

Second covered arena for New Zealand

New Zealand is finally going to get a 12,000-seat indoor arena in its largest city, Auckland, ending years of discussion and anticipation.



The 8,888-seat Westpac Centre in Christchurch opened in 1998

The NZD68m downtown Quay Park Indoor Arena is scheduled for completion by the end of 2005. It will be the second covered venue in the country, after the 8,888-seat Westpac Centre in Christchurch which opened in 1998.

In late November the Auckland City Council signed formal heads of agreement for a build and manage deal with Sydney-based Jacobsen Venue Management Pty Ltd (JVM), which currently manages venues in Sydney and Brisbane. Quay Park Indoor Arena will cater for major indoor sports, including basketball and netball, and entertainment events that currently bypass Auckland.

Quay Park Indoor Arena is designed for a wide variety of sports, cultural events, civic ceremonies, banquets, balls, shows, concerts, conferences and conventions, catering for 10,000 spectators.

The venue is less than 15 minutes' walk from Britomart public transport terminal for buses, trains, ferries and light rail. A six-level car-parking building will be constructed. The whole site is opposite the Port of Auckland's busy container terminal and will be directly linked to the Viaduct Harbour, home to the last two America's Cup challenges.

Funding and negotiations

Auckland City Council is contributing NZD58m to the capital cost with the balance coming from Quay Park Arena Management Ltd, comprising JVM, project manager Bovis Lend Lease and Mainzeal Construction.

The Auckland City Council had initially negotiated with Abigroup Ltd but those discussions terminated in August 2003. The Council then entered negotiations with JVM, the second preferred proponent. It now has a 30-year contact period with JVM, which currently manages the Sydney Entertainment Centre, Sydney Capital Theatre and Brisbane Convention and

Exhibition Centre.

The Auckland City Council purchased the lease of the empty Quay Park site in 1997. The land itself is leased from the Ngati Whatua O Orakei Maori Trust Board. The Board was paid NZD12m for the lease and, after opening, will also receive ground rent as a percentage of ticket prices.

The site was chosen after Auckland City Council, together with neighbouring territorial authorities, sought an independent recommendation for the preferred regional site for arena development. The central Quay Park site was selected, which led to the calling of expression of interest and a round of public consultation in October 1999. More than 80 per cent of public submissions supported the concept. The council made a short list of three consortia (Abigroup, Lend Lease and Walters Construction) and undertook further public consultation to find majority support for the NZD50m public money needed.

Risky business

The Quay Park Indoor Arena project is being undertaken on a turnkey basis, with the Auckland City Council's risk exposure limited to required plan changes and monitoring on-going compliance with the contract terms. The consortium faces the greater risks – additional funding, over-runs, failure of sub-contractors, time delays, health and safety issues, legal and regulatory requirements.

Meanwhile, venue managers around the country have watched with considerable interest, perhaps none more keenly than NCC (New Zealand) Ltd in Christchurch. It has managed the country's largest indoor arena, the Westpac Centre, since it opened in 1998. Executive director Mike Kelly has long been an advocate for an indoor arena in Auckland so that New Zealand can capture the touring concerts and sports entertainment that bypasses the island nation because there isn't a suitable covered venue where most people are. More than half of NZ's 4 million people live in the upper half of the North Island. The greater Auckland area has about 25 per cent of the total population.

"I have no doubt this arena will benefit New Zealand and give promoters extra incentive to tour here before or after Australia, as their options will expand to include Christchurch for the South Island, Wellington, maybe Hamilton and now Auckland in the North Island," says Kelly.

"By the time Quay Park Arena opens in late 2005 we'll have had seven years' experience and the advantage of strong brand recognition and an international reputation for professionalism. Some of that will no doubt rub off on Auckland, and we've been quick to extend a co-operative hand to the winning consortium. We've offered support and the benefit of our experience."

Lucky horseshoe

The horseshoe-shaped Westpac Centre, built at a capital cost of NZD34.2m, was the first venue of its type in New Zealand. There was a gradual learning experience as sports groups, event organisers, trade show and conference organisers and community groups learned how to make the most of its potential. Kelly said that even now, people are still not completely familiar with its uses; for instance, because they see large-scale events there they do not always see its potential for more intimate presentations. One solution is to provide dedicated event co-ordinators to each event held there, so clients get the benefit of past experiences.

"Corporate hospitality was another new area of entertainment the Westpac Centre introduced, and it took time for companies and organisations to understand how they could be themed or

used to strengthen business relationships, or develop their brand,” says Kelly.

Kelly also led NZ’s ground-breaking public building-private management contract from signed papers to satisfied parties, including the wider public, which had enormous expectations of what the venue would deliver. The Westpac Centre is owned by the Christchurch City Council, built on land leased from Addington Raceway Ltd, and under a long-term private management contract with NCC (New Zealand) Ltd, a joint venture company established by Addington Raceway Ltd and Bangkok-based NCC Development & Management Co Ltd, which manages the prestigious Queen Sirikit Convention Center.

NCC (NZ) Ltd also manages the Christchurch Convention Centre (opened 1997) and the Christchurch Town Hall. “There are many advantages in managing the three premier venues in Christchurch,” says Kelly. “For instance, we can interchange venues depending on ticket sales, we can often accommodate extra shows and performances within the venues, and we have been able to nurture trade shows and exhibitions from small spaces to the larger venues.

“While we’ll gain from the synergy of Auckland’s arena, I’ll still be looking for those exclusive deals that generate a real economic benefit for the city. We’ve got a track record of success with one-offs and draw crowds from all over the South Island. And while it’s less exciting to the general public, we’re pretty pleased with the high repeat business of exhibitions and trade shows using the Westpac centre.”

QUAY PARK INDOOR ARENA

- **Building owner:** Auckland City Council
- Land ownership lies with Ngati Whatua O Orakei Moari Trust Board, with the site secured on a 150-year lease from 1997
- **Construction:** Quay Park Arena Management Ltd, led by Jacobsen Venue Management Pty Ltd, with Bovis Lend Lease and Mainzeal Construction
- **Leading architects:** Crawford Architects (previous work includes the Minnesota Stadium, Fenway Park Masterplan (Home of the Boston Red Sox) & Perth Convention and Exhibition Centre)
- **Report on site capacity, urban design and architecture:** Jasmax Ltd
- **Location analysis, including economic analysis:** Ernst & Young
- **Cost analysis:** Maltbys
- **Architecture peer review:** Hellmuth, Obata & Kassabaum Inc
- **Social impact report:** Montgomery Watson
- **Study of engineering, traffic, planning and programming issues:** Beca Carter Hollings & Ferner

www.aucklandcity.govt.nz/council/projects/arena/what.asp