



AGENDA

RĀRANGI TAKE

NOTICE OF AN ORDINARY MEETING OF THE

Capital Projects and Tenders Committee

to be held on **Tuesday, 10 November 2020** commencing at **3pm** in the Council Chambers, 36 Weld Street, Hokitika and via Zoom

Chairperson:	Deputy Mayor Carruthers	
Members:	His Worship the Mayor	Cr Davidson
	Cr Hart	Cr Hartshorne
	Kw Tumahai	Cr Madgwick



In accordance with clause 25B of Schedule 7 of the Local Government Act 2002, members may attend the meeting by audio or audiovisual link.

Council Vision:

We work with the people of Westland to grow and protect our communities, our economy and our unique natural environment.

Purpose:

The Council is required to give effect to the purpose of local government as prescribed by section 10 of the Local Government Act 2002. That purpose is:

- (a) To enable democratic local decision-making and action by, and on behalf of, communities; and
- (b) To promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.

1. NGĀ WHAKAPAAHA APOLOGIES

2. WHAKAPUAKITANGA WHAIPĀNGA DECLARATIONS OF INTEREST

Members need to stand aside from decision-making when a conflict arises between their role as a Member of the Council and any private or other external interest they might have. This note is provided as a reminder to Members to review the matters on the agenda, and assess and identify where they may have a pecuniary or other conflict of interest, or where there may be a perception of a conflict of interest.

If a member feels they do have a conflict of interest, they should publicly declare that at the start of the meeting or of the relevant item of business and refrain from participating in the discussion or voting on that item. If a member thinks they may have a conflict of interest, they can seek advice from the Chief Executive or the Group Manager: Corporate Services (preferably before the meeting). It is noted that while members can seek advice the final decision as to whether a conflict exists rests with the member.

3. NGĀ TAKE WHAWHATI TATA KĀORE I TE RĀRANGI TAKE URGENT ITEMS NOT ON THE AGENDA

Section 46A of the Local Government Official Information and Meetings Act 1987 states:

- (7) An item that is not on the agenda for a meeting may be dealt with at the meeting if –
 - (a) the local authority by resolution so decides, and
 - (b) the presiding member explains at the meeting at a time when it is open to the public, -
 - (i) the reason why the item is not on the agenda; and
 - (ii) the reason why the discussion of the item cannot be delayed until a subsequent meeting.
- (7A) Where an item is not on the agenda for a meeting, -
 - (a) that item may be discussed at the meeting if –
 - (i) that item is a minor matter relating to the general business of the local authority; and
 - (ii) the presiding member explains at the beginning of the meeting, at a time when it is open to the public, that the item will be discussed at the meeting; but
 - (b) No resolution, decision, or recommendation may be made in respect of that item except to refer that item to a subsequent meeting of the local authority for further discussion.

**4. NGĀ MENETI O TE HUI KAUNIHĒRA
MINUTES OF MEETINGS**

Minutes circulated separately via Microsoft teams.

- **Capital Projects and Tenders Committee Meeting Minutes – 15 September 2020**

5. ACTION LIST (Page 5)

**6. NGĀ TĀPAETANGA
PRESENTATIONS**

- **Delivery Plan - Three Waters Reform Presentation**
Louis Sparks, Group Manager: District Assets

**7. PŪRONGO KAIMAHI
STAFF REPORTS**

- **Shovel Ready Projects – Verbal Update, Westland District Council**
Louis Sparks, Group Manager: District Assets
- **Carnegie Building Regional Culture and Heritage Funding Agreement** (Pages 6 - 11)
Simon Bastion, Chief Executive, Westland District Council

**8. KA MATATAPU TE WHAKATAUNGA I TE TŪMATANUI
RESOLUTION TO GO INTO PUBLIC EXCLUDED**

(to consider and adopt confidential items)

Resolutions to exclude the public: Section 48, Local Government Official Information and Meetings Act 1987.

The general subject of the matters to be considered while the public are excluded, the reason for passing this resolution in relation to each matter and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of the resolution are as follows:

Item No.	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
1.	Confidential Minutes – 15 September 2020	Good reason to withhold exist under Section 7	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason or withholding exists. Section 48(1)(a)

2.	Tender 20-21-04 – Old Christchurch Road Seal Extension	Good reason to withhold exist under Section 7	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason or withholding exists. Section 48(1)(a)
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This resolution is made in reliance on sections 48(1)(a) and (d) of the Local Government Official Information and Meetings Act 1987 and the particular interests or interests protected by section 7 of that Act, which would be prejudiced by the holding of the relevant part of the proceedings of the meeting in public are as follows:

Item No.	Interest
1	Protect the privacy of natural persons, including that of deceased natural persons (Section 7 (2)(a)).
1, 2	Protect information where the making available of the information: (ii) Would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information (Schedule 7(2)(b)(ii)).
1, 2	Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) (Schedule 7(2)(i))

**DATE OF NEXT CAPITAL PROJECTS AND TENDERS MEETING TO BE CONFIRMED
COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA AND VIA ZOOM**

10.11.20 - CAPITAL PROJECTS AND TENDERS COMMITTEE – ACTION LISTING

Date	Item	Action Required	Status	Lead Officer
11.02.20	Establish a WCWT Trail Sub-Committee	Report to Council to dissolve the Westland Wilderness Trust	Meeting with GDC & Trustees arranged to dissolve the trust. Meeting rescheduled for the 3.12.20 to wind up.	Chief Executive

Report



DATE: 10 November 2020

TO: Capital Projects and Tenders Committee

FROM: Chief Executive

CARNEGIE BUILDING REGIONAL CULTURE AND HERITAGE FUNDING AGREEMENT

1 SUMMARY

- 1.1 The purpose of this report is to inform Members of the Regional Culture & Heritage Funding (RCHF) criteria and for the Capital Projects and Tenders Committee to approve the conditions stipulated in the grant for the Carnegie Building Earthquake Strengthening Project.
- 1.2 This issue arises from the successful application to the RCHF for a grant to the value of \$798,830 for the Carnegie Building Earthquake Strengthening Project with some additional conditions, which require the committee to resolve to meet.
- 1.3 Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by the Council in May 2018, which are set out in the Long Term Plan 2018-28. These are stated on Page 2 of this agenda.
- 1.4 This report concludes by recommending that the committee resolves to:
 - 1.4.1 Provide the Ministry of Culture and Heritage with evidence of satisfactory consultation with, and the support of, iwi and hapū groups represented in its Museum collection.
 - 1.4.2 Westland District Council (WDC) take responsibility for any potential shortfall or cost increases that might arise during the life of the Project as there is no expectation of returning to RCHF for further grants towards this project.
 - 1.4.3 WDC acknowledges and agrees to accept this Government funding, which has been awarded for the purposes of providing a fit for purpose home for the Hokitika Museum & Gallery. Should the Council, within the next ten years, decide to relocate the Museum to premises other

than the former Carnegie Library building, the Council will give the Ministry reasonable notice of its rationale for doing this so that the Ministry may consider this subsequent move in the context of the purpose of the grant and decide whether any portion of that grant should be returned.

2 BACKGROUND

2.1 The Carnegie building is a cornerstone in Hokitika’s cultural and visitor hub and as such is highly valued by the community. It stood as a free Public Library in Hamilton Street since 1908 and was serving as a Museum and Art Exhibition Centre until it closed in December 2019 for the project work to commence. Due to the delay in funding confirmation, we have reopened the gallery room for exhibition displays.

2.2 The first engineering report completed by WSP (formerly Opus) in September 2016 indicated the seismic performance of the Carnegie Building at 12% as per the New Building Standard (NBS) at Importance Level (IL) 3; 36% is considered earthquake prone. A second engineering report was completed by Opus in February 2017, after consulting a historic building engineering expert, which indicated the seismic performance as now at 20-28% still under NBS at IL3.

At this point it was argued that the importance level 2 was better aligned with the true use of the building. Resetting the importance level reduces the severity of the factors considered by engineers and the calculations became more favourable. The building was defined as not earthquake prone - buildings in excess of 34%. A third engineering assessment was completed by SIMCO Consulting later in 2017 which indicated the seismic performance in excess of 34% at IL2.

Council proceeded with SIMCO to complete the design work to bring the Carnegie building up to 100% NBS at IL2.

2.3 The Carnegie Building Earthquake Strengthening Project will enable it to resume its museum function and thus fully reopen to the public.

2.4 The confirmed funding sources for the project are as below:

Income source	Value
Westland District Council Major District Initiative Funding	\$ 500,000
Lottery Environment and Heritage Grant	\$ 500,000

Westland District Council (resolution carried in the Council meeting on 25 July 2019)	\$392,391 + 10% contingency
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- 2.5 In April 2020 three applications were made for the shortfall of \$ 794,830 in order to meet the new cost requirement. Applications were made to:
- 2.5.1 Lotteries (Unsuccessful)
 - 2.5.2 The Regional Culture & Heritage Fund
 - 2.5.3 Crown Infrastructure Partners (CIP) as part of the “Shovel Ready” initiative. (Unsuccessful)
- 2.6 The Carnegie Building has been cleared of the Museum collection and hosts temporary exhibitions that can be quickly removed ready for the construction work to start. The collection items in storage are secure at present and their condition is monitored regularly. A delay will have little effect on the museum items themselves even if they stored for a long period. Due to the delay in funding confirmation, we have reopened the gallery room for exhibition displays.
- 2.7 The current expenditure to date is \$157,039.78 that comprises of engineering cost for completion of the strengthening design, building consent costs and museum staff for packing and emptying the building.
- 2.8 WDC have finalised pricing with the successful tenderer, CYB Construction. This includes the total project demolition, strengthening and construction scope. The contractual requirements have been finalised with CYB but no contract has been signed due to the uncertainty of the shortfall funding.
- 2.9 Final total project cost, after tenders were received and negotiations completed, is estimated to be \$2.18 million and hence the shortfall.

3 CURRENT SITUATION

- 3.1 WDC has been successful with its application to the RCHF to the value of \$794,830 (GST excl.)
- 3.2 WDC has appointed Joseph & Associates LTD to project manage the Carnegie Building Strengthening and Restoration that includes Pre-construction and the construction phases.
- 3.3 Once the Contract is signed with the Contractor, CYB have assured WDC that physical works can start with. site establishment and demolition work while materials are being ordered.

- 3.4 Three special conditions have been put into the RCHF grant
- 3.4.1 the Westland District Council (the Council) will provide the Ministry of Culture and Heritage with evidence of satisfactory consultation with, and the support of, iwi and hapū groups represented in its pounamu collection; and
 - 3.4.2 the Council will provide the Ministry of Culture and Heritage with evidence that the Council has passed a suitably worded resolution, taking responsibility for any potential shortfall or cost increases which may arise during the life of the Project as there can be no expectation of returning to this funding source for further grants towards this project.
 - 3.4.3 the Council will pass a resolution that acknowledges and agrees to accept this government funding, which has been awarded for the purposes of providing a fit for purpose home for the Hokitika Museum. The resolution will note that should the Council, within the next ten years, decide to relocate the Museum to premises other than the former Carnegie Library building, the Council will give the Ministry reasonable notice of its rationale for doing this so that the Ministry may consider this subsequent move in the context of the purpose of the grant and decide whether any portion of that grant should be returned.

4 OPTIONS

- 4.1 **Option 1:** Agree with all of the special conditions as set out in the RCHF Grant Contract.
- 4.2 **Option 2:** Do not agree with the special conditions as set out in the RCHF Grant Contract

5 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)

- 5.1 **Option 1:** The additional funding from RCHF will ensure Council meets the conditions set out in the Lotteries Funding for a fully functional Museum/Gallery that meets the specification requirements. It would mean that Hokitika has a suitable museum with an exhibition space once again by the end of 2021.
 - 5.1.1 Council will continue to work with any other iwi and hapū groups represented in its Museum collection. Council's Māori Liaison representative will work with these groups to confirm the requirements of the current exhibition and look at any future displays conditions and requirements.
 - 5.1.2 The total cost of the project is set at \$2.1M and we have employed a professional project management company to review and oversee

the construction program and build. They have experience in Heritage renovations and rebuild programs. The fact that Council has received funding to the value of \$1,794,830 towards the project (approx. 85% external funding) is of significance and whilst the project is not expected to go over budget there is still a risk. Council has \$4.5M assigned to a new museum in the current LTP (Year 4-6) that can be re-prioritised to offset any overspend. This will be reviewed as part of the next LTP process.

5.1.3 The Carnegie Building is a pivotal landmark within the Hokitika landscape and will continue to be considered the home of the Hokitika Museum function, alongside other surrounding buildings. There is clear intention to retain the Carnegie Building as the pivotal infrastructure around which the museum is operated. The new enhancements will allow it to host exhibitions from local and international organisations and other national programs.

5.2 **Option 2:** WDC could either downgrade the scope of works to meet the budget constraints or fund it ourselves.

6 SIGNIFICANCE AND ENGAGEMENT

6.1 Significance

The Carnegie Building is defined as a Strategic Asset in Council's LTP and therefore the decision is considered to have a high level of Significance as outlined in Council's Significance and Engagement Policy. There is also a high level of public interest in the building. Further delays limit the operation of the building for the artistic community who use the gallery space for exhibits. There is a potentially significant cost associated with the decision.

6.2 Engagement

Council has understood the desires of the community when the decision was made to strengthen the Carnegie Building.

Council has received letters of support for the funding applications from both Runanga and Heritage associations.

The financial situation has changed dramatically within the country since the project begun. Should Council decide to fund the project shortfall, further consultation through the Annual Plan needs to be considered.

7 PREFERRED OPTION(S) AND REASONS

7.1 The preferred option is **Option 1**, to continue with the full scope of the project and to accept the special conditions required by RCHF. This would ensure that the Carnegie Building can be strengthened to requirements and can serve

the community as museum and exhibition centre by the end of next year. This option would mean that the project can proceed as planned.

8 RECOMMENDATION(S)

- A) **THAT** the committee receive this report.
- B) **THAT** the committee resolves to:
1. Provide the Ministry of Culture and Heritage with evidence of satisfactory consultation with, and the support of, iwi and hapū groups represented in its Museum collection.
 2. Westland District Council (WDC) take responsibility for any potential shortfall or cost increases which may arise during the life of the Project as there is no expectation of returning to RCHF for further grants towards this project.
 3. WDC acknowledges and agrees to accept this government funding which has been awarded for the purposes of providing a fit for purpose home for the Hokitika Museum & Gallery. Should the Council, within the next ten years, decide to relocate the Museum to premises other than the former Carnegie Library building, the Council will give the Ministry reasonable notice of its rationale for doing this so that the Ministry may consider this subsequent move in the context of the purpose of the grant and decide whether any portion of that grant should be returned.

Simon Bastion
Chief Executive