility areas whole facility, track, field, main lounge and meeting room. Note relatively low levels of sponsorship currently being achieved for Cooks Gardens (understand < \$40,000 per annum)	Giblin Group estimated \$750,000, based on 10 year naming rights for both the whole facility and component areas	Achievable levels of sponsorship are dependent on the market reach of a facility, i.e. If an impactful event programme and/or high visitation, then higher levels of sponsorship support can be achieved. <u>In addition</u> , there must be genuinely identified corporates that have both the capacity and reasons to contribute, whether for commercial and or/corporate social responsibility reasons. SGL is unaware of any specific and substantive corporate interest that has been identified to date. Suggest Giblin Group estimate is realistic based on the proposed activity profile in 2018. Note, RVDT currently projects extremely high levels of sponsorship income in their operating model, but regardless of the achievability of the projected levels, there has been no consideration in current financial planning to address the duplication of the capital and operating sponsorship, i.e. If substantive sponsorship funding is required for capital funding, then for up to 10 years key facility naming rights properties will not be available for operating funding
Community Fundraising		\$0.2M proposed by each of Giblin Group and RVDT	Achievable level. Suggest the proposed level of individual support is potentially too low for this scale of project, and if there is a valid case one could reasonably expect some more substantive levels of personal gifting

SGL Commentary 9

Please note, all comments below **assume a valid project** (see next section for explanation of a 'valid project').

Qualifier: SGL has undertaken no funding testing.

As per the 'Funder Capacity' table above, potential maximum levels of non-central government and non-local government funding, other than the NZ Lottery Board, could be

- **Lottery Board funding** at the levels proposed are potentially achievable, i.e. up to about **\$4.5M** in total
- **Whanganui Community Foundation and Four Regions Trust are at a combined** potential maximum of up to **\$1.5M**
- With a regional approach and assuming the project is valid, suggest potentially **Gaming Trusts** may be understated, and by a regional and multi-year approach, and fully acknowledging would be a stretch target, potentially could be up to **\$1.5M**
- The GIBLIN Group estimated about \$750,000 from **corporate sponsorship**, based on about \$75,000 per year for 10 years being achieved for facility naming rights (for the whole facility and components areas). If there was a very substantive event programme of national interest then based on current known levels of sponsorship for key properties one may be able to achieve up to \$200,000 per year, but suggest less than \$150,000 for facility naming rights in total for all key areas per year is more prudent at this time and hence up to **\$1.5M**, noting suggest one should place higher emphasis on personally motivated support than corporate support per se (see next item)
- Suggest the proposed level of **individual support** at about \$200,000 for this scale of project is too low and if there is a valid case one could reasonably expect some more substantive levels of personal gifting, which should seek to achieve \$1M+ if not double this figure. If this project is to gain future traction suggest this figure would need be about **\$1.5M**, which would include all forms of individual gifting including major and mid-level gifts, gifts through wills, event fundraising, crowd fundraising, etc. Please note, there will be some cross-over between individual and corporate giving (e.g. a motivated individual may choose to gift through their company), but SGL is placing greater emphasis here on personally motivated gifting as opposed to gifting based on commercial benefit (i.e. sponsorship).

In total and if the project is valid, suggest the above levels of funding could potentially achieve up to **\$10.5M** from the above sources.

8.4 Summary

8.4.1 Basis of Funding Experience for SGL Comments

During the last 15 years SGL has led the securing of over \$750M of non-Council funding for community facility projects and organisations in New Zealand.

8.4.2 Fundamental Requirements for Capital Funding Success

The key issue for funding success is a valid case. If there is not a valid case then invariably a project cannot be funded, nor should it be funded. By a valid case means that the project need and overall benefits justify the proposed level of capital and on-going net operating funding.

If there is a valid case for this project, then if the project is to be funded, one needs to assess what is the realistic maximum level of funding one can achieve from all non-local government and central government sources (excluding NZ Lottery Board).

Then, the reality is that the remaining funding will need to be met by local government and (other) central government funding, otherwise the project will not proceed.

8.4.3 Overall Capital Funding Challenge

From detailed review of potential available funding in the region, but with the qualifier no specific testing with funders has occurred, and based on SGL's experience of similar types of major community projects, suggest the potential achievable funding for a valid project from all non-government sources other than the NZ Lottery Board is up to about \$10.5M.

The current Cost Review by BOON and Rawlinsons quantity surveyors indicate a project cost based on the Copeland design realistically ranging from \$30.25M to \$35.22M. Less \$10.5M from the other funding sources identified above, this therefore means **from \$19.75M to \$24.72M is required from local government and non-Lottery Board central government sources**. Again, based on funding experience of many community projects suggest **30% to 45% funding leadership of the total project cost would normally be needed for this type of project from local government** as part of advocating the required remaining level of Government funding, which one must clearly say could, even then, not be realised, i.e. the final level of support will be dependent on the validity of the community and economic case, and to justify these levels of funding would need to be regarded as a transformative project for Whanganui District and the wider region.

Again, for clarity, for this project by 'local government support' mean the combined support from the Whanganui District Council and/or Horizons Regional Council.

For further clarity, the likely indicative capital funding profiles required for a \$35.22M project are shown in the tables below.

INDICATIVE CAPITAL FUNDING PROFILE LIKELY TO BE REQUIRED FOR A \$35.22M VELODROME IN WHANGANUI - FROM NZ LOTTERY BOARD AND ALL OTHER NON-LOCAL AND CENTRAL GOVERNMENT FUNDING SOURCES	
Funding Source	Projected Funding Required \$M
NZ Lottery Board	
Community Facilities Fund	0.75
Significant Projects Fund	3.75
Sub-Total	4.50
Charitable and Gaming Trusts	
Whanganui Community Foundation	0.50
Four Regions Trust	1.00
Gaming Trusts	1.50
Sub-Total	3.00
Corporate and Community Fundraising	
Corporate Sponsorship for Naming Rights (Whole Facility and Component Areas)	1.50
Individual Support, i.e. Personal Gifting and Community Fundraising	1.50
Sub-Total	3.00
TOTAL FUNDING FROM ABOVE SOURCES	10.50
Total Project Cost	35.22
Consequent Funding Required from Government and Non-Government Sources if Project is to Proceed	24.72

CONSEQUENT CAPITAL FUNDING REQUIRED FROM LOCAL GOVERNMENT AND NON-LOTTERY CENTRAL GOVERNMENT FUNDING IF THE PROJECT IS TO PROCEED AS PROPOSED, BASED ON A \$35.22M CAPITAL COST		
	Scenario 1	OPTION 2
Funding Source	Lower by Local Government, Higher by Non-Lottery Central Government Funding \$M	Higher by Local Government, Lower by Non-Lottery Central Government Funding \$M
Local Government (i.e. from both Whanganui District Council and Horizons Regional Council: Lower level 30% of total project cost, higher level 45% of total project cost)	10.57	15.85
Non-Lottery Central Government Funding	14.15	8.87
TOTAL	24.72	24.72

From experience, SGL suggests closer to Scenario 2 than Scenario 1 could be the more likely required funding scenario if the project is to proceed as currently proposed.

9.0 OVERALL CONCLUSIONS

9.1 Summary Findings

Cycling demand for a covered velodrome in Whanganui appears to be about 2,000 track hours per year which equates to about half the level of proposed use of the Avantidrome in 2017/18.

There is currently no demonstrated demand need for speed skating nor for the wider concert and other non-cycling event use being proposed.

The proposed Copeland Design Options are estimated to cost from about \$30.25M to \$35.22M, based on construction starting in mid-2022 and are likely to require no less than about one third+ of this cost to be funded from local government sources (i.e. from Whanganui District Council and/or Horizons Regional Council). There also still remain some design risks for cycling functionality and the current infield is likely to have low suitability and to be unviable for the majority of concerts.

The ongoing net operating cost before depreciation for Option Three to Whanganui District Council is likely to be about \$400,000 to \$600,000 per year, and even higher for the other two Options. The annual depreciation for Option Three will be about a further \$1.05 million.

In summary, there is no current valid case to proceed with the current design proposal, which based on its current scope will be an expensive facility to build and operate, and which will not meet some of the functional requirements currently proposed.

However, suggest there is an improved cycling needs case to consider a cost-effective solution for the covering of the outdoor track.

9.2 Possible Alternative Development Options

The purpose of this Report and the Design and Cost Review was to assess the current Copeland design options.

At this time, the consultant review team has only given limited consideration to alternative development options with the assumption that the primary focus would be on catering for track cycling and competitive event cycling up to a UCI category 2 homologation status.

If no roof covering is provided, specialist track advice will be required regarding the best track solution to achieve long term protection of the asset and maintenance of past levels of activity.

With regard to a roof covering that focuses solely on providing weather protection for the cycling track, there are likely to be a number of lower cost options.

These options may be of a similar construction to the current roof proposal (i.e. a structural steel frame and tensile fabric canopy), or a structural steel frame and profiled steel roofing/cladding. Further detailed work is required to validly assess these options.

APPENDICES

1 Interview/Key Meeting Record

Below is the list of interviews held by SGL during the Review.

Organisation/Description	Name and Role	Date (2020)	Type (All by SGL's Steve Bramley unless stated otherwise)
Regional Velodrome Development Trust (RVDT)	Bob Smith and Martin Visser (plus Kellie Brougham)	22 May	Zoom
RVDT	Martin Visser re updated feasibility (plus KB)	25 May	Zoom
Whanganui District Council	Kym Fell, CEO	3 June	In person
Whanganui District Council	Cr Philippa Baker-Hogan, Councillor and Chair of Project Control Group	3 June	In person
RVDT	Leigh Grant, Bob Smith, Martin Visser	3 June	In person
Cycling interests	Ron Cheatley	3 June	In person
Horizons Research	Graeme Colman	3 June	In person
Whanganui District Council	Leighton Toy, General Manager Property	3 June	In person
Cycling Whanganui	Ian Murphy	3 June	In person
Sport NZ	Julian Todd, Spaces and Places Lead	12 June	Zoom
Silverdome, Tasmania	Silverdome Staff	16 June	Phone call
Giblin Group	Jenni Giblin	17 June	Zoom
Avantidrome, Cambridge	Scott Gemmell	17 June	Zoom
ILT Stadium, Invercargill	Nigel Skelt, General Manager	18 June	Phone call
Whanganui District Council	Council Meeting	10 September	Zoom by Steve Bramley and Glenn Brebner (BOON)
RVDT, RVDT Design Team and Whanganui District Council	Review Discussion	8 October	In person by Steve Bramley, Glenn Brebner and Patrick Hay (Rawlinsons)

2 Information Review

Summary Documents
Business Case for the Whanganui Regional Events Centre – Breakdown of Forecast Fees to Velodrome – Martin Visser – 29 May 2020
Business Case for the Whanganui Regional Events Centre – Detail on Options, Related Capex, CNZ Contributions, P+L and Depreciation Treatment – Martin Visser - 11 June 2020
Business Case for the Whanganui Regional Events Centre – Resurfacing and Roofing the UCI Velodrome in Whanganui (includes updated NPV) – Martin Visser – 13 May 2020
Business Case for the Whanganui Regional Events Centre – Updated Tables 19, 21, 23 and Appendix 1 – Martin Visser – 12 June 2020
Central NZ Regional Velodrome Project – Indicative Business Plan – Stuart Hylton Consulting – June 2017
Competitive Analysis – Fabric Membrane vs Metal Clad Structure – Fabric Shelter Systems Ltd
Covering Whanganui Velodrome – Needs Assessment Report – GLG Consultants – 25 November 2019
Cycling NZ Support Letter for Whanganui Velodrome - 23 April 2019
Cycling NZ Support Letter for Whanganui Velodrome - 29 January 2020
Cycling NZ Support Letter Re: Support for Roofing Project for Whanganui Cycling Velodrome – 1 March 2018
Cycling Whanganui Comments – R Cheatley 2017-2019
Memorandum of Understanding between WDC and Regional Velodrome Development Trust – 12 June 2017
Regional Development Trust Annual Report 2016/17 (draft)
Shovel Ready Infrastructure Projects, Manawatu-Whanganui Regional Events Centre – April 2020
Sport NZ, Whanganui Regional Velodrome Redevelopment Peer Review – September 2018
Top NZ Acts Headline Whanganui Sound Valley Music Festival, Whanganui Chronicles – Martin Visser – 9 June 2020
Update on Whanganui-Manawatu Multi-Purpose Event Centre Benefits Case – 10 Year NPV (PPT) – Martin Visser – January 2020
Updated Potential Velodrome Project Scope and Costs - 2014
Velodrome Consultation List Excel
Whanganui District Council Annual Report 2016/17
Whanganui District Council Workshop for Timeline of Velodrome Roof – 30 January 2020
Whanganui District Council, Decision Making Report for Velodrome Review - 2020
Whanganui Regional Velodrome Redevelopment Feasibility Study – Giblin Group – March 2018
Whanganui-Manawatu Multi-Purpose Event Centre – 10 Year NPV (PPT) – Independent Usage and Occupancy Report Martin Visser – 2019
Other Velodromes
Email Correspondence from Ron Cheatley regarding Multi-Use Event Centre and Velodromes – 16 June 2020
2018 Gold Coast Commonwealth Games, Anna Mears Website – June 2020
Australia Cycling Team Website, Adelaide Super-Dome – 17 June 2020
Australia Stadium Website – 16, 17 June 2020
Cambridge Avantidrome Website – June 2020
Avantidrome Audited Accounts FY2018/19
The Avantidrome Project, SOLGM Community Services & Facilities Forum – April 2019
Derby Arena Website – 17 June 2020
Government for South Australia, Adelaide Super-Dome – 17 June 2020
Hanns-Martin Schleyer-Halle Website – 17 June 2020
Melbourne Arena Website – 17 June 2020
Porsche Arena Website – 17 June 2020
Silverdome Launceston Website – 16 June 2020
Stuttgart Website – 17 June 2020
Tasmania’s Silverdome Set to be Refurbished, Gerald Knapp – 29 December 2005
Venus West Annual Report FY2018/19, Perth SpeedDome – 17 June 2020
Visit Darby Website – 17 June 2020
West Cycle – Western Australian Cycling Facility Review - 2017
World Population Review for Stuttgart – 17 June 2020
PCG
Letter from Sport NZ - Re: Whanganui Regional Velodrome Redevelopment Project – 20 September 2018
Letter of Regional Facilities Rating from Palmerston North Mayor - 1 February 2018
Letters of Support from Community Organisations, Regional Sport Organisations, District Councils, Horizon Regional Council and Government from 2015 to 2017
Minutes of the Velodrome Advisory Group Meeting – 13 April 2016
Programme Timeline – Whanganui Velodrome Roof Project – Copeland Associates Architects – 1 March 2018

Proposed Regional Velodrome Upgrade Project – Review of Potential Operating Costs – January 2018
Resource Consent Application, Opus Consultants on behalf of Whanganui District Council – February 2016
Resource Consent Commissioner Decision for Whanganui District Council - 2017
Resource Consent to Roof the Existing Velodrome to Regional Velodrome Development Trust from Whanganui District Council – 28 February 2017
Roof for Whanganui Velodrome, Design Report - Copeland Associates Architects - September 2014
RVDT Report to Project Control Groups, Notes for Presentation – 12 March 2018
Site Diagram (Unclear on Date and Author)
Whanganui Velodrome Canopy, Developed Design, Package 1 – The Roof – Copeland Associates Architects – 28 September 2017
Whanganui Velodrome Canopy, Developed Design, Package 2 – Facility Improvements – Copeland Associates Architects – 2 October 2017
Whanganui Velodrome Canopy, Wind Tunnel Review – CompuSoft Engineering – 19 July 2017
Whanganui Velodrome Events Centre, Engineering Considerations in Planning the Redevelopment – CompuSoft Engineering – 28 July 2017
Whanganui Velodrome Redevelopment Project Plan – Regional Velodrome Development Trust - 2016
Whanganui Velodrome, Proposed Tension Membrane Roof Structure, Geotechnical Report – Opus Consultants – May 2017
Whanganui Velodrome - The Roof & Facility Improvements (Summary Escalation) - BQH Quantity Surveyors - January 2020
Whanganui Velodrome, The Roof & Facility Improvements (Exec Summary) – BQH Quantity Surveyors – 1 March 2018
Whanganui Velodrome, The Roof & Facility Improvements (Full Report) – BQH Quantity Surveyors – 1 March 2018
Whanganui Velodrome, The Roof & Facility Improvements (Summary) – BQH Quantity Surveyors – 1 March 2018
Whanganui Velodrome, The Roof & Facility Improvements (v1) – BQH Quantity Surveyors – 17 October 2017
Wind Tunnel Investigation of the Proposed Whanganui Velodrome Roof Report – The Wind Engineering Group – 5 March 2018
Various Cycling Centre of Excellence Reports
Assessment of Economic Impact and Visitor Activity Associated with proposed Events Centre of NZ, Summary Report for Whanganui District Council – APR Consultants – October 2008
Assessment of Economic Impact and Visitor Activity Associated with proposed Events Centre of NZ, Final Report for Whanganui District Council – APR Consultants – September 2008
Benefit-Cost Analysis for Proposed Event Centre of NZ for Whanganui District Council – APR Consultants - October 2008
Bike NZ Velodrome Proposals – Prepared by Abel Properties
International Velodrome Events Centre – Whanganui Business Plan – 18 December 2007
International Velodrome Events Centre – Whanganui Business Plan – 29 April 2008
NZ Cycling Centre of Excellence Whanganui, Design Report – Copeland Associates Architects – February 2011
NZ Major Events Sponsorship Funding Agreement between the Ministry of Economic Development and Whanganui District Council – 23 September 2008
Options for Velodrome Development - 2017
Opus Proposal to Create the NZ International Velodrome and Events Centre – August 2000
Whanganui International Events Centre Feasibility Briefing Report – Randall Mellows & Associates – 17 May 2007
Whanganui International Events Centre Feasibility Study Notes – Randall Mellows & Associates – 2 February 2007
Whanganui Velodrome Events Centre Business Plan, Budget, and Financial Implications – 14 November 2007
Whanganui Velodrome Proposal – Copeland Associates Architects – July 2007
Whanganui District Council
Submission to Proposed Sport and Recreation Facilities Strategy, Bob Smith – 12 April 2019
Submission to Proposed Sport and Recreation Facilities Strategy, Leigh Grant – 5 April 2019
Workshop Material 2020
Draft Project Budget - Whanganui Regional Velodrome – 1 March 2018
Regional Velodrome Project Prospectus - 2016
Regional Velodrome Roofing Project: A Short History of Roofing Proposals – R.J.K Smith – March 2017
Review of “Needs Analysis” PPT – Martin Visser – January 2020
Sport and Recreation Facilities Strategy - Whanganui District Council – 30 May 2019
Whanganui Central Regional Velodrome, Background Information – Copeland Associates Architects – March 2019
Whanganui Events Centre – WDC Workshop PPT – Horizon Research – 30 January 2020
Whanganui Events Centre Report – Horizon Research – October 2019
Other
Scaffolding Egress Estimate - Scafworx Ltd, 23 October 2020

3 Other Velodromes

NEW ZEALAND

Avantidrome

(Source: Avantidrome Website - 2020; The Avantidrome Project, SOLGM Community Services & Facilities Forum – April 2019)

Overview

Opened in April 2014, the Avantidrome is Waikato's newest sports and leisure facility. The world-class facility is centred around the purpose built 250m wooden cycling velodrome and is host to a range of other high-performance sports, such as Bike NZ and Triathlon NZ, and community facilities. Currently, 80% use of the Avantidrome is community activity while 20% is high-performance activity.

The Avantidrome is located on Hanlin Road in Cambridge, next to St Peters School.

In 2014, there was a 10-year naming rights deal with Avanti.

Governance

The Home of Cycling Charitable Trust owns and manages the Velodrome. Sport Waikato is the settlor of the Trust and considers changes to Trust directors or deeds.

Cost

The total cost of the facility was about \$31 million. The funders included:

- Sport NZ \$8.5 million
- Waikato Regional Council: \$6 million
- Waipa District Council: \$1 million
- Lion Foundation: \$3 million
- Grassroots Trust: \$1.05 million
- Perry Group: \$1.1 million
- Waikato University: \$1 million
- Trust Waikato: \$500,000
- Livingstone Building: \$500,000
- Business/Donations: \$5.35 million
- Naming Rights: \$3 million.

Note, Sport NZ contributed an additional \$1.5 million to fund add Sport NZ and Bike NZ requirements for climate control to add space for High Performance Sport NZ, Tri NZ, and Canoe Racing NZ.

The cost of the St Peters School land was about \$500,000.

Specifications of the Velodrome and Track

- 10,000 m² facility
- 250m indoor cycling track (high performance, UCI category 1 track)
- Maximum slope of the track is 43.5 degrees
- 1,250 permanent seats, which are able to be increased to 4,000 seats (however, fire design maximum is 2,500 people)
- 365 high bay lights providing up to 2,000 lux.

Design

- The wood used for the track in the velodrome is Siberian Spruce. A slow growing timber, the grain of the wood is very close which means it will not splinter
- 120m x 77m clear span light weight roof. The metal roofing/cladding covers an area of 6,800m²
- The Avantidrome design allows for unimpeded views within the main arena which means that the main structure is required to be supported from the exterior circumference with no internal supporting column.

Facilities

- 3,000m² of space in the middle of Avantidrome is capable of hosting up to 1,000 people seated at tables. The area is large enough to host equestrian, tennis, basketball, netball, badminton, and athletic events
- Café
- Avanti Bike Shop
- Life Fitness Zone Gym
- 2500 m² of office space
- Function space
- Bike storage
- Applied Sports Science & Lab Testing
- Gallagher Bike Skills Park (located outside Avantidrome).

Operational Information

- Operational expenditure and revenue information is captured in the main report sections
- Some specific cycling utilisation information is recorded in the Global Leisure Group 'Covering Whanganui Velodrome Needs Assessment 2019', Appendix 9.2, and is not repeated in this document.

Project Team

The key project team for the Velodrome were:

- Track Design: Ralph Schürmann of Schürmann Architects
- Project Manager: Livingstone Builders
- Architects: Chibnall Buckell Marovic.



Invercargill Velodrome

(Source: Cycling Southland Website – July 2020; ILT Stadium Website – July 2020; Southland New Zealand Website – July 2020; Turning the Dream into Reality, How the Southland Velodrome Changed NZ Cycling, Stuff Articles – 25 May 2016).

Overview

Opened in May 2006, the SIT Zero Fees Velodrome was opened in the ILT Stadium Southland, Invercargill. The velodrome is located on the west side of the stadium, adjacent to the main ILT Stadium complex.

The velodrome was New Zealand's first indoor cycling velodrome and as at 2020 is the only indoor velodrome in the South Island. The velodrome's original construction cost was \$11 million.

Cycling Southland and Cycling Activity

Cycling Southland oversee the use and booking of the velodrome track. An overview of the level of cycling activity and events is provided in the Global Leisure Group 'Covering Whanganui Velodrome Needs Assessment Report 2019', Appendix 9.1, and is not repeated in this report.

About ILT Stadium

Originally opened in 2000 and redeveloped in 2014 at the cost of \$41 million, the ILT Stadium Southland is a world class, multi-purpose venue. The Stadium is able to host a wide range of events including conferences, exhibitions, and trade shows.

ILT Stadium is located in the Surrey Park Sports Centre and is home to 12 sporting organisations including Cycling Southland. The Stadium is also widely utilised by the Southland community in the areas of recreation, sport, cultural, corporate and entertainment.

Governance

ILT Stadium Southland is governed by the Southland Indoor Leisure Centre Charitable Trust who own the building and the Stadium Southland Board of Directors.

Sponsors

The sponsors for ILT Stadium include ILT, SIT and SBS Bank. The supporters for the Stadium include: Community Trust South, GWD Holden, Creation Sign, More FM Southland, Southland District Council, Invercargill City Council and Ticketek.

Specifications of the Velodrome and Track

- 8,500m² arena
- 250m international standard track imported from Germany
- Permanent seating for 1,064 people that has views of the full concourse
- Track designer was Ralph Schuermann and the project managers were Calder Stewart Industries
- The middle of the track is a pillarless flat floor area of 2,195m². This area comprises of three full size multi-sports rebound ace courts. Motorised nets surround these courts which allow the track and courts to be utilised at the same time.

Other Activities within Velodrome

The SIT Zero Fees Velodrome is also home to the Mike Piper Training Centre, an initiative of Academy Southland. The training facility is in the centre of the velodrome where the three local sporting franchises, the Southland Stags, the Southern Steel, and the Southland Sharks train. This facility is also used by Southland's up and coming talented athletes.

Events in the Velodrome

The SIT velodrome has hosted a variety of community events and sporting events. Previous events held in the middle of the velodrome include Spanish dancing horses, poultry championships and beach volleyball championships. Note a further description of the range of events held in the velodrome infield is provided in the Operating Revenue section of this report.



AUSTRALIA

Adelaide Super-Drome

(Source: Australian Cycling Team Website - 2020; Government for South Australia Website -2020).

Overview

Built in 1993, at a construction cost of AUD \$13.45 million the Adelaide Super-Drome is based at State Sports Park in Gepp Cross, South Australia. Located 12km from the Adelaide CBD, the Super-Drome is the headquarters for Cycling South Australia, a training facility for South Australia Sports Institute Track Cycling programme and is the home of Cycling Australia's High-Performance Programme.

The Adelaide Super-Drome is within 20 to 25 minutes of Adelaide City and offers specialist infrastructure for track cycling and a quality infield surface for a range of multi-sport activities.

The Velodrome regularly hosts national and international events, including the 2014 Track National Championships, the International Track Series, and the 2015 Oceania Track Championship.

The Super-Drome is owned and operated by the Office for Recreation and Sport, an agency of the Government of South Australia.

Specifications of the Velodrome and Track

- 250m Nordic pine, international standard track
- 43-degree banked track
- Track lighting: 400 lux
- Electronic timing system
- Electronic multi-purpose scoreboard
- Seating: 2,000 spectators and 1,000 standing
- Infield flooring: Regupol Multi-Sports (2,067m²). The infield can be configured for a variety of indoor sports when used in competitions
- Has a wind tunnel.

In January 2018, the South Australia Government announced that the Velodrome would undergo an AUD \$11.2 million re-development to be the first Velodrome in the world to have a wind-tunnel enabling athletes to test bikes, helmets, and bike positions.

Other Functions

- Infield can be configured for a variety of other indoor sports such as futsal leagues
- Four corporate boxes
- Function room
- Gym
- Physio
- Changing rooms/toilets
- Lockable storage space available
- Onsite parking for up to 500 cars.

Events

The Velodrome is available for hire and hosts a range of events and functions. However, it is unclear on the number of events, type of events and the location of the events held within the facility.



Anna Meares Velodrome

(Source: Australia Stadiums Website - 2020; Gold Coast 2018 Commonwealth Games Website)

Overview

The Anna Meares Velodrome was opened in November 2016 and is located in Chandler, Brisbane. It is the first indoor velodrome in Queensland it is located at the Sleeman Sports Complex, 15km from Brisbane's CBD. Within the Complex there is the Chandler Velodrome (outdoor) and an elite sports training hub that includes the Brisbane Aquatic Centre and BMX Super Cross Track. Additionally, there are training facilities for weightlifting and gymnastics.

Commonwealth Games and Track Championships

The AUD\$59 million Anna Meares Velodrome was a Gold Coast 2018 legacy project, jointly funded by the Queensland and Australian Governments.

The Velodrome hosted the track cycling competition in the Gold Coast 2018 Commonwealth Games and the Australia National Track Championships in 2017 and 2018. The velodrome is also used for elite training squads and club competitions.

Specifications of the Velodrome and Track

- Area size of 10,916m²
- 188m between inclined perimeter support
- International competition standard 250m timber cycling track
- 43.9 degrees banked track at its steepest and 12 degrees along the straights
- Fixed seating capacity of up to 1,500. During the Commonwealth Games, an additional 2,500 temporary seats were installed
- Has video screen
- Has permanently installed LED sports lighting.

Design

- The velodrome has one of the largest clear span roofs in Australia
- The roof is gently curved in two directions, and the resulting saddle shape combined with the inclined perimeter walls
- The velodrome is made from a steel structure with a polytetrafluoroethylene (PTFE) membrane cladding, which is translucent and opaque to allow natural light into the building
- The white membrane cladding allows for projections to be cast onto the facade during game time. At night, external lights cast a silhouette of the trees onto the façade
- The velodrome design and banked tracks allow for maximised views for viewers when seated
- Natural ventilation within the velodrome is supported by large fans for optimal temperature for track cycling at 28 degrees
- Environmentally Sustainable Design (ESD) initiatives were included for water and energy efficiency.

Other Functions

- The velodrome maintains a concourse-level connection and has four levels:
 - Fitness centre
 - Sports physio clinic
 - Offices
 - Function pod
- A multipurpose indoor sports court occupies the centre of the track.

Project Team

The key project team for the Velodrome were:

- Track Design: Sportbau Schuermann GMBH
- Architect: Cox Architecture
- Engineer: Arup
- Builder: Watpac.

Events

- It is unclear if the Anna Meares Velodrome hosts non-cycling events and functions.



(Photos retrieved from Australia Stadium Website)

Dunc Gray Velodrome

(Source: Australia Stadiums Website – 2020).

Overview

Completed in 1999 at a construction cost of AUD \$42 million, the Dunc Gray Velodrome was built for the 2000 Olympic Games. Located in Bass Hill approximately 5km from the Sydney suburb of Bankstown, the Velodrome is based in The Crest Sporting Complex.

The velodrome is named after Dunc Gray who won Australia's first cycling gold medal at Los Angeles in 1932.

Previously, the NSW State Government owned the velodrome at the time of its construction and Bankstown Council managed the velodrome under a sublease. In 1998, the Bankstown Council sublet the velodrome to Bankstown District Sports Club, under a 21-year sublease. In 2019, Bankstown Council resumed operational responsibility of the Velodrome.

Future of Dunc Gray

In 2016, there were concerns regarding the future of the Velodrome due to: capital improvements requiring AUD \$1 million, the annual costs of \$500,000 and the low community use of the facility. In 2017, it was announced that external consultants were creating a development plan which would combine cycling and another sport in the infield to maximise the use of the facility.

Specifications of the Velodrome and Track

- 250m Baltic pine track
- 42-degree bends and 12.5-degree straights
- Track design by Ron Webb
- Has a seating capacity of 3,150 but was expanded to 5,821 seats to cater for the Sydney Olympic Games.

Other Functions

- Metal decked roof with glazed central skylights
- Light-control louvres
- Electronic scoreboard
- Onsite parking for up to 200 cars.

Events

- It is unclear if the Dunc Gray Velodrome hosts non-cycling events and functions.



Perth SpeedDome

(Source: Australia Stadiums Website; VenuesWest Annual Report 2018/19; and West Cycle - Western Australian Strategic Cycling Facility Review - 2017).

Overview

Opened in 1989, the SpeedDome is located in Midvale, 20km east of Perth's CBD. The SpeedDome is Perth's only combined indoor cycling velodrome and roller sports complex. The SpeedDome is the home of Western Australia Institute of Sport cycling programme and also to the communities recreational cycling and skating clubs. The facility regularly used to host international track cyclists and competitions, including the 1997 World Track Championships.

The 2017, the West Cycle - Western Australian Strategic Cycling Facility Review identified that the SpeedDome is not operating at or near capacity, largely due to its isolated location, old condition, and expensive track hire.

VenuesWest owns the facility on behalf of the Perth State Government.

The original construction cost is not known. In 2017, the SpeedDome had an AUD \$2.52 million renovation which allowed for a new cycle track, replacement roof, internal painting, and general facility upgrades. In 2018/19, SpeedDome had \$7.6 million of assets.

In 2018/19, there were a total of 18,965 people visits to the SpeedDome.

Specifications of the Velodrome and Track

- 250m international (level 2) standard time track, created with high-grade Siberian pine
- Track designed by Ralph Schurmann
- Includes lights (lighting upgrade completed in 2019)
- 1,500 spectators can be accommodated in fixed tiered seating with facilities available for up to 2,300 people.

Other Functions

- In the centre of the cycling track is a multipurpose concrete floor used for inline hockey, figure skating, and speed skating
- A purpose-built kick boxing gymnasium is located underneath the cycling track
- A fully serviced bar and canteen facility
- Changing rooms
- 400 parking bays.

Events

- In 2016/17, a total of seven cycling events were held throughout the year
- Note, it is uncertain if SpeedDome hosts non-cycling events.



Silverdome

(Source: Australia Stadiums Website; Silverdome Launceston Website and Facebook; Phone Call with Silverdome - 16 June 2020).

Overview

Opened in March 1985, the Silverdome all-weather facility is a multi-purpose venue located in Cape Reid Reserve in Launceston, Tasmania. Silverdome can host any type of indoor sporting event including netball, basketball, and cycling; concerts; conferences and exhibitions.

Silverdome was the Southern Hemisphere's first indoor timber cycling velodrome. In 1997, the Tasmanian Institute of Sport moved its administration to the Silverdome and now uses its facilities and track to support its elite cycling programme. Silverdome is considered one of the fastest velodromes in Australia.

The original construction cost is not known. In 2006, it was announced by the Tasmanian State Government that the Silverdome would undergo major refurbishment that would include redeveloping the track surface, new concourse roof and general amenity upgrades.

The Tasmania Department of Premier and Cabinet currently manage the facility. The facility operates seven days a week and is largely utilised by sport leagues and sport trainings for cycling, netball, basketball, futsal, and indoor hockey.

Specifications of the Velodrome and Track

- 280m track made from Tasmania hardwood
- Track was designed by Ron Webb
- Can seat up to 3,200 people for sporting events (depending on configuration)
- Electronically actuated glazed louvers
- The facility is ventilated but not heated.

Note, the Silverdome track does not meet the UCI International standard.

Other Facilities

- Main arena
- Auditorium
- Two meeting rooms
- Projector screens
- Includes a 5m x 6m LCD screen
- Integrated public address system
- Free parking available for 100 attendees.

Events

The Silverdome offers 4,500m² of undercover space for exhibitions. Spaces are versatile and can cater for 10 to 5,000 people. The peak time for events is during the months of September to December.

Previously held events and exhibitions include:

- The Wiggles, Party Time Show
- Elton John
- Van Halen
- Targa Car Show
- Tassie Build Expo
- Tasmania Outdoor, Boat & Caravan Show
- Tasmania Christmas Carnival.

Annually, Silverdome host around 12 different events including two concerts. Note, Silverdome classify an activity as an event if it is of two or more days duration and involves more than 500 participants.





(Photos retrieved from Silverdome Facebook)

EUROPE

Derby Arena

(Source: Visit Derby Website - 2020 and Derby Arena Website - 2020)

Overview

Location

Derby is located in the central county of Derbyshire and is on the bank of the river Derwent in England. The City has a rich history in industrial revolution.

Nearby cities to Derby include Nottingham, Loughborough, Stafford, and Chesterfield.

Population

From 2001 to 2011, Derby had a 18,000 (7.8%) population increase. According to the latest census data in 2011, Derby's population was 248,752. It is estimated that in 2019, Derby had a population of 256,906.

It is forecasted that Derby will continue to have steady growth in the coming years.

Weather

Derby's climate is classified as warm, the average annual temperature is 9.7 °C. Derby has significant rainfall year-round and annually has about 694mm of rain.

Companies

Derby is the centre for advantaged transport manufacturing and is the home to Rolls-Royce.

About Derby Arena

Established in March 2015, Derby Arena is a multi-purpose arena located on Pride Park next to the iPro Stadium in Derby. With a construction cost of £27.5 million, the Arena is part of the Derby City Council's Leisure strategy. The Arena is primarily a space for sports and physical activity; however, it also serves as a venue to host events.

Sport England and British Cycling provided funding assistance and support for Derby Arena.

Transport

The Arena is a 30-minute walk from Derby City Centre and 15-minute walk from Derby train station. The Arena is located 18-minutes away from East Midlands Airport, 50-minutes from Birmingham Airport and 75-minutes away from Manchester Airport.

Arena Tour

On certain scheduled Saturdays, a 45-minute guided arena tour is available. Booking is essential and tickets cost £6 per person. The tour has a minimum of 6 people and a maximum limit of 20 people. Private group bookings can be arranged.

Cycling

Derby Arena is the Midlands' hub for track cycling. Derby Arena caters for a range of cyclists, including recreational cycling, training, racing, leagues, and coaching.

There is also a cycle hub within the Arena which hires, repairs and stores bikes and cycling equipment.

All track riders must be accredited riders. There is a four-stage accreditation process, after which riders can then access track leagues and structured training session. New riders will be trained by an instructor until accreditation is gained.

Cyclists are able to ride their own bike on the track but will require staff Arena inspection prior to use.

Cycling Activities and Programmes

- All sessions are recommended to be booked in advanced
- Children from 9 years can ride on the track and children aged 12 years and older can undertake accreditation sessions
- Rider Route is the riding academy for youth athletes to be future members of the Great Britain Cycling Team
- Specialist sessions are available for novices, juniors, women-only, seniors and veterans
- Corporate cycling packages:
 - One hour of coached track time for up to 16 people from £430
 - Two hours of coached track time for up to 32 people from £850
 - Three hours of coached track time for up to 48 people with two coaches giving on and off-track briefings to riders from £1,200
 - Packages include cycling bike, equipment, and a team photo
- Track cycling parties and Derby Arena football parties.

Specifications of the Velodrome and Track

- 250m Siberian spruce
- Track designed by Velotrack.

Other Facilities

- Sports can be played on the infield and can cater for badminton, netball, futsal, football and volleyball, rugby, and table tennis
 - 13 badminton courts
 - 1 basketball court
 - 2 table tennis tables
 - 4 pickleball courts
 - 3 volleyball courts.
- Gym that is designed to be fully inclusive
- Sprung floor dance studio and exercise studio
- Event and conferencing facilities
- Meeting and hospitality rooms
- Café
- Bar on Level 2
- Changing rooms
- 1,100 parking spaces.

Capacity at Derby Arena

UPPER & LOWER TIER & FLOOR	Seated & standing	Up to 5000
	All seated	3500
LOWER TIER & FLOOR	Seated & standing	Up to 2500
	All seated	Up to 2200
FLOOR	All standing	3000

Meeting Room Packages

The Arena's meetings rooms can cater for up to 180 people, boardroom, or theatre style.

The meeting room packages are:

- Meeting room (40 capacity - theatre style and 18 capacity - boardroom style) prices start from half day £100 / full day £180
- Deluxe meeting room (80 capacity - theatre style and 30 capacity - boardroom style) prices start from half day £190 / full day £265
- Platinum meeting room (180 capacity - theatre style) prices start from full day £1,100.

Events

Derby Arena work in partnership with the DerbyLIVE team who have over 35 years' experience in running city-wide events and festivals.

The Arena can host sports and cultural events, exhibitions, product launches and conferences that can cater for up to 5,000 people.

For events, the Arena can cater for merchandising areas, changing rooms, a stage (19.5m wide and 9.7m deep), rigging, lighting, sound system, catering, and security.

Previous events held at Derby Arena include:

- Weddings
- Shows
- Conferences
- Graduations
- Concerts.

Future Events

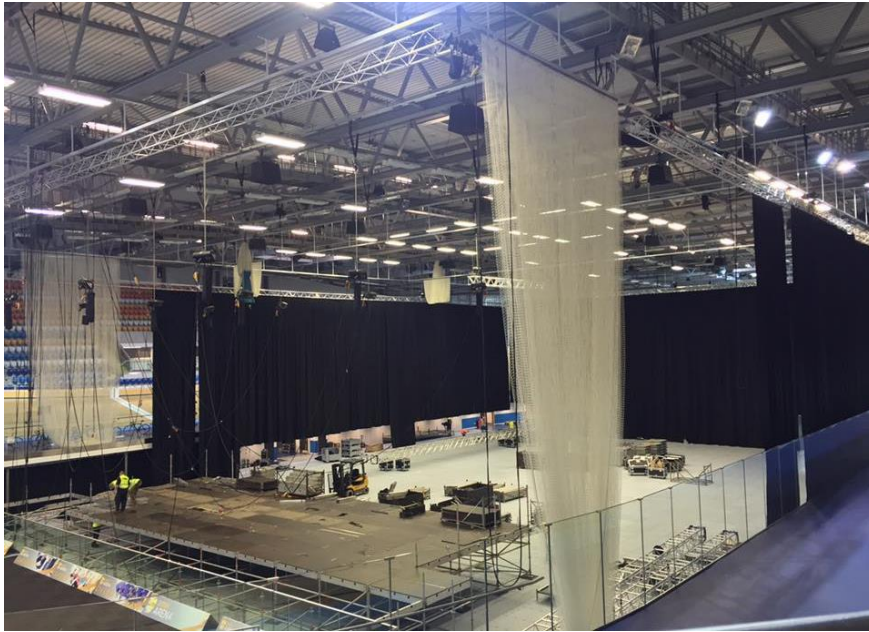
Future and upcoming events to be held at Derby Arena in 2020 include:

- Jimmy Carr comedy show
- Sleeping Beauty show
- Queen Machine Symphonic concert
- Elvis Tribute World Tour.

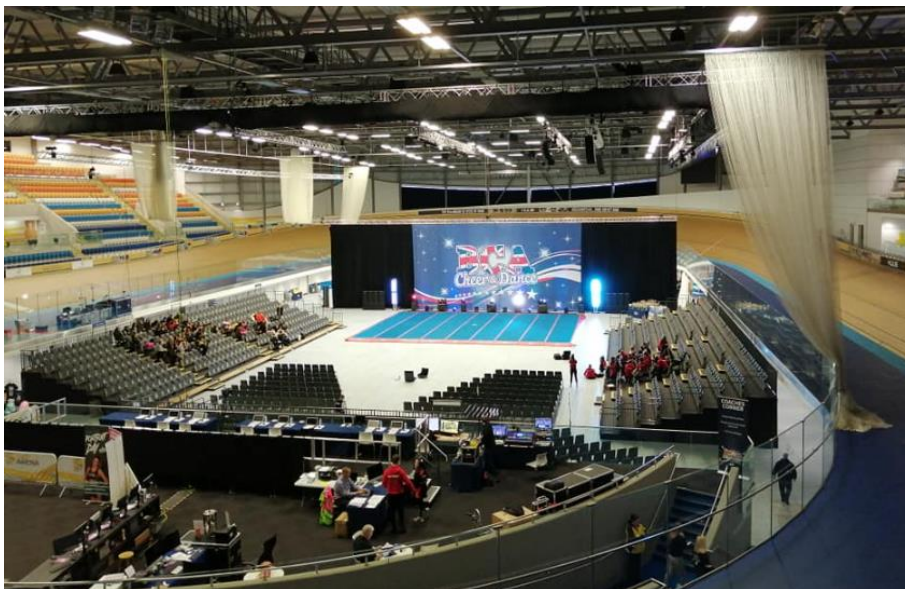


Below Picture: Wedding held at Derby Arena





Below Picture: Set up for a cheerleading competition



(Photos retrieved from Derby Arena Facebook).

Hanns-Martin-Schleyer-Halle

(Source: Hanns-Martin-Schleyer-Halle Website – 2020; Porsche Arena Website - 2020; World Population Review - 2020; Stuttgart Website - 2020).

Overview

Location

Stuttgart is a city located in Germany and is the capital and largest city in the state of Baden-Württemberg. Stuttgart is located on the Neckar river.

Cities nearby Stuttgart include Ulm, Baden-Baden, and Heidelberg.

Population

As at 2020, the city has a population of 623,738 and is the sixth largest city in Germany. The city has seen annual population growth of around 0.36%, and the future outlook is likely to be slow and steady growth.

Stuttgart has 23 city districts.

Weather

The coldest months are January and February with an average of 0°C and the hottest months are June to August which is regularly over 20°C. The average annual temperature is 9°C.

Transport

Stuttgart is also a transport junction and possesses the sixth-largest airport in Germany.

Companies

The Stuttgart region is Europe's leading high-tech region and Germany's strongest commercial metropolitan area. Several major companies are headquartered in Stuttgart, including Porsche, Mercedes-Benz, Bosch, and Daimler AG.

About Hanns-Martin-Schleyer-Halle

Built in 1983, the Hanns-Martin-Schleyer-Halle is an indoor arena located in Stuttgart, Germany. The Hanns-Martin-Schleyer-Halle is one of the largest indoor arenas in Germany and was Europe's first multi-functional hall.

In 2006, the facility was modernised and enlarged with the newly constructed Porsche Arena. Together, the two arenas are referred to as a Hall Duo in Europe. A connecting building unites the two indoor arenas, enabling both arenas to be used in union for large events.

The facility is managed by in.Stuttgart, the central partner for all major events in Stuttgart.

The original construction cost of the Hanns-Martin-Schleyer-Halle is not known.

Location

The Hanns-Martin-Schleyer-Halle and Porsche Arena are situated in the immediate vicinity of the Mercedes-Benz Arena and is easily accessible via public transport. There are 15,000 parking spaces also available on the nearby Cannstatter Wasen site for motorists.

Facilities at Hanns-Martin-Schleyer-Halle

Track Cycling

The Arena has a permanent cycling track that is used for international cycling events, including the 2003 UCI Track Cycling World Championships. The velodrome consists of a 285m hardwood track.

Arena

- The in-field arena is 4,000m² and is one of the largest in Europe
- The height from the underside of the roof support beams is 12m
- The inner area has an 18m² LED wall
- Track and field athletics facilities including a 200m running track is located in the middle of the velodrome
- The Hanns-Martin-Schleyer-Halle has 8,500 permanent seats in the stands and a large infield area for standing and additional seating that can cater to a total of 15,00 people
- Floor space can be accessed by trucks.

Other Facilities

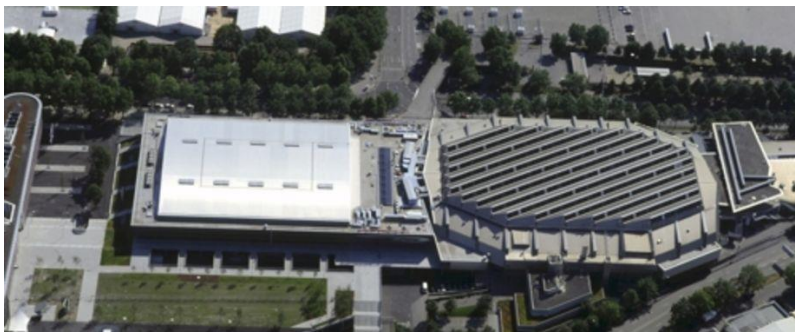
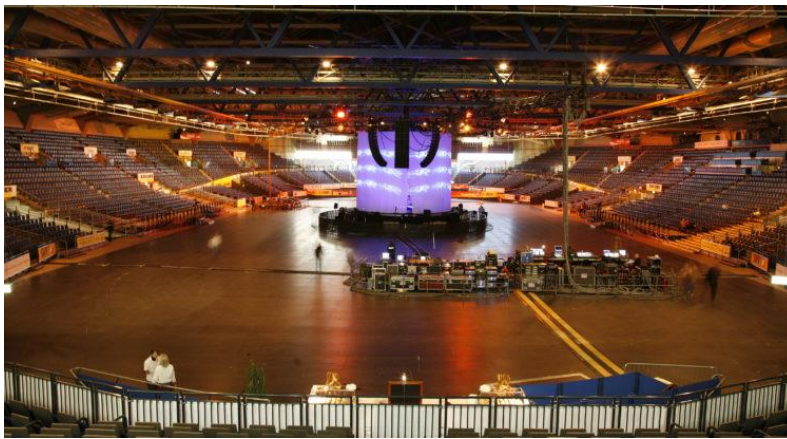
- An event restaurant 'Grandls' adjoins the two arenas at the entrance foyer. The restaurant is also responsible for catering in the Hanns-Martin-Schleyer-Halle
- Has six different rooms
- Has a warmup hall (250m²) that can also be used as a media-room
- Includes dressing rooms and kitchen
- Since 2004, Business Area E has been available for exclusive hospitality events. This area is used for exclusive guests, up to a maximum of 50 people. Services in Business Area E include a separate entrance, exclusive catering, and VIP seats.

Events

Annually, Hanns-Martin-Schleyer-Halle hosts over 100 events, including concerts, shows and international sporting fixtures such as basketball, horse shows and tennis. The Arena configurations are flexible.

Recent events held by Hanns-Martin-Schleyer-Halle include:

- Elton John
- James Blunt
- Ballroom dancing
- Trade Shows
- Motocross
- Horseshows.



4 Annual Depreciation Estimate

For Copeland Option Three Costing \$35.22M, prepared by Rawlinsons Quantity Surveyors on 22 October 2020.				
Prepared on a straightline basis		Capital Cost	Expected Life	Depreciation
		October - Rawl	(Years)	(per annum)
101	Velodrome Canopy			
-	Site preparation	173,351	100	1,734
-	Substructure	1,316,000	100	13,160
-	Frame	4,984,000	50	99,680
-		includ.		
-		includ.		
-	Roof	3,752,552	30	125,085
-	Birdproofing	60,750.00	25	2,430
-	Drainage	100,000	50	2,000
-	Electrical Mains	excl.		
-		100,000	20	5,000
-	Fire Services	38,815	20	
-	Sundries	292,451	50	1,941
-	Accessibility Upgrades	n/a		5,849
-	P&G costs	100,000	50	2,000
		100,000	50	2,000
		385,627	50	7,713
-	Margin	570,177	50	11,404
-	Construction contingency	1,197,372	50	23,947
102	Roof tension ring lids	384,000	30	12,800
103	Perimeter mesh screen	1,440,000	25	57,600
104	Snell pavillion & control room - Structure & envelope	1,045,600	50	20,912
	Snell pavillion & control room - Services and finishes	1,568,400	20	78,420
105	Timber decks & bleaches	250,000	25	10,000
106	Proposed new tunnel access	1,000,000	50	20,000
107	Extension of existing tunnel ramp	185,000	100	1,850
108	Cycling link	excl.		
109	Infill of D and arena areas	400,000	100	4,000
110	Asphalt finish includ roller track	380,000	25	15,200
		-		
111	Dedicated competitor toilets - structure and envelope	165,600	50	3,312
	Dedicated competitor toilets - services and finishes	248,400	20	12,420
112	Lighting and frame	225,000	25	9,000
		167,000	10	16,700
113	Sound on canopy frame	excl		
114	LED screens	excl		
115	Safety Barrier	423,000	20	21,150
100	SUBTOTAL	21,053,096		587,306
201	Local Authority consent fees	117,000	proportioned	3,264
202	Professional fees	3,789,557	proportioned	105,715
	Fees to date			
203	Disbursements	189,478	proportioned	5,286
200	SUBTOTAL	4,096,035		114,265
301	FF&E budget	Excluded		
401	Escalation	1,531,582	proportioned	42,726
501	Development contingency	2,668,071	proportioned	74,430
	SUBTOTAL	4,199,653		117,155
	COLLECTION TOTAL (excluding GST)	29,348,784		818,726

600	Exclusions	Capital Cost	Expected Life	Depreciation
	-	October - Rawl	(Years)	(per annum)
	- Costs to-date			
	- Scissor lift	291,748	20	14,587
	- Vesmaco surfacing	280,078	10	28,008
	- Velodrome track re-surfacing	1,750,485	25	70,019
	- Infrastructure upgrading	291,748	50	5,835
	- Concourse	350,097	100	3,501
	- Viewing Lounge	1,050,291	30	35,010
	- Bike storage	105,029	30	3,501
	- Sound system	233,398	10	23,340
	- LED Scoring and displays	233,398	10	23,340
	- Widening and reconstruction of existing tunnel	1,166,990	50	23,340
	- Finance and costs			
	- Client administration			
	- Development contributions			
	- FF&E			
700	Assumptions			
	- Escalation is allowed as 4% per annum to Mid 2021			
	TOTAL (excluding GST)			1,049,206

5 Restrictions

This Report has been prepared solely for the purposes stated herein and should not be relied upon for any other purpose.

In preparing this Report and forming our opinion, we have relied upon the information available to us from public sources and furnished to us by Whanganui District Council. In turn, we have evaluated that information through analysis, inquiry, and review.

This Report has been prepared solely for use by Whanganui District Council and may not be copied or distributed to third parties without SGL's prior written consent.

To the fullest extent permitted by law, SGL accepts no duty of care to any third party in connection with the provision of this Report and/or any related information or explanation (together, the "Information"). Accordingly, regardless of the form of action, whether in contract, tort (including without limitation, negligence) or otherwise, and to the extent permitted by applicable law, SGL accepts no liability of any kind to any third party and disclaims all responsibility for the consequences of any third party acting or refraining to act in reliance on the information.

Our Report has been prepared with care and diligence and the statements and opinions in the Report are given in good faith and in the belief on reasonable grounds that such statements and opinions are not false or misleading. No responsibility arising in any way for errors or omissions (including responsibility to any person for negligence) is assumed by us or any of our partners or employees for the preparation of the Report to the extent that such errors or omissions result from our reasonable reliance on information provided by others or assumptions disclosed in the Report or assumptions reasonably taken as implicit.

We reserve the right, but are under no obligation, to revise or amend our Report if any additional information (particularly as regards the assumptions we have relied upon) which exists at the date of our Report, but was not drawn to our attention during its preparation, subsequently comes to light.