



16th June 2020

To the Mayor and Councillors
South Wairarapa District Council

Regarding \$20,000.00 grant offered to Team Greytown Communications from Greytown Trust Lands Trust

On behalf of the Greytown Sport & Leisure Society Board we would like to clarify your concerns raised by the above monies.

1. The Communications team had formed our communications to the wider community based around facts. We needed to share our message about the possible loss of central green space in Greytown throughout the region, as we were worried about disinformation. A brochure, poster and radio advertising were all presented around the same set of facts. The Trust had no involvement in what we communicated and how we did it.
2. The Greytown Trust Lands offered \$20,000.00 to assist with costs, knowing the clubs & Society had no funds set aside for such expenses. This was open and minuted in their public records. The first instalment was received into the GCSLS account on 5th May 2020 and all expenditure has been accounted for. A copy of the spreadsheet is attached and the only requirement from the trust is that we return any unused portion. The second instalment of \$10,000 was never asked for, nor received.

Total expenditure is \$ 7,993.81 Unused portion to return will be \$2,006.19.

Our communications plan was based on facts and the Mayor, Councillors and Officers who attended our Team Greytown meetings will be able to confirm that the perspectives and contents of our communications are the same as were discussed at those meetings. As a group we have been fastidious in ensuring facts can be referenced to an evidence base. We wanted our community to make a submission based on accurate information and that is exactly what Team Greytown communicated. Any suggestion of impropriety is strongly refuted. Communications of this nature are meant to generate robust discussion.

Our community needs a decision based on facts, not emotion and innuendo, otherwise the council runs the risk of making a flawed decision.

Yours sincerely,

Jackie Gray & Gary Hewson on behalf of all Board Members, Greytown Sport & Leisure Society.

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**GREYTOWN
TRUST LANDS**
Growing the Community since 1871

16 June 2020

Harry Wilson
Chief Executive Officer
South Wairarapa District Council

cc Alex Beijen, Mayor, South Wairarapa District Council

Dear Harry

We, the Board of Trustees, are writing to you to convey and present some urgent information that we request is distributed to all SWDC Councillors prior to completion of their deliberations on the content of the 2020 Annual Plan. The matters prompting this request have arisen following the observations made yesterday to the rest of the Board by two Trustees who attended the two full days of hearings relating to the Annual Plan and listened to all of the submissions.

It was heartening for us to see that of all the questions in the Annual Plan survey, the questions regarding space for sports and recreation in Greytown received the highest response rate at 98%. The official SWDC statistics confirmed that 74% of the 876 respondents agreed that Council should provide more space for sports and recreation in Greytown and that 63% of respondents supported funding for the proposed Greytown Sports and Recreation Hub. A further 9% of respondents supported a combination of the three options.

However, we were disappointed to learn that two petitions were received outside of the consultation process and timeframe and that, despite this, these petitions were still heard and may have inadvertently influenced some councillors.

Trustees empathise with all Councillors regarding the current situation the Council faces. We think the Mayor summed it up well in the Annual Plan consultation document when he said "For many years there has been under-investment in the district's essential infrastructure in the interests of keeping rates low". We are in a similar situation. We have historically maintained a large community dividend to the detriment of renewing and growing our investment portfolio on behalf of the Greytown community.

We acknowledge the significant impact that Covid-19 is likely to have on our economy and therefore appreciate the pressure on Council from ratepayers to keep the rates increase as low as possible. The Trust itself is not immune to this having so far in the first two months of the current financial year lost \$62k in rental income, which will ultimately result in a reduced level of grant dividend to the Greytown community.

The Trust and the Council share a common bond. We are both intergenerational entities that have to make decisions for the long term. Sometimes those decisions are very hard to make. In the last three years we have had to reduce the amount of grants given to the Greytown community by 50% in order to build some long term financial resilience into our organisation.

We reiterate that we want and seek a solution that meets the three tests outlined in our verbal submission – one that works for the Council, one that works for the two clubs and one that works for the whole Greytown community who are the beneficiaries of the Trust. What we cannot do is continue the status quo.

We acknowledge that some submitters have suggested that the Trust doesn't own some or all of the land in question. If an agreement to purchase the land was voted on by councillors, we are fully supportive of any agreement being subject to full due diligence regarding ownership and our right to sell. If councillors voted to purchase, then we would be willing to confirm that the 'clock stops' in terms of any further price increases due to the continuing escalation in land values until that due diligence process is finalised.

Turning now to the new information we wish to present to Councillors. You will recall that Cobblestones Museum Trustees also presented verbally on their Annual Plan submission. They highlighted that they are in a similar situation to the Greytown Rugby and Bowls clubs. We wish now to address their situation.

We are willing to extend the land purchase proposal under current consideration by the Council to include, with no change in the \$2.670m price, the Trust land occupied by the Cobblestone Museum Trust. This land is currently has a leasehold value of \$890,000.

It is our understanding that Council has to strike a rate upon confirmation of the commercial details around the proposal. In order to create space for appropriate due diligence to be undertaken by the Council (and the Trust) around any perceived ownership issues, we are prepared to defer settlement to suit and fit into Council's rating process.

We acknowledge and understand that delaying settlement will mean that we won't have the funds to immediately invest and this will have an impact on the grants available to the entire Greytown community in this financial year, and possibly future financial years. We are prepared to live with this as this proposal delivers on the three tests and will deliver a long-term benefit for the Greytown Community.

We believe this revised land purchase proposal strikes the correct balance between getting a reasonable return for the Trust and acknowledging the value that these three land parcels could provide to the entire Greytown community if utilised by the Council in a better, more efficient manner. As the Mayor said in the Annual Plan Consultation document: "Covid-19 has

changed our world in many ways, but the projects identified as critical are still that, critical. To not move forward now with the improvements we know we need would result in further decline and issues in the future”.

Finally, we confirm our commitment to continue to work with you to strike a solution that works for the community and the Council’s benefit.

On behalf of the Board of Trustees



Kevin Murphy
General Manager

If you or any Councillor wishes to discuss the Trust’s stance on the proposal, you are welcome to contact any of the Trustees whose details are listed below.

Sid Kempton – Chairman 02102900843
Wayne Regnault – Deputy Chairman 0274805438
Catherine Rossiter-Stead - Trustee 0210471723
Matt Bell – Trustee 0275509919
Derek Wilson – Trustee 0274631871
Phil Holden – Trustee 0274671670



Kuranui / SWDC Community Gymnasium Project

Thank you all for the opportunity for Kuranui College to make a verbal submission to the Annual Plan consultation process. Our students valued the chance to address elected members of their community.

We are also appreciative that the deliberations following the verbal submissions were placed in the public forum. Having viewed the deliberations it is clear that the councillors are seriously considering this once in a generation opportunity to create an asset for the entire community.

We are grateful that SWDC has conducted such a wide ranging and in depth consultation on this project. This consultation was based upon a funding model which had three main pillars: the MOE contribution, an SWDC contribution and other community funds raised through grants or fundraising by Kuranui College.

This document is to update you with important information regarding the funding model. Our negotiations with the Ministry of Education have progressed and we are now in a position to fund the project through a partnership between the MOE, Kuranui College and SWDC. We have alleviated the need to ask the community to fundraise approximately \$1 million which frees up these funds to be utilised by other important community projects.

From viewing the publicly available SWDC deliberations on 11 June, Kuranui College would also like to respond to the points raised by Council and ensure Councillors have the accurate information they need to reach their decision.

Points raised by Councillors during the deliberations were:

1. Access by community / public / facility management
2. Ministry of Education contribution and how this changes due to the college roll increase

NB: The Ministry of Education (MOE) has updated their funding contribution as at Friday 12 June. It is important the SWDC are aware of the increased contribution proposed by the MOE and Kuranui College.

3. That Kuranui College has not explored alternative options and does not have a plan to engage the community
4. Students attend Kuranui College from outside the South Wairarapa
5. Maintenance
6. Restrictions of a school site

1. Access by the Community / Public / Management:

Kuranui College is committed to this being a genuine community partnership. We have investigated different types of management models already in use in other parts of NZ such as Rolleston College, Tamaki College, Hobsonville Point Secondary School. The feasibility study is clear that the community would require access to the facility after school hours, during weekends and holidays. Kuranui would commit to this. A flexible management model that allows for ease of bookings, changes to bookings etc is vital for community participation. The model would be co-constructed with council officers and use best practice from around the country.

2. MOE Contribution and Roll Growth:

History:

The existing Kuranui gym has a low earthquake rating and is a leaking building. For five years, possible rebuild solutions have been explored. The MOE, based upon reports written in 2014, costed remediation of the current gym at \$1.2-1.5 million. This is remediating a building that is not fit for purpose.

The MOE agreed to allow the college to investigate potential rebuild options using the remediation funding as the MOE contribution to that rebuild. This investigation resulted in a submission to the 2019/2020 Annual Plan that outlined the following funding model as per the feasibility study completed by Global Leisure Group.

One third (\$1.5 M GST inclusive) from the MOE that is roughly equivalent to the roll based 561m² entitlement at \$3,450 (GST inclusive) per square metre.

Two thirds (\$3.5 to 4.0 M) from SWDC. This would be significantly offset by contributions from grant funders such as Eastern & Central Community Trust, the NZ Community Trust, the NZ Lottery Grants Board Local Communities-Facilities Committee and local fundraising by Kuranui College.

Further work was completed and the SWDC included in their 2020/2021 Annual Plan consultation document, a contribution of \$1 million to the rebuild, with the MOE contribution of \$1.5 million and the balance to be funded through grants, community fundraising and a contribution from Kuranui College.

Update:

The college's existing gym building is approximately 700m². However only 220m² of this is the main court, whereas a full-sized court is 430m². The rest of the space is made up of ancillary spaces such as changing rooms, office space, weights room, a quarter court etc.

The college roll has grown significantly over the last 12 months; from 449 to 556. This has increased our gym entitlement space from the MOE. At 556 students, the gym entitlement from the MOE is approx 660m². However because the college has an existing gym of which the building **envelope** is 700m² the MOE will not contribute any more than the remediation cost to repair it.

Kuranui College has been vigorously pursuing the MOE to increase its contribution. The college insisted a new weathertightness report was completed and the structural report be

reviewed based on 2020 costs and methodology. This has been completed and the MOE have re-calculated the difference between remediating the current building and rebuilding a gym (of approximately 660m²) at \$2 million.

As of Friday June 12 2020, the MOE have proposed the following rebuild funding model:

- **SWDC contribute \$1million (capped) as per the annual plan consultation document**
- **MOE will fund the balance of the project in the shorter term**
- **Kuranui College will repay the MOE the additional \$1 million through disposing of school rental properties and utilising our School Improvement Funding (MOE grant allocated to every school in the country at the beginning of 2020)**
- **Over the 50 year lifespan of this facility, the SWDC contribution equates to just \$20000 pa**

This model removes the need to apply for grants and fundraise the shortfall allowing other community projects to apply for these funds.

The MOE have indicated that if the SWDC do not support a \$1 million contribution to a community partnership with the college, then the \$2 million difference between remediation and rebuilding is too great and they will remediate the current building. This leaves the college and wider community with a gym which is not fit for purpose.

From our previous discussions with SWDC, it is our understanding that a portion of development fund contributions are targeted to the amenities in the community that has provided them. Greytown and the South Wairarapa are predicted to have significant growth into the future. This growth will result in an increased development contributions being paid to the Council. The community gym partnership project would be a qualifying amenity that the current and projected development contributions could fund.

3. Kuranui College has not explored alternative options and does not have a plan to engage the community:

Kuranui College has been actively investigating a rebuild of the gym for at least 5 years. This has included the following:

- The “Prime” sports hub concept
- Application to the SWDC for funding a feasibility study
- Completion of feasibility study
- Continuous negotiations with the MOE around their contribution which has resulted in a significant increase in their contribution as described above.
- Constructing an alumni campaign to be launched once the funding model was confirmed
- Regular meetings with Team Greytown that has worked with the SWDC for 2019/2020
- Resourcing an HR position to apply for grants once funding model was confirmed
- Investigating the requirements for each major grant funder to ensure we were prepared once funding models were confirmed.

The college has not engaged in a public campaign to date as the funding model needs to be confirmed first. We require an accurate and successful campaign with the public where the

amount required to be raised was clear. Under the current funding model proposed by the MOE this fundraising would not be necessary.

4. Students attend Kuranui College from outside the South Wairarapa:

The MOE and college contribution to the rebuild is for the attending students regardless of where they live. The SWDC contribution is for the South Wairarapa community to access a fit for purpose indoor facility.

5. Maintenance:

This is still to be confirmed however with the funding model above, the MOE/Kuranui would be responsible for at least 80% of the ongoing maintenance costs. This would be confirmed in the negotiations once the capital funding model is approved.

The GDTL have also previously intimated that they may be able to support a contribution to a share of the ongoing maintenance costs.

6. Restrictions of a school site:

Kuranui College is a self governing school. The Board of Trustees are responsible for constructing their own policies and procedures to operate.

Kuranui would, in conjunction with the SWDC, construct the policies and procedures that encompassed both organisation's requirements. When the Sports Hub was being investigated at Kuranui, work was done around investigating what sort of events would be hosted on the school site etc. The MOE guidelines state that the BOT are responsible for what occurs on school grounds and if they have constructed the appropriate policies and the event is not illegal then these events are at the BOT's discretion.

Summary:

Kuranui College and the MOE are committed to working with the SWDC to create a fit for purpose indoor facility to serve the South Wairarapa.

The latest funding model proposed by the MOE creates an even more simplified and realistic opportunity to achieve this goal.

We ask that SWDC support the resolution to contribute \$1 million (capped) as outlined in the 2020/2021 Annual Plan submission document.