Waitai
Coastal-Burwood Community Board
ATTACHMENTS UNDER SEPARATE COVER

Date: Monday 22 July 2019
Time: 4.30pm
Venue: Boardroom, Corner Beresford and Union Streets, New Brighton

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A  1. Lease Assignment - Christchurch School of Gymnastics.................................................. 2
Memorandum

Date: 17 July 2019
From: Nigel Cox, Head Recreation Sport and Events
To: Waitai/Coastal-Burwood Community Board
Cc: Brent Smith, General Manager Citizens and Community (Acting)
Jo Wells, Manager Community Governance
Subject: Christchurch Children's Christmas Parade Trust Business Case and FAQ's
Reference: 19/811557

1. Purpose of this Memo
   1.1 To provide the business case and frequently asked question documents received from the Christchurch Children’s Christmas Parade Trust (CCCPT) to the Waitai/Coastal-Burwood Community Board prior to its meeting on the 22nd July 2019.

2. Update
   2.1 Staff have worked closely with the CCCPT to understand the business case for accepting the lease from the Christchurch School of Gymnastics and to get responses to questions that have been raised.
   2.2 Both documents were received subsequent to the staff report for the Lease Assignment – Christchurch School of Gymnastics being completed.
   2.3 The Lease Assignment – Christchurch School of Gymnastics staff report is on the Waitai/Coastal-Burwood Community Board agenda for the 22nd July 2019.

3. Conclusion
   3.1 That the Waitai/Coastal-Burwood Community Board receive the business case and frequently asked question documents from CCCPT.

Attachments

<table>
<thead>
<tr>
<th>No.</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Christchurch Children's Christmas Parade Trust Business Case 15 July 2019</td>
<td>3</td>
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<tr>
<td>B</td>
<td>Christchurch Children's Christmas Parade Trust -FAQ's</td>
<td>7</td>
</tr>
</tbody>
</table>

Signatories

<table>
<thead>
<tr>
<th>Author</th>
<th>Nigel Cox - Head of Recreation, Sports &amp; Events</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approved By</td>
<td>Brent Smith - Acting General Manager Citizens &amp; Community</td>
</tr>
</tbody>
</table>
CHRISTCHURCH CHILDREN’S CHRISTMAS PARADE TRUST
BUSINESS PLAN – CSOG BUILDING, QEII PARK.

15 July 2019

EXECUTIVE SUMMARY

This business plan outlines the benefits of assigning the existing Christchurch School of Gymnastics (CSOG) lease to the Christchurch Children’s Christmas Parade Trust (CCPPT). The assignment of the lease would prevent the demolition of an existing building that is fit for purpose for the CCPPT, ensure $300,000 to $330,000 of demolition and ground remediation costs are not unnecessarily spent, assist with the financial viability of the CCPPT, and provide the opportunity for new community connections with the CCPPT.

The assigning of the lease to CCPPT will provide savings of $67,923.45 per annum which would be recognised as part of CCC’s contribution to the annual delivery of the parade. It will also allow the trustees to focus on the planning and delivery of the event rather than raising funds to pay for the storage of the floats which is currently the single largest cost.

Total initial project costs are estimated at $28,500 including purchase price and conversion costs. These costs are based on current quoted figures.

MISSION

Our mission is to establish a facility that will “belong” to the citizens of Christchurch and give pleasure to one and all, not just at Parade time.

OBJECTIVES

For many years the Christchurch Children’s Christmas Parade Trust has been working on a vision to procure a suitable building that could be utilised as a workshop, storage and exhibit amenity for its 45 floats, hundreds of costumes, props and plant. This vision is now one step closer having been offered in May 2017 the CSOG building for a minimal cost.

Our vision is to have a Santa’s Workshop with community involvement. John Laurenson, Principal of Shirley Boys’ High is absolutely supportive of establishing a technology workshop and working closely with the CCPPT. The intention would be to provide a technology workshop where students are taught all “handyman” skills that will assist in the establishment of Santa’s workshop. The CCPPT volunteers have skills in building and maintaining the floats and is an ideal opportunity to provide mentoring to teach skills which will be needed in the future as a new generation of people with a love for these crafts are needed.

With improved facilities there is the ability to allow community groups and the public to visit the floats throughout the year, it could be another attraction for the East – parents bring their children to see Santa’s Workshop!

Other potential opportunities include textile classes in costume design and production, and linking to other community groups in a men’s shed concept.
TRUST PROFILE

The Trust was formed in 1991 as a consequence of Farmers gifting its floats, costumes, vehicles and plant to the City of Christchurch. The Christchurch City Council was not in a position to take responsibility of running the event at the time so a Trust, under the direction of then senior City Councillor Newton Dodge, was urgently formed to ensure its continuation.

The first parade under the governance of the Trust was held in November 1991 and has every year since. 70,000 people attended the first parade run by the Trust.

The current trustees P Dickie, L Rouse, A Jamieson, K Klemick, and M Docherty remain committed to delivering an outstanding event for the children of Christchurch. And are open to welcoming new trustees to share the workload and ensure the parade continues to capture the imagination of the children of Christchurch.

THE PARADE

The parade is the 2nd largest event of its type in New Zealand with an average of 96,000 people viewing the parade annually for the 7 years it was held on Riccarton Rd.

The 2018 Parade was moved back to the city at the request of Councillors, Madras Street from St Asaph to Kilmore Streets being the route. This new route proved challenging logistically but the positive feedback from the public and the volunteers involved means the parade will remain in the city centre in 2019.

Last year 2,500 plus participants, 500 volunteers, 136 entries including bands, religious, cultural, dance, ethnic and community groups joined together to celebrate the beginning of our festive season. Even though the weather was a little damp and the temperature was mild, it was still a huge success!

COSTS TO ESTABLISH NEW LOCATION

Minimal alterations and repairs are required to make the building fit for purpose. Ongoing repairs and maintenance will be undertaken where possible by volunteers and students. But there are some jobs that will require specific contract expertise and these repairs and maintenance tasks will be completed through available funds.

The following items are required to ensure the building is fit for purpose:

- New roller door for vehicle access to the old building replacing window (4.67m x 4.5m)
- New roller door for vehicle access to the new building replacing window (4.62m x 4.44m)
- Level pits in both buildings with hard fill at floor level for vehicle access.
- The particle board flooring both gyms may need to be removed (yet to be tested)

Note: It is anticipated that the building will be handed over from the CSOG in reasonable condition.

<table>
<thead>
<tr>
<th>Engineering Costs</th>
<th>$3,500 incl. gst</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Roller Doors &amp; installation</td>
<td>$10,000 incl. gst</td>
</tr>
<tr>
<td>Level Pits</td>
<td>$10,000 incl. gst</td>
</tr>
<tr>
<td>Contingency</td>
<td>$5,000 incl. gst</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$28,500 incl gst</strong></td>
</tr>
</tbody>
</table>
**ESTIMATED COSTS AT NEW BUILDING:**

Please find below a comparison between the current costs of the CCCPT leased building and the estimated costs for the new building located at 193 Travis Road.

<table>
<thead>
<tr>
<th></th>
<th>Current building</th>
<th>New Building</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heat Light and Power</td>
<td>$1,954.00</td>
<td>$1,954.00</td>
</tr>
<tr>
<td>Insurance</td>
<td>$23,457.00</td>
<td>$23,500.00</td>
</tr>
<tr>
<td>Rates</td>
<td>$4,773.00</td>
<td>$4,054.55</td>
</tr>
<tr>
<td>Rent</td>
<td>$70,774.00</td>
<td>$2,000.00</td>
</tr>
<tr>
<td>Repairs and Maintenance</td>
<td>$1,439.00</td>
<td>$3,000.00</td>
</tr>
<tr>
<td>Security Services</td>
<td>$4,535.00</td>
<td>$4,500.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$106,932.00</strong></td>
<td><strong>$39,008.55</strong></td>
</tr>
<tr>
<td><strong>Saving</strong></td>
<td></td>
<td><strong>$67,923.45</strong></td>
</tr>
</tbody>
</table>

Estimated Savings of the new lease is $67,923.45 per annum.

Note: Where possible the estimate to operate has been based on the costs at the current building. It is not anticipated that the HVAC system will be used.

**COMMUNITY INVOLVEMENT**

**Shirley Boys High School** - 250 sq metres to be assigned in the “old” building for the setup of a class room and work area for trade students where students are taught all "handyman" skills that will assist in the establishment of Santa’s workshop. The CCCPT volunteers have skills in building and maintaining the floats and is an ideal opportunity to provide mentoring to teach skills which will be needed in the future as a new generation of people with a love for these crafts are needed.

**Avonside Girls High School** - It is our intention to continue discussions to form a partnership once Avonside Girls have established themselves in their new school site.

**Static viewing of CCCPT floats (Santa’s workshop)** Once the Santa Parade is settled into its new environment it will make the necessary provisions to “show off” its lovely floats. CCCPT receives numerous inquiries from Pre-schools, Play Centres and Kindergartens to bring their children to view the floats.

Not all children are lucky enough to be brought to the Parade each year to see these floats and characters so to have a facility where they can be alternatively viewed must be a plus. Another attraction in the Eastern suburbs!

**Other Community Partnerships** CCCPT will explore a number of mutually beneficial partnership opportunities in the area such as MENZ shed, QEII early birds and over 50’s group,
FUNDING

For nearly 30 years the Trust has managed to stay viable whilst having to expend hundreds of thousands on rent, rates, insurance, administration and operational costs. It hasn’t always been easy and it has been stressful, however there was always the nagging thought as to why the Trust was originally formed. This passion has meant the trustees have simply had to make it work for the children of Christchurch.

Attached are copies of the 2017 and 2018 CCCPT audited accounts. You will note that each year CCCPT has raised between $202,160 and $304,849 each year.

In 2019 the CCCPT has current applications with Pub Charity, Four Winds Foundation, The Trusts Community Trust, Mainland Foundation, Air Rescue Community Services Trust, The Lion Foundation, Rata Foundation, and CERT.

There is a miss-conception that the CCCPT is solely reliant on the CCC for funding the event this is not the case as you will see from the table below. However given the circumstance of how the trust was formed continual support is appreciated to ensure the ongoing future of the event.

<table>
<thead>
<tr>
<th></th>
<th>CCC funding</th>
<th>Contra</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2016</strong></td>
<td>$ 60,000.00</td>
<td>$ 78,025.00</td>
<td>$ 107,056.00</td>
<td>$ 245,081.00</td>
</tr>
<tr>
<td><strong>2017</strong></td>
<td>$ 100,000.00</td>
<td>$ 75,699.00</td>
<td>$ 26,461.00</td>
<td>$ 202,160.00</td>
</tr>
<tr>
<td><strong>2018</strong></td>
<td>$ 85,000.00</td>
<td>$ 116,249.00</td>
<td>$ 103,600.00</td>
<td>$ 304,849.00</td>
</tr>
</tbody>
</table>

From the 2018 audited accounts you will also note that CCCPT is financially viable with net assets of $93,279.

While CCCPT is subject to an annual application for funding from the CCC. It is hoped that a longer term agreement can be reached to assist the trustees long term planning and securing of naming sponsorship. Currently the parade is operating year to year without certainty of CCC support.

Pam Morris
PARADE MANAGER

Anne Jamieson
CHAIRPERSON
FAQ’s re proposed lease assignment from the Christchurch School of Gymnastics to the Christchurch Children’s Christmas Parade Trust (CCCPT) for Christmas float storage and workshop facility at QEII Park.

The Board requested to see further work on the business case for the proposal. Specific questions were:

1. **What are the annual operational costs of the storage and workshop facility?**

<table>
<thead>
<tr>
<th>Comparison of costs between existing building and new building</th>
<th>Current building</th>
<th>New Building</th>
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<tbody>
<tr>
<td>Heat Light and Power</td>
<td>$1,954.00</td>
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<td></td>
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</tbody>
</table>

Note: Where possible the estimate to operate has been based on the costs at the current building. It is not anticipated that the HVAC system will be used.

2. **What are the CCCPT’s total operating expenses vs income?**

The audited financial statements form 2017 and 2018 are available for your information. Below is a summary of revenue vs expenses 2016, 2017, and 2018.

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Revenue</strong></td>
<td>$246,878</td>
<td>$202,477</td>
<td>$308,097</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>$260,639</td>
<td>$255,751</td>
<td>$276,713</td>
</tr>
<tr>
<td><strong>Net profit/loss before tax</strong></td>
<td>-$13,761</td>
<td>-$53,274</td>
<td>$31,384</td>
</tr>
</tbody>
</table>

Note from the 2018 audited accounts that CCCPT has net assets of $93,279.

3. **How do the CCCPT plan to fund the initial building modifications that have been identified as required (e.g. modifications to enable floats in and out of the building)?**

CCCPT will apply for a funding grant in the first instance and/or if required through cash reserves. Quoted costs to install the new roller doors and level the pits is $20,000.
4. What are the CCCPT’s ongoing expectations in terms of Christchurch City Council funding?

The CCC is seen as a partner of the event since the Trust was formed in 1991 as a consequence of Farmers gifting its floats, costumes, vehicles and plant to the City of Christchurch. The Christchurch City Council was not in a position to take responsibility of running the event at the time so a Trust, under the direction of then senior City Councillor Newton Dodge, was urgently formed to ensure its continuation.

The assigning of the lease to CCCPT will provide savings of $67,923.45 per annum which would be recognised as part of CCC’s contribution to the annual delivery of the parade. It will also allow the trustees to focus on the planning and delivery of the event rather than raising funds to pay for the storage of the floats which is currently the single largest cost.

CCCPT is subject to an annual application for funding from the CCC. It is hoped that a longer term agreement can be reached to assist the trustees long term planning and securing of naming sponsorship. Currently the parade is operating year to year without certainty of CCC support.

5. What are the Governance arrangements of the CCCPT?

The Christchurch Children’s Christmas Parade Trust was established by Trust Deed dated 22 October 1991 as a consequence of Farmers gifting its floats, costumes, vehicles and plant to the City of Christchurch. The Christchurch City Council was not in a position to take responsibility of running the event at the time so a Trust, under the direction of then senior City Councillor Newton Dodge, was urgently formed to ensure its continuation.

The first parade under the governance of the Trust was held in November 1991 and has every year since. 70,000 people attended the first parade run by the Trust.

The current trustees P Dickie, L Rouse, A Jamieson, K Klemick, and M Docherty remain committed to delivering an outstanding event for the children of Christchurch. And are open to welcoming new trustees to share the workload and ensure the parade continues to capture the imagination of the children of Christchurch.

6. How does the use of the building by the CCCPT (e.g. for storage) fit in to the recently developed QEII park Masterplan (recreation focused)?

The master plan has identified a vision and a set of values for the park and these should be used to guide future development. The vision and values are:

QEII Park: where together we learn, get active and have fun.
QEII Park is a significant and treasured part of the community, which considers the values of recreation, landscape, culture, heritage, drainage and ecology to all have a place in the development of the park.

QEII Park is valued by the community for its...
- diverse range of leisure and recreation opportunities
- green, open spaces
- opportunities for people of all ages and abilities
- opportunities to experience nature
- availability for everyone
- safe layout
- free-to-use-spaces
- connection to health and wellbeing benefits
- opportunities to identify and celebrate local history

The existing CSG building was discussed at a seminar with the Community Board on the 5th of June 2018. At that time staff had identified a pump track over the building and the spatial plan was presented. Following this meeting, the pump track was removed and the building was placed on the master plan as a footprint and noted that this was to be addressed through the lease process.

Future uses for the existing CSG building were therefore not consulted on.

7. How will the Christchurch School of Gymnastics ensure the building is fit for the CCCPT to move in once the CSG move out? E.g. are the CSG planning to do things like a building wash down, clean the gutters, etc?

It is anticipated that the building will be handed over from CSOG in reasonable condition which includes a washdown of the building, clean of the gutters, and painting any worn exterior areas as required.

8. Could the CCCPT provide letters of intent/support from the Schools or any organisation it intends to work with in relation to the building?

From: John Laurenson [mailto:jbl@shirley.school.nz]
Sent: Thursday, 4 July 2019 3:36 p.m.
To: morrisbaird@xtra.co.nz; annej@cecc.org.nz
Cc: Jane Forster <jmf@shirley.school.nz>; Tim Grocott <TMG@shirley.school.nz>; Craig Croft <clc@shirley.school.nz>; Dan Gilmore <ddg@shirley.school.nz>; Phil Dixon <pjdl@shirley.school.nz>
Subject: RE: SANTA PARADE - CHRISTCHURCH SCHOOL OF GYMNASICS BUILDING

Hi Pam, and Anne
Shirley Boys’ is absolutely committed to establishing a Trades Workshop in the CSoG just let us know where and when you want to meet and we will be there.
Best Wishes
John
9. What other local connections does the proposed use of the building have with the local community?

Viewing available to the public, link to both High Schools for both utilisation of space and volunteers, volunteer programme and partnership for wellbeing eg men shed etc.

This is an opportunity to engage with a fresh audience to assist in the planning and delivery of the event.

Not all children are lucky enough to be brought to the Parade each year to see these floats and characters so to have a facility where they can be alternatively viewed must be a plus. Another attraction in the Eastern suburbs!

10. What is the CCCPT’s funding plan (for future years)?

Copies of the 2017 and 2018 CCCPT audited accounts identify that each year CCCPT has raised between $202,160 and $304,849 each year.

In 2019 the CCCPT has current applications with Pub Charity, Four Winds Foundation, The Trusts Community Trust, Mainland Foundation, Air Rescue Community Services Trust, The Lion Foundation, Rata Foundation, and CERT.

There is a miss-conception that the CCCPT is solely reliant on the CCC for funding the event this is not the case as you will see from the table below. However given the circumstance of how the trust was formed continual support is appreciated to ensure the ongoing future of the event.

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11. Does the CCCPT have a business sponsorship plan?

CCCPT signed Multimedia Communications as the major sponsor in 2017 after an article in the media outlining the challenges to funding. Multimedia Communications continued to be the major sponsor in 2018 and again in 2019.

It should also be noted that CCCPT also negotiates contra relationships between $75k and $116k per annum.

Certainty of the parade route, new storage facilities for the floats, improved community involvement and hopefully a long term funding agreement with CCC will provide a great platform to seek partnerships.
12. How will the CCCPT demolish building at the end of the buildings life/ use (e.g. if there are no possible lease transfer options available at that time, or if for some reason they were to terminate the lease agreement prior to the date specified in agreement)?

It is in the best interest of both CCC and CCCPT to maintain the building so it is fit for purpose for as long as possible to enable the cost effective storage of the Santa Parade floats.

Like a majority of not for profit organisations and sporting clubs any significant work to a building will require additional community funding. Very similar to what CSOG has done to fund its new building.

Ultimately the removal of the building would transfer to CCCPT through the lease document.

Specific questions about the building and its use:

- As the building is at the entrance to QEII Park which is currently being improved via various developments including the QEII Masterplan, the building requires some improvement like for example painting of the exterior. Who would pay for painting of the exterior of the building?

It is anticipated that the building will be handed over from CSOG in reasonable condition which includes a washdown of the building, clean of the gutters, and painting any worn exterior areas as required.

Any additional work will be completed by CCCPT through volunteers, students or specific contractors were expertise is required.

- Does the roof contain asbestos?

No, the CSOG Chief Executive and Project Manager/Engineer have advised that when the facility was built in 1996 and then extended in 2007 they ensured no asbestos was used in the building.

- Has the leaking roof been fixed? If not who is going to do this? And if it is asbestos does this cause further problems to fix or replace?

It is common that a roof of approximately 23 years will occasionally have small leaks as the seals on the roofing screws fail and need to be replaced. CSOG have also advised that the gutters need to be regularly cleared because of the large Oak tree to avoid small leaks from full gutters. See question above re asbestos not being used in the building.

- Other than entering floats into the east door would the CCCPT require the door to be open at other times? If so when?
Yes this is a possibility to maintain airflow and potentially access to the display of floats. However this will be managed carefully and only opened when authorised personal are present in the building. Note the current lease will have requirements to keep the leased space in good condition.

- What level of noise will be made in the workshop? E.g. skill saws, banging, workshop type noises.

There will be some noise from the workshop however this will be within consented limits.