Date	20 December 2023
Project Title	The future of Balmoral Hall and Polytech land
Report to	Council
From	Emily Reed, Corporate Planner

The future of Balmoral Hall and Polytech land

Project overview (based on Option 2 - our preferred option)

- Due to Balmoral Hall and the old Polytech land sitting next to each other we see the future of these sites as linked.
- It is our intention to consult the community on selling these two sites, 'as is where is'.
- The income from sales could be used to offset debt incurred by Te Whare Whakatere – as part of the parcel of building sales agreed through the last Long-Term Plan.
- To provide an alternative for dance group users, a 100sqm dance studio could be built within EA Networks Centre, if some internal footprint changes occurred.

Suggested options

Option 1: Retain and repair

Balmoral Hall would be repaired and retained for its current use. We do not see any benefit in retaining the Hall if the repairs and maintenance are not carried out.

The Polytech land would also be retained and continued to be leased out until a future use for the site is determined. Some deferred maintenance will need to be funded (cost to be determined) in the short term.

Advantages	Disadvantages
• The community assets are retained for use by community groups.	Balmoral Hall • Increase in budget required - $1.3 million for repairs and maintenance. No real improvement to the level of service it provides – would be made watertight and fit for purpose. • Unlikely to see a significant increase in use or income following the refurbishments. • Couldn't put the fees up proportionally as the current groups using the hall are unwilling or unable to pay more. Polytech land • Funds will need to be committed to undertake deferred maintenance. • Long-term use will need to be found and the site redeveloped to suit.

*Option 2: Sell – **preferred option.***

The Hall and Polytech site would both be sold 'as is where is'. [redacted]

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We are proposing with this option, to build a dance studio at EA Networks Centre. The studio would be 100 m^2, which is smaller than the current floor space at Balmoral Hall.

Advantages	Disadvantages
• We will receive income through the sales which could be used to offset the debt incurred by Te Whare Whakatere as was committed through the last LTP. • The repairs and maintenance budget in the current year will no longer be required for Balmoral Hall. • The deferred maintenance at the Polytech site will not need to be funded. • A modern dance studio will be available at EANC to replace the sprung floor being lost at Balmoral Hall.	• It is likely the Hall and main Polytech classroom will be demolished by the purchaser – so the community groups will lose their current facilities. • The dance studio at EANC would be smaller and more expensive to hire, than the current space at Balmoral Hall.

Option 3: Demolish and redevelop

The two sites would be cleared – likely through relocating buildings on the Polytech site where possible, with the main two-story classroom building and Balmoral Hall demolished. The two sites would then be redeveloped.

We have no plans at this stage as to what the site would be redeveloped into – the associated redevelopment budget would need to be approved at a later date.

We are also proposing with this option to build a dance studio at EA Networks Centre. The studio would be 100 m^2, which is smaller than the current floor space at Balmoral Hall.

Advantages	Disadvantages
• Likely (although higher risk than option 2) to create income from the redevelopment. • A modern dance studio will be available at EANC to replace the sprung floor being lost at Balmoral Hall.	• Heritage groups are unlikely to agree with demolishing Balmoral Hall. • Loss of community assets used by community groups. • The dance studio at EANC would be smaller and more expensive to use than the current space at Balmoral Hall.

Why are we proposing this?

- Balmoral Hall needs significant repairs – it has watertightness issues, the heating is inadequate, the kitchen and bathroom facilities are substandard.
- Our current Annual Plan (2023/24) has $483,952 included in the budget for upgrades to Balmoral Hall. However, a recent estimate to undertake the repairs needed was $1.3 million.
- Income for both sites is significantly less than the current expenditure – and this is without undertaking the significant required maintenance.
- The main classroom on the Polytech site is very dated and arguably past the end of its useful life.
- There are significant amounts of vacant land on the site, which could be better utilised by redeveloping the site.

Further background

Balmoral Hall

- Balmoral Hall is underutilised. Due to the layout, it can only be booked by one group at a time, and due to the untidy state it has been left in, in the past, officers tend to only allow one booking per day / weekend.
- Hall hire is $25 / hour, up to a maximum of $150/day.
- Income for Balmoral Hall in 2022/23 was $11,445. This is expected to further reduce as a tenant has vacated due to the increase in fees from $20 to $25 per hour. Expenditure for the year was $44,733.

- The titles that Balmoral Hall sits on are considered 'park' for the purpose of section 138(1) LGA, therefore triggering consultation requirements before Council can dispose of the land – should it choose to.

Dance studio

- The Hall is currently used by various groups on a casual arrangement. The sprung floor is a unique aspect to the Hall and is therefore sought after by dance groups.
- If the Hall is not retained, the dance groups have indicated their concern for not having another suitable option available. To respond to this, we are proposing constructing a dance studio within the EA Networks Centre. However, this may be at a higher cost to hire, and be a smaller space, than the current facility at Balmoral Hall.
- EANC is intending to undertake improvements to the current layout – focussing on the Sports House / staff room / underutilised wet area of the café. If Balmoral Hall is to become unavailable for dance groups, it is proposed these upgrades incorporate a dance studio – the current Sports House along with the staff room could be reconfigured to become the dance studio (100m^2) and a smaller Sports House (50m^2). The largely unused wet area of the café could then be reconfigured and made into a staff room.
- See attached pictures of proposed reconfiguration of EANC to make room for the dance studio.

Polytech site

- Total income generated for the Polytech site in 2022/23 is $30,597, expected to decrease to $13,500 due to the relocatable classrooms not being occupied. Expenditure for 2022/23 was $48,172.

Comparison of options

Financial comparisons

	Option 1 – Retain and repair	**Option 2 – Sell**	**Option 3 - Demolish and redevelop**
Total capital cost(income) to Council	$1.3 million for Balmoral Hall Unknown for Polytech site	[redacted] $325,000 for internal building changes (including possible dance studio, sports house and café changes	$630,000 for demolition $325,000 for dance studio Unknown redevelopment costs
Operating cost / year*	$92,700	-	Unknown
Expected revenue / year	$25,000	$15,000	Unknown
Total operating cost (revenue) / year	$67,700	($15,000)	Unknown

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** excludes increased interest, depreciation and debt repayments on capital expenditure*

Explanation of costs

Option 1

- Cost to repair Balmoral Hall - $1.3 million
- Cost to repair Polytech site – currently unknown
- Operating costs – $44,700 Balmoral Hall; $48,000 Polytech site

- Expected revenue - $11,500 Balmoral Hall; $13,500 Polytech site

Option 2

- Income – from sale of both sites
- Capital costs – from building the dance studio at EANC. This estimate also includes the changes to the staff room and sports house to accommodate the studio, and then the replacement staff room.

Option 3

- Demolition costs: $180,000 Balmoral Hall; $450,000 Polytech buildings
- Costs for redevelopment are unknown and would need to be approved through a future Annual Plan / LTP.

Where is the funding coming from?

Funding for any repairs and maintenance comes from the general rate. Any income received for sale of the properties, would offset debt associated with Te Whare Whakatere.

Costs to redevelop the sites would be loan funded, with interest and repayments through the general rate. Any future sales of the site would either offset Te Whare Whakatere debt or the general rate.

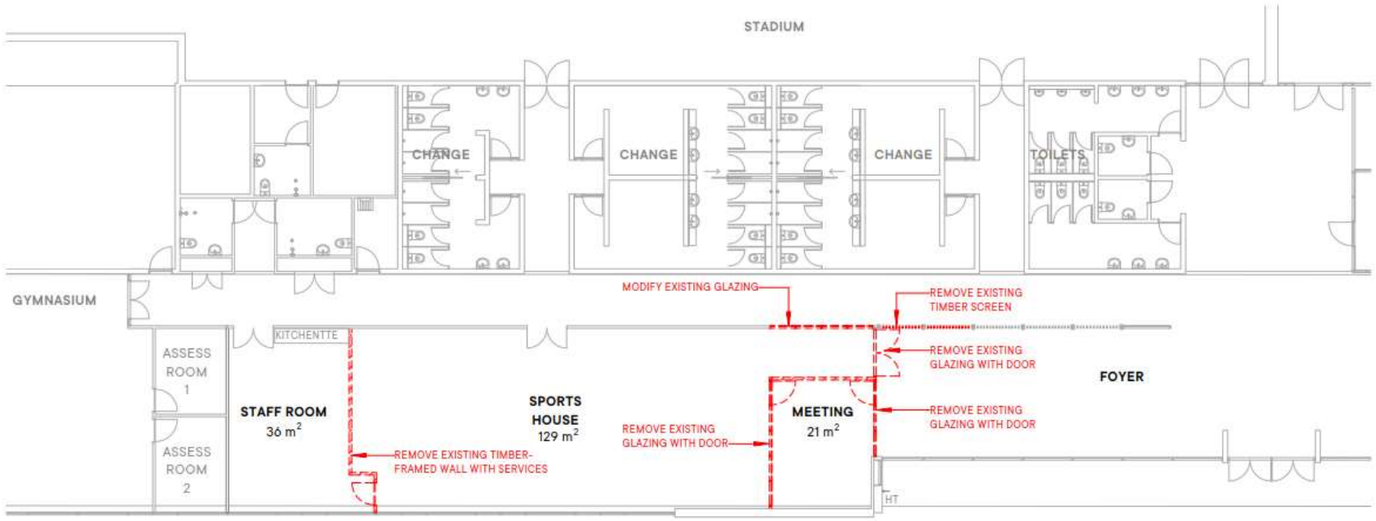
Costs associated with developing the dance studio would be funded through the EA Networks Centre budget – which is funded through fees & charges and the Uniform Annual General Charge (UAGC) which is paid by all rate payers.

Analysis of non-financial benefits

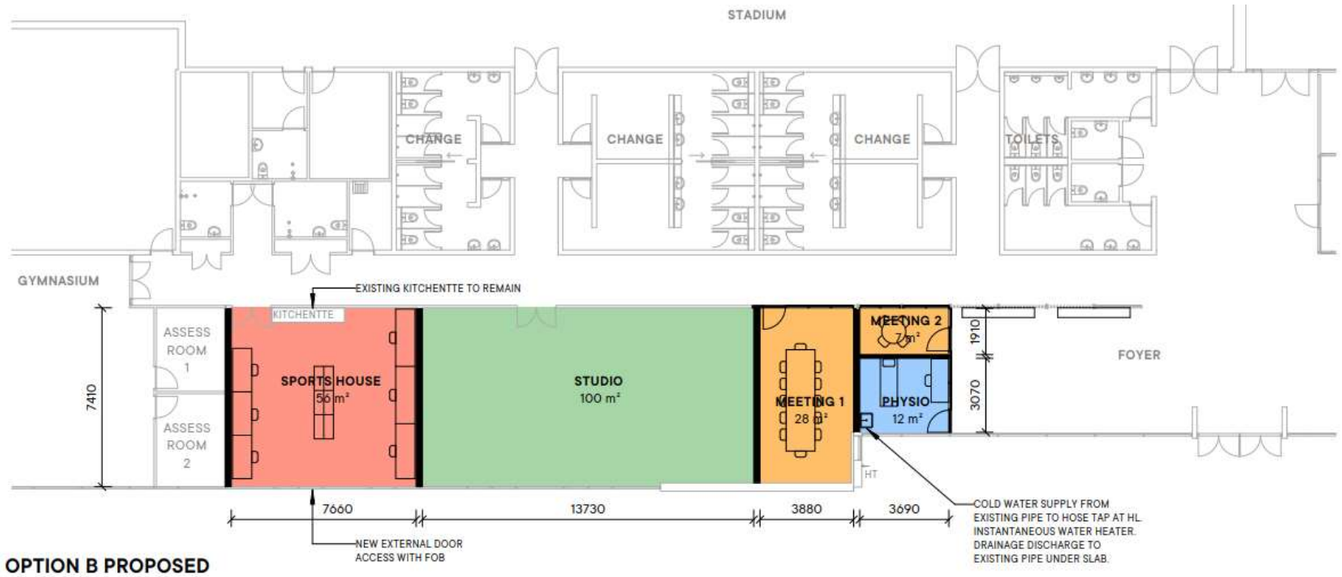
Analysis of benefits	**Option 1**	**Option 2**	**Option 3**
Community asset retained for community groups	✓	X	X
Dance space available	✓	✓	✓
Income from community facilities pay for their upkeep	X	N/A	N/A

Appendix 1

Current EANC layout



Proposed reconfiguration of sports house – NB – includes additional meeting room and physio room that are not proposed within the Option 2 budget above



SPORTS HOUSE OPTION B PROPOSED
SCALE 1 : 200

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B	11.07.23	FOR REVIEW/DISCUSSION

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CLIENT
ASHBURTON DISTRICT COUNCIL

DRAWING
SPORTS HOUSE PLANS

SCALE
1 : 200 / A3

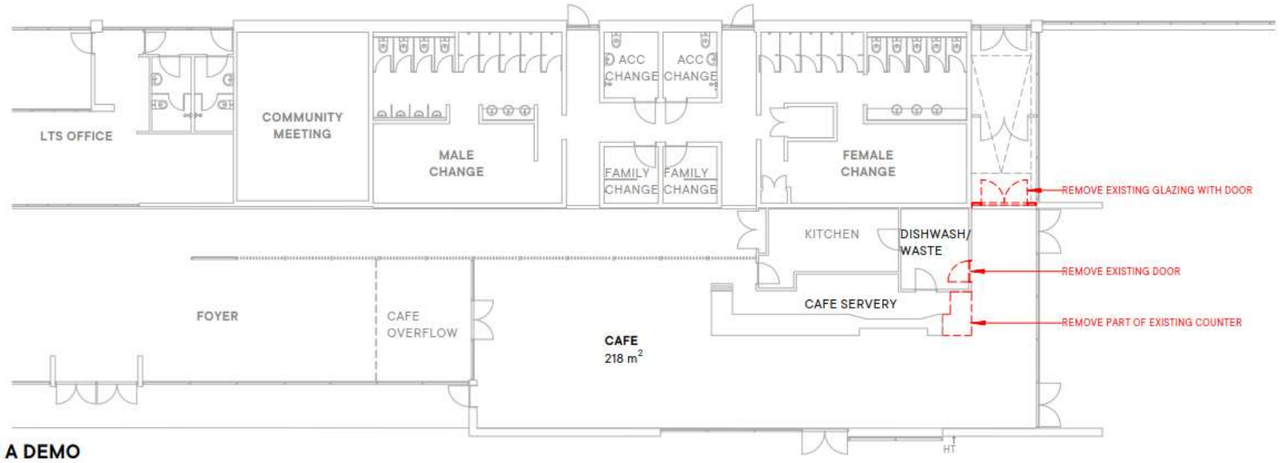
STAGE
CONCEPT DESIGN

STATUS
FOR REVIEW/DISCUSSION

SHEET
110

REVISION
B

Café / staff room re-arrangement



CAFE OPTION A DEMO

SCALE 1:200

CAFE OPTION A PROPOSED

SCALE 1:200

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ASHBURTON DISTRICT COUNCIL

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SCALE
1:200 / A3

STAGE
CONCEPT DESIGN

STATUS
FOR REVIEW/DISCUSSION

SHEET **120** REVISION **B**