



19 November 2020

**EXTRAORDINARY MEETING**

Notice is hereby given that an **Extraordinary Meeting of Council** will be held in the **Council Chambers, Stratford District Council, Miranda Street, Stratford** on **Tuesday 24 November 2020** at **12.30pm**.

**Timetable for 24 November 2020 as follows:**

9.00am	Workshop for Councillors - Pool introduction
12noon	Lunch for Councillors
12.30pm	Extraordinary meeting - Adoption of A&P Association Proposal Hearing Minutes
2.00pm	Policy & Services Committee Meeting – Hearing - To hear and consider submissions to the draft Keeping of Animals, Poultry and Bees Bylaw
2.45pm	Afternoon tea for Councillors
3.00pm	Policy and Services Committee Meeting

Yours faithfully

Sven Hanne  
**CHIEF EXECUTIVE**

## 2020 - Extraordinary - 24 November (24/11/2020)

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**EXTRAORDINARY MEETING OF COUNCIL**  
**TUESDAY 24 NOVEMBER 2020 AT 12.30PM**

**A G E N D A**

1. **WELCOME**
2. **APOLOGIES**
3. **ANNOUNCEMENTS**
4. **DECLARATIONS OF MEMBERS' INTEREST**  
Elected members to declare any real or perceived conflicts of interest relating to items on this agenda.
5. **ATTENDANCE SCHEDULE**  
Attendance schedule for Ordinary and Extraordinary Council meetings.
6. **INFORMATION REPORT – DECISION ON COUNCIL LOAN TO A&P ASSOCIATION IN SUPPORT OF STRATFORD PARK PROJECT**  
D20/32962 (Pages 7-177)

**RECOMMENDATIONS**

1. **THAT** the report be received.
2. **THAT** the following information be received, in relation to the conditional decision made by Policy and Services Committee on 17 November 2020:
  - Business Case for Stratford Park Project (prepared by Stratford Agricultural and Pastoral Association “A&P Association” Steering Committee)
  - Valuation Reports for 9 Flint Road, 26 Flint Road, and 47 Flint Road Stratford (prepared by Roger Malthus & Associates (2008) Ltd.

**Recommended Reason**

Council requires the information presented with this report to make a final decision on whether or not to adopt the conditional recommendation from Policy and Services Committee to approve the loan of \$7,180,000 to the A&P Association.

\_\_\_\_\_  
Moved/Seconded

7. **CONFIRMATION OF MINUTES**

7.1 **Policy and Services Committee Meeting – 17 November 2020**  
D20/32898 (Pages 178-202)

**RECOMMENDATIONS**

1. THAT the unconfirmed minutes of the Policy and Services Committee meeting held on Tuesday 17 November 2020 be received.
2. THAT the Council confirms the additional information requested from the A&P Association was received and is deemed sufficient to fulfil the requirements of the recommendation from the Policy and Services Committee.
3. THAT the recommendations in the minutes of the Policy and Services Committee meeting held on Tuesday 27 October 2020 be adopted.

\_\_\_\_\_/\_\_\_\_\_  
 Moved/Seconded

8. **RECOMMENDATION TO EXCLUDE THE PUBLIC**

**RECOMMENDATION**

THAT the public be excluded from the following parts of the proceedings of this meeting, namely:

Agenda Items No: 9

The general subject of each matter to be considered while the public is 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 this resolution are as follows:

<b>General subject of each matter to be considered</b>	<b>Reason for passing this resolution to each matter</b>	<b>Grounds under section 48(1) for the passing of this resolution</b>
Performance Review	To allow free and frank expression of opinions	The withholding of the information is necessary to maintain the effective conduct of public affairs through the free and frank expression of opinions by or between or to members or officers or employees of any local authority, or any persons to whom section 2(5) of this Act applies, in the course of their duty Section 7(2)(f)(i) of the Local Government Official Information and Meetings Act 1987.

\_\_\_\_\_/\_\_\_\_\_  
 Moved/Seconded



9. **PUBLIC EXCLUDED ITEM – PERFORMANCE REVIEW**

**RECOMMENDATIONS**

THAT the open meeting resumes.

\_\_\_\_\_  
Moved/Seconded

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## **Health and Safety Message**

In the event of an emergency, please follow the instructions of Council Staff.

Please exit through main entrance.

Once you reach the footpath outside please turn left and walk towards the Bell tower congregating on lawn outside the Council Building.

Staff will guide you to an alternative route if necessary.

If there is an earthquake – drop, cover and hold where possible. Stay indoors till the shaking stops and you are sure it is safe to exit or remain where you are until further instruction is given.

## 5. Attendance schedule for 2019-2020 Ordinary and Extraordinary Council meetings.

<b>Date</b>	<b>29/10/19</b>	<b>12/11/19</b>	<b>10/12/19</b>	<b>11/02/20</b>	<b>10/03/20</b>	<b>14/04/20</b>	<b>12/05/20</b>	<b>09/06/20</b>	<b>14/07/20</b>	<b>11/08/20</b>	<b>25/08/20</b>	<b>08/09/20</b>	<b>13/10/20</b>	<b>10/11/20</b>	<b>24/11/20</b>	<b>8/12/20</b>
<b>Meeting</b>	<b>I</b>	<b>O</b>	<b>O</b>	<b>O</b>	<b>O</b>	<b>O (AV)</b>	<b>O (AV)</b>	<b>O</b>	<b>O</b>	<b>O</b>	<b>E</b>	<b>O</b>	<b>O</b>	<b>O</b>	<b>E</b>	<b>O</b>
Neil Volzke	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		
Grant Boyde	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		
Rick Coplestone	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		
Peter Dalziel	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		
Jono Erwood	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		
Amanda Harris	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		
Alan Jamieson	✓	✓	✓	A	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		
Vaughan Jones	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		
Min McKay	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		
John Sandford	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		
Gloria Webby	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		

<b>Key</b>	
<b>O</b>	<b>Ordinary Meeting</b>
<b>E</b>	<b>Extraordinary Meeting</b>
<b>I</b>	<b>Inaugural Meeting</b>
<b>✓</b>	<b>Attended</b>
<b>A</b>	<b>Apology/Leave of Absence</b>
<b>AB</b>	<b>Absent</b>
<b>S</b>	<b>Sick</b>
<b>(AV)</b>	<b>Meeting held by Audio Visual Link</b>

# INFORMATION REPORT



**TO:** Council D20/32962

**FROM:** Director – Corporate Services

**DATE:** 24 November 2020

**SUBJECT: DECISION ON COUNCIL LOAN TO A&P ASSOCIATION IN SUPPORT OF STRATFORD PARK PROJECT**

## **RECOMMENDATIONS**

1. THAT the report be received.
2. THAT the following information be received, in relation to the conditional decision made by Policy and Services Committee on 17 November 2020:
  - Business Case for Stratford Park Project (prepared by Stratford Agricultural and Pastoral Association “A&P Association” Steering Committee)
  - Valuation Reports for 9 Flint Road, 26 Flint Road, and 47 Flint Road Stratford (prepared by Roger Malthus & Associates (2008) Ltd.

### **Recommended Reason**

Council requires the information presented with this report to make a final decision on whether or not to adopt the conditional recommendation from Policy and Services Committee to approve the loan of \$7,180,000 to the A&P Association.

\_\_\_\_\_/\_\_\_\_\_  
Moved/Seconded

## 1. **PURPOSE OF REPORT**

The purpose of the report is to present all relevant information available in relation to the conditional recommendation made by the Policy and Services Committee on 17 November 2020 to Council, and allow elected members to make a considered and informed decision.

## 2. **EXECUTIVE SUMMARY**

- 2.1 The A&P Association have requested Council support for a new venture in the purchase and development of land for a multi-use facility largely focusing on equestrian and motoring commercial, educational and sporting activities. There is also the potential for development of a regional outdoor events centre. It is expected that this development would be beneficial to the Stratford District and would contribute to the local government well-beings, social, economic, and cultural.

- 2.2 On 8 September 2020, the Council made a decision to release to the public a proposal to lend \$7,180,000 to the A&P Association to purchase land for the purposes of the venture above.
- 2.3 Council received 559 submissions in relation to the proposal. The submissions ranged in location from Stratford residents to New Zealand wide. The majority of the submitters (85% of online submissions) were in support of the decision to lend the \$7,180,000 to the A&P Association to purchase adjacent land, allowing the Stratford Park project to proceed.
- 2.4 On 6 October 2020, the Audit and Risk Committee endorsed the decision made in September, subject to the following conditions:
  - *A detailed business case was completed by the A&P Association and provided to Council with sufficient time to review. It should include a sensitivity analysis and demonstrate the A&P Association’s ability to make principal repayments and cover development costs over a period of time.*
  - *A second independent valuation addressed to Council.*
  - *A detailed assessment of the impact on Council’s borrowing capacity.*
  - *An economic assessment of the viability of the business case and the economic impact of this project on the Stratford district.*
- 2.5 On 17 November 2020, elected members took the submissions of Stratford District ratepayers into account, as well as its obligations under the Local Government Act to act prudently and in doing so protecting the current and future interests of the community, in deciding on the recommendation to Council approving the loan, subject to receiving a Business Case satisfactory to elected members, and an independent market valuation of the three properties to be used as security. These have been presented in this information report.

3. **LOCAL GOVERNMENT ACT 2002 – SECTION 10**

Under section 10 of the Local Government Act 2002, the Council’s purpose is to “enable democratic local decision making by and on behalf of communities; as well as promoting the social, economic, environmental, and cultural well-being of communities now and into the future”			
Does the recommended option meet the purpose of the Local Government 4 well-beings? And which:			Yes
<b>Social</b>	<b>Economic</b>	<b>Environmental</b>	<b>Cultural</b>
✓	✓		✓

- 3.1 Social Wellbeing – Council is proposing to support a project which will provide for increased opportunities for communities to come together to socialise, across all demographics of society.

- 3.2 Economic – The Business Case claims that the project will provide for hundreds of new jobs, and that it will attract new investment into the District.
- 3.3 Cultural – The project will help develop two strong Stratford traditional sports, and has the potential to place Stratford as the centre for motorsport and equestrian activities in the Taranaki region and in the long term at a national level.

#### 4. **BACKGROUND**

- 4.1 The A&P Association is a charitable organisation with donee status, registered with the Charities Commission. The Association requires funding to support the purchase of land neighbouring the A&P showgrounds for a new local business venture which would derive rental income for the Association in the long term. Stratford District Council has been approached to assist with the purchase of the neighbouring land by financing the purchase.
- 4.2 The land proposed to be purchased is in two parcels totalling 63 hectares, (44ha and 19ha) at, and surrounding, the Stratford A&P showgrounds at the north east end of Stratford
- 4.3 Total capital expenditure proposed for the Stratford Park Project, as per the business case and excluding the purchase of additional required land, has been estimated to be at least \$75,380,971.
- 4.4 The A&P Association intends to be the governing entity and landowner for all the four business areas. However, it is proposed that each business stream will fund its own infrastructure development costs and pay a land rental, currently estimated to be \$4,659 per hectare, but that is yet to be worked through with each of the business streams.
- 4.5 Supporting the Stratford Park project supports three of the four local government well-beings in the Local Government Act 2002, and aligns with the majority of the Stratford District Council Community Outcomes.

#### 5. **INFORMATION SUMMARY**

##### 5.1 **Analysis of Business Case – Key Points to consider**

###### ***Stratford Park Farm***

- Capex required of \$9,180,000 (including necessary infrastructure, but excluding additional land purchase requirements of 37 hectares) – unsure how the \$2,000,000 loan will be secured.
- Price for the additional 37 hectares required is currently under negotiation, unsure how this will be funded.
- Depreciation on any infrastructure has not been factored in – this may be acceptable as farming activity is not expected to continue once infrastructure for Stratford Park is built, and amount is considered immaterial.
- The 1.75% interest rate, assumes an interest rate of 1.5% (current LGFA rates suggest this would be on a 10 year fixed term), plus a 0.25% administration fee.

***Taranaki Speedway***

- Capex required of \$9,025,057 – unsure how any loan will be secured.
- Land rental based on a 10 hectare area. Current profits suggest Taranaki Speedway may be able to fund this during the construction phase, but they would need to be operating at existing base in the meantime.
- Annual Net Deficit of \$110,454 forecast (with 100% depreciation).
- Interest based on 2% over 40 years. It is considered that this rate is highly unlikely to be achieved without Council support.

***Taranaki Motorsport Park***

- Capex required of \$27,949,857 – of this it is expected that \$2,000,000 will be received from external funders, the rest is expected to be loan funded (unsure how this loan will be secured).
- Land rental based on a 38 hectare area. Funding will be required to ensure that the rental payment can be made during the construction phase unless the Taranaki Motorsport Park can create revenue making opportunities during this phase.
- Annual net profit of \$791,874 forecast (with 100% depreciation).
- Total capex requirement is \$27.9m, with \$2m of this expected to be funded by external funders and the remainder to be borrowed. It would be imprudent to accept that this would be achievable, with the Taranaki Motorsport Park not currently a legal entity with any assets.

***Taranaki Horse Park***

- Capex required of \$16,544,833 – unsure how any loan will be secured.
- No information provided on area required and annual ground rental payable to A&P Association.
- No analysis has been provided on projected revenue, expenses and net profit. Nor has the A&P Association provided any data on the expected usage of a proposed new \$16.5m facility.

***Taranaki Event Park***

- Capex required of \$12,681,224 – based on Indoor Trade Hall 2 option, will be much higher if Indoor Trade Hall 1 option is selected, unsure how any loan will be secured.
- No information provided on area required and annual ground rental payable to A&P Association.
- No analysis has been provided on projected revenue, expenses and net profit. Nor has the A&P Association provided any data on the expected usage of a proposed new \$20.3m facility.

**5.2 Analysis of Debt Levels**

Updated debt figures for the next ten years are currently unavailable as Council has not yet prepared the Long Term Plan 2021-31. The Long Term Plan 2018-28 estimates are now unsuitable for future debt projections with many changes proposed over the next ten years.

The current net debt to revenue ratio is 31%, compared to the LGFA cap of 175%. This is based on gross debt of \$15,500,000 and term deposit investments of \$7,000,000 – so net debt of \$8,500,000. It is expected that net debt will increase to approximately \$12,000,000 by the end of this financial

year, giving a ratio at year end of around 44%. Based on average annual revenue of \$24,000,000, this would allow net debt to increase to \$42,000,000 before covenants are affected. If revenue increases, net debt would be able to increase at a ratio of 1.75.

The issue of whether the loan will affect Council's net debt to revenue covenant depends on the ability for the A&P Association to pay interest as it falls due, and not rely on any future Council support. LGFA have advised that *"the third party would need to be a self-supporting entity ie. Not reliant on ongoing support from the Council"*. If that could be demonstrated, then the loan to the LGFA would be treated as an interest bearing investment that could be netted off debt, and therefore have no effect when calculating the net debt to revenue covenant.

The A&P Association has factored in debt repayments to the business case using a 40 year table loan. However it is proposed that loan repayments not be specified in the loan contract - instead this clause should be left open so that the ability to repay the loan, and therefore recalculate the interest expense, will be available to the A&P Association but not necessary.

### 5.3 Analysis of the property valuations

<b>Roger Malthus Valuation</b>	<b>Land</b>	<b>Improvements</b>	<b>Total</b>
9 Flint road - A&P Showgrounds, 15.7ha	1,250,000	1,050,000	2,300,000
26 Flint Road - 18.85ha	1,510,000	215,000	1,725,000
47 Flint Road - 44.8ha	2,125,000	160,000	2,285,000
	<b>4,885,000</b>	<b>1,425,000</b>	<b>6,310,000</b>
<b>Telfer Young Valuation</b>	<b>Land</b>	<b>Improvements</b>	<b>Total</b>
9 Flint road - A&P Showgrounds, 15.7ha	1,400,000	750,000	2,150,000
26 Flint Road - 18.85ha	2,800,000	200,000	3,000,000
47 Flint Road - 44.8ha	2,750,000	50,000	2,800,000
	<b>6,950,000</b>	<b>1,000,000</b>	<b>7,950,000</b>

The Roger Malthus valuation is more recent, and addressed to Council for the purposes of mortgage security so is therefore more relevant for comparison against the requested loan.

Although the difference between the valuation of the land and improvements and the requested loan of \$7,180,000 is \$870,000 currently, over time, this variance is expected to reduce, and in the long term reverse, as loan repayments are made, and the value of land and improvements increases. Council is mindful that this is a long term loan, which is expected to provide long term benefits to the Stratford district and community.

### 5.4 Other Risks to acknowledge

The project may not go ahead – With capital expenditure estimates for the full project of at least \$75,380,971 (excluding purchase of additional land), it is highly doubtful at this stage that funding will be able to be secured in the short term to ensure the project proceeds and creates momentum. Council may see this as a risk, as the financial support being provided is based on the premise that this project will contribute to the local government well-beings. If it does not proceed then the community outcomes expected, are unlikely to result.



Council may wish to incentivise the project by inserting a penalty clause into the contract if progress targets are not achieved within specific timeframes.

Significant Infrastructure may be required – With the increased traffic count at the area proposed for the Motorsport Park and Equestrian Arena, it is likely that the roading network will need to be upgraded to ensure there is no disruption to traffic flow and accessibility as a result of the development. Whether this will be paid for by the A&P Association, Stratford District Council, NZTA, or a combination of any of these parties is yet unknown.

Resource Consent issues cause delays or require termination of the project – No report has been provided to the Council demonstrating any investigation into the process of obtaining a resource consent and what will need to be considered. It is highly likely that the noise from the Speedway and Drag Strip activities will require significant restrictions at the least to ensure that the activities may take place on-site. There also may be other resource consent issues to consider in addition to noise.

Key Person risk – The major driver and visionary behind the Stratford Park project has been Neil McDonald. There is a risk that this project is heavily reliant on Mr McDonald’s leadership, expertise, and huge amount of input to drive the project. However, with the Steering Committee established, it provides some assurance that there are other knowledgeable and driven people who could continue the momentum of the project if Mr McDonald could no longer drive it.

Future Council involvement – There have been discussions of Council potentially becoming involved at either a governance level, or becoming an equity partner. This carries risk that the organisation with which the Council becomes involved in via either method could become a Council Controlled Organisation (“CCO”), as defined in the Local Government Act 2002. A CCO requires financial consolidation with Council’s Annual Plans, and Annual Reports, and auditing by Audit New Zealand, which could create significant additional cost, scrutiny, and time and effort.

## 6. STRATEGIC ALIGNMENT

### 6.1 Direction

This report supports the following Stratford District Council Community Outcomes:

- Outstanding Leadership
- Affordable, Quality Services and Infrastructure
- A Strong Community
- A Smart, Vibrant, and Prosperous District
- Stratford District as a unique destination
- Growth

6.2 **Annual Plan and Long Term Plan**

No provision has been made for the Stratford Park Project in the Annual Plan 2020/21 or the Long Term Plan 2018-28.

As part of the preparations for the Long Term Plan 2021-31, Council will consider what the implications of any decision will have on Council debt levels, future infrastructure expenditure requirements, and Council's contribution to each of the four well-beings.

6.3 **District Plan**

Later stages of the Stratford Park development are unlikely to fully meet the requirements of the District Plan and so are likely to require resource consents. This stage does not give rise to any District Plan issues.

6.4 **Legal Implications**

A legal opinion has been sought from Simpson Grierson in relation to this Council decision which has been presented to Council in September 2020 and to the Audit and Risk Committee in October 2020.

6.5 **Policy Implications**

The Treasury Management Policy will require updating if the loan proceeds.

**Attachments:**

**Appendix 1** Stratford Park Business Case

**Appendix 2** Valuations



Tiffany Radich  
**DIRECTOR – CORPORATE SERVICES**



[Approved by]  
Sven Hanne

**CHIEF EXECUTIVE**

**DATE**

19 November 2020

## APPENDIX 1

6

# STRATFORD PARK

*Bringing people to Stratford.*

PROVIDING FACILITIES *for*

ENTERTAINMENT | RECREATION | EDUCATION | CREATIVE IDEAS

*An opportunity to re-invent Stratford*

*The Stratford Park Project fulfills community needs and delivers significant cultural, social and economic benefits to the Stratford and wider Taranaki regions.*



**Bringing people to Stratford.**



# INTRODUCTION

*In December 2016, the Stratford A&P Association began the process of creating a strategic plan to take the 110-year-old Association into the future.*

They quickly identified that their current facilities were no longer fit for purpose and needed replacing. It also became evident many other organisations were in a similar situation. District and regional infrastructure had been described as a 'ticking time bomb' in regional economic reports.

The concept of a 'Stratford Park' has emerged from the many discussions and meetings that have been held between various groups over the past four years.

In July 2019, the Taranaki Electricity Trust awarded a grant to the Stratford A&P Association to undertake a feasibility study on the Stratford Park concept. Following on from this, a draft business case model has been developed and is provided in the following pages.

A multi-generational approach has been kept at the forefront of all discussions thus far, along with emphasis on providing opportunities for our children's children.

A public submission process has been completed with overwhelming support for the project.

This document explains the extent of project planning that has been possible to this point but also reflects what the future could look like once approval is given and appropriate regional interests can be fully explored. Further business planning will then be accelerated and expanded to ensure the full potential of this project is achieved, particularly for the Stratford district but also for the wider Taranaki region.

**Neil McDonald**

Project Steering Committee | 16/11/20.





# STRATFORD PARK

*Bringing people to Stratford.*

## OUR PRIORITIES:

- ▷ Enhance Stratford with unique, iconic, major events
- ▷ First-choice venue for Major Regional Events
- ▷ Create an attractive landscaped working park
- ▷ Partner with creative & entrepreneurial business opportunities
- ▷ To inspire and set an example for future community leaders
- ▷ Providing community infrastructure for many generations
- ▷ **To bring out the best in people**

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*"It also allows the energetic Committee of the A & P and others to develop the idea without impacting on Council resources. I think this is a great idea that will be well supported and will benefit many and the community and I believe many people will come to Taranaki because of this facility and that in turn will also benefit the Community.*

*I very much support this whole idea as we are in need of excellent Equestrian and Motorsport facilities in Taranaki, especially one that is central. Many years ago I was hoping Stratford A & P would do something like this for Equestrian, and I am very pleased to see this idea that could help motorsport as well. It is very awesome to be living life in a positive sporting way with other like minded people.*

*Thank you so much for considering this idea."*

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*- Vicki Wickham*



An opportunity to reinvent Stratford

# COMMUNITY FEEDBACK

*Bringing people to Stratford.*

*"What an opportunity for not only Taranaki Equestrian and Taranaki Motorsport but also an amazing opportunity for New Zealand. This will put Stratford seriously on the MAP"*

*Wayne Bloor*



Image by: Unsplash

*"I live in Stratford and want to see this go ahead."*

*Daniel Park*

*"This is a massive opportunity for Stratford to be the hub of an ultimate facility, globally catering not just for motorsport and equestrian but accommodating for a lot of other aspects of interest and business within the region and making Stratford, Taranaki, New Zealand the place to be!"*

*-Mike Kiser*

*"We are 100 percent behind this project and hoping our children and their children will benefit from this going ahead in years to come. This project will also create more jobs in the community so it's a win win situation."*

*-Chris & Jeanette Uhlenberg*

*"If a District is both lucky and fortunate, it may be presented with an opportunity for betterment approximately once in a twenty-year period. With respect to the Stratford Park Project, it has multiple components, which independently are rather insignificant to a district, but collaboratively form a major asset to the district."*

*"Stratford Park Project, I see as a short to medium term project which can best be described as a new Suburb of Stratford."*

*-Kevin O'Neill*



Image by: Unsplash

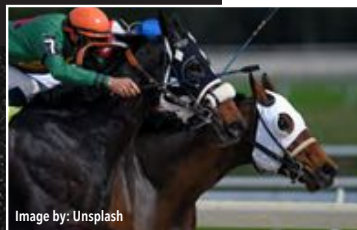


Image by: Unsplash

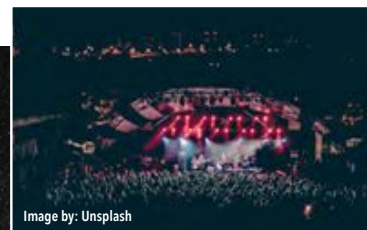


Image by: Unsplash

*"This is too good an opportunity for Stratford and Taranaki to be passed up."*

*Jarrod MacBeth*

# FINANCIAL SUMMARY

For the purposes of this business case we are aiming for a \$2 million grant initially to support the driver training section. All other funding requirements are based on 100% borrowings, however all efforts to fund capital expenditure by other means are to be fully investigated.

All borrowings are based on 40-year loans with annual interest and principal repayments. This indicates the next two generations will have debt to repay whilst the third through to sixth generations will have freehold land and facilities to benefit from.

## ▷ EQUITY

There is potential to decrease borrowings by incorporating private equity.

The assumption made at this point from a cash flow prospective is that any 'return on equity' required would be equal to the principal and interest on loans.

## ▷ COUNCIL LOAN

The \$7.18 million loan from the Council can comfortably be repaid if the term of the loan is approximately 40 years. The ability to meet the annual repayments of the loan is not significantly altered whether the land is under a farming regime (\$4,141/ha), or a facility regime (\$4,659/ha).

Land rental for all tenants begins from the beginning of the construction period, not the beginning of the operating period. This insures cash flow for loan repayments is not impacted.

## ▷ NET PROFIT

Net profit figures are net profit after principal repayment obligations have been met.

## ▷ DEPRECIATION

Depreciation figures have been provided and figures without depreciation have also been provided. It is not Stratford Park's intention to replace the major infrastructure as societal needs in the year 2150 (five generations) may be different from today.

**Please note the current A&P facilities are into their fifth generation.**



# STRATFORD PARK

Owner/Landlord: Stratford A & P Association  
Governed by: Stratford A & P Board of Directors or Trustees.

Stratford Park will be owned by the Stratford A&P Association who are considered the landlord.

The Park will be governed by a Board of Directors or Trustees.

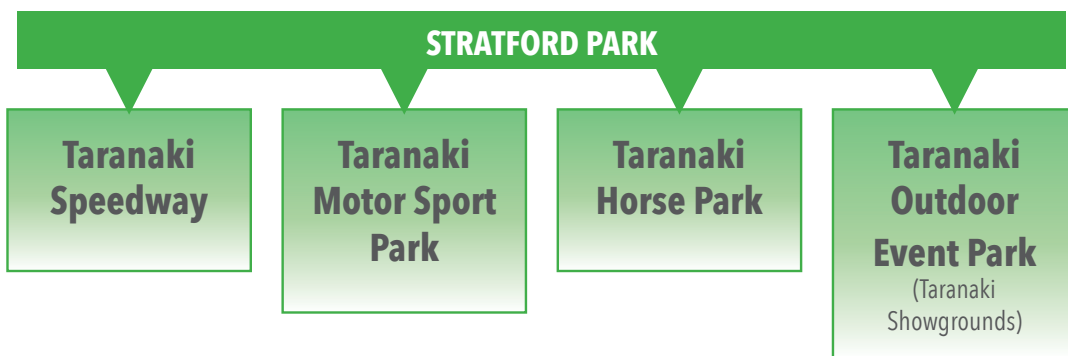
It is envisaged that a dedicated board suitably appointed or elected will oversee the governance of the Stratford Park entity.

▷ COMMENTARY:

**The Stratford A&P Association have had a long and successful working relationship with the Taranaki Stock Car Club since 1964. This arrangement will continue and be duplicated with the other activities of Stratford Park.**

This will ensure the security of land tenure is free from political interference and allows the tenant operators to undertake long term strategic planning.

**STRATFORD PARK WILL INITIALLY CONSIST OF FOUR PARTNERSHIPS.**



It is intended that Stratford Park will receive a set ground rental from the partners.

For business model purposes this per hectare rental has been set at \$4,659 per hectare.



# STRATFORD PARK FARM

Managed by: Stratford A & P Association

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## Capital Expenditure borne by: Stratford A & P Association

ACREAGE	RUNNING TOTAL (Ha)	EFFECTIVE (Ha)	Price (\$)
Stage 1	63	57	7,180,000
Stage 2	81	75	under negotiation
Stage 3	100	94	to be negotiated.

### ▷ COMMENTARY:

The business model has allowed \$2 million for Stratford Park capital costs to provide necessary infrastructure for electricity, water, sewerage, internet, access roading etc. Whilst this \$2 million has been included as borrowings in this model, there may be the potential of it being received as grants.

### Funding - Stage 1

CAPEX required	\$7.18 million	Borrowings	\$7.18 million
Term loan	40 years	Interest rate	1.75%
Annual interest	\$125,650	Principal	\$121,131

The interest and principal above is based on the first year of a table loan.

### Performance

Annual revenue	\$299,131
EBITDAR	\$260,879
Net Profit after principal repayments	\$14,098
Operating surplus per hectare	\$4,141

### TRANSITION TO FACILITY CONSTRUCTION

#### ▷ COMMENTARY:

To ensure the annual repayments for the \$7.18 million loan are met during the construction phase, the operator will be required to pay the land rental fee from the beginning of construction. This will ensure that all land loan repayments are met.

See Appendix 5 for a detailed Farm Budget.

An opportunity to reinvent Stratford

# TARANAKI SPEEDWAY

*"Not only would this be an awesome opportunity for Stratford it would be awesome for the whole region, I'm sure everyone knows the positive impact that speedway has for Stratford and all the visitors it brings, this would only mean more visitors to the region, hopefully with the capability of holding major motorsport events. Taranaki needs a Motorsport Park desperately and Stratford would be the perfect place for it."*

Joshua Swetman

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# TARANAKI SPEEDWAY

*"This would benefit the Stratford District in particular hugely if it goes ahead. The very well run speedway in particular would have the best facilities in the country and would attract big crowds and competitors.  
It's really a win win for the district."*

*Joe Ingram*

## OPERATOR OPTIONS

Taranaki Stock Car Club  
Promoter

### Capital Expenditure funding options, under all scenarios, could be borne by:

- Option 1 Taranaki Stock Car Club (TSCC)
- Option 2 Stratford Park
- Option 3 Joint Venture - TSCC and Stratford Park

## Funding

CAPEX required	\$9.03 million	Borrowings	\$9.03 million
Term loan	40 years	Interest rate	2.00%
Annual interest	\$180,501	Principal	\$142,948

The interest and principal above is based on the first year of a table loan.

## Performance

Annual revenue	\$887,675	
EBITDAR	\$393,339	
Net Profit after principal repayments	(\$110,454)	100% Depreciation
	\$46,580	0% Depreciation

### ▷ COMMENTARY:

It should be noted that the Taranaki Stock Car Club could receive significant extra revenue through hiring out their facilities during the off-season and non-speedway weekends. This potential extra revenue has not been considered in this business model, nor has any potential revenue from catering and dining opportunities.

Annual Events: 19  
Annual Spectators: 46,020

See Appendix 1 for a detailed Speedway Financial Model



An opportunity to reinvent Stratford

# TARANAKI MOTORSPORT PARK

*"Having been involved in motor sport from Go Karts to F1 as mechanic to the world champion I have seen what this sort of help can do for the sport and it's thousands of followers. The equestrian and any other sports just add to the value of the proposal."*

*Max Rutherford*

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Image by: Unsplash



Image by: Unsplash



Image by: Unsplash



Image by: Unsplash

# TRANSPORT & MOTOR CENTRE

## FACILITIES

CAR STORAGE  
 MOTOR TRADE VILLAGE  
 (Tyre Centres, Auto Electricians, WOF, etc.)  
 MEN'S SHED  
 COMMUNITY WORKSHOP / GARAGE  
 MOTORSPORT CLUBROOMS HIRE  
 ACCOMMODATION  
 MOTIVE ENERGY AND R & D UNIT

## EVENTS

REMOTE CONTROL RACING  
 LAWNMOWER RACING  
 BMX RACING  
 DRONE RACING  
 KARTING  
 AUTOCROSS  
 RALLY CROSS  
 MOTOCROSS  
 DRIFTING  
 DRAG RACING  
 BUGGY RACING  
 CAR RACING  
 MOTORCYCLE RACING  
 4WD CHAMPIONSHIPS

## EDUCATION

DRIVER TRAINING  
 (Head Start, Remote Control training, Farm Vehicle & Machinery Training, Off-Road Training, Digger Training, Police Full and Partial Licency Driver Training, School Training, Skill Development, Youth Licences)

## BUSINESSES

CAR DEALERSHIPS  
 (Supplier Test Facility & Demonstration Days)  
 GARAGE REPAIRS  
 MOTIVE ENERGY AND R&D  
 DRIVER TRAINING BUSINESSES  
 JOINT VENTURES  
 REGIONAL TRANSPORT INFRASTRUCTURE  
 (H2 & EV)

## TRACKS / CIRCUITS

SPEEDWAY  
 SEALED,  
 (School Mini Track, Full Circuit 4.5km, Short Circuit 2km, Drag Strip, Rallycross, Skid Pan)  
 UNSEALED  
 (Auto Cross, Gravel Circuit, Motocross & BMX)

*"As a person involved in road safety, having a local facility that would allow driver training, advanced driver training, motorcycle skills and activities for specific driving requirements could have a significant impact on driver education in Taranaki."*

*Marion Webby*

# TARANAKI MOTORSPORT PARK

## OPERATOR OPTIONS

Taranaki Motorsport Trust

Stratford Park (managed by Stratford Park Event Management Team)

Promoter

## Capital Expenditure funding options, under all scenarios, could be borne by:

- Option 1 Taranaki Motorsport Trust (TMT)
- Option 2 Stratford Park
- Option 3 Joint Venture - TMT and Stratford Park
- Option 4 Private Investor

## Funding

CAPEX required	\$27.95 million	Borrowings	\$25.95 million
Term loan	40 years	Interest rate	2.00%
Annual Interest	\$518,997	Principal	\$411,019

The interest and principal above is based on the first year of a table loan.

▷ COMMENTARY:

This model is based on receiving a \$2 million grant for the Driving School from external sources.

## Performance

Annual revenue	\$3,874,175	
EBITDAR	\$2,343,668	
Net Profit after principal repayments	\$761,874	100% Depreciation
	\$1,135,867	0% Depreciation

Annual Events: 88  
Annual Spectators: 70,450

See Appendix 2 for a detailed Motorsport Financial Model



An opportunity to reinvent Stratford

# TARANAKI HORSE PARK

*"A purpose built equestrian facility in Taranaki would be a wonderful asset. I am the Chair of Taranaki Equestrian Jumping and we are lacking a good indoor facility in Taranaki. This would be a real asset to the equestrian community and could also draw in competitors from all around New Zealand as an event venue."*

Tanya Hansen



Image by: Unsplash

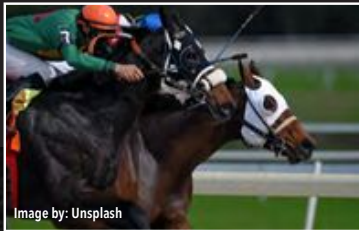


Image by: Unsplash



# TARANAKI HORSE PARK

## OUTDOOR ARENAS

- WESTERN ARENA
- ALL WEATHER SAND ARENA
- CARRIAGE TRAIL
- POLO FIELD
- CROSS COUNTRY COURSE
- RDA
- SHOW RING (3)
- DRESSAGE ARENA
- SHOW JUMPING ARENAS (3)
- BRIDLE TRAIL

## RACETRACK

- GRASS TRACKS
- SAND TRACKS
- SYNTHETIC TRACK (TRAINING)
- STABLES FOR RENT
- CROSS COUNTRY COURSE
- HOT WALKER
- WATER WALKER
- STABLES
- ROUND PENS
- EQUINE POOL
- PLUNGE POOL
- AI CENTRE

## PROGRAMMES

- RIDING SCHOOLS
- CLINICS
- CREDITS
- HORSE ACADEMY

## INDOOR ARENA

### INDOOR FACILITIES

- STABLES
- RDA
- CIVIL DEFENCE
- SHOWS

### AMENITIES

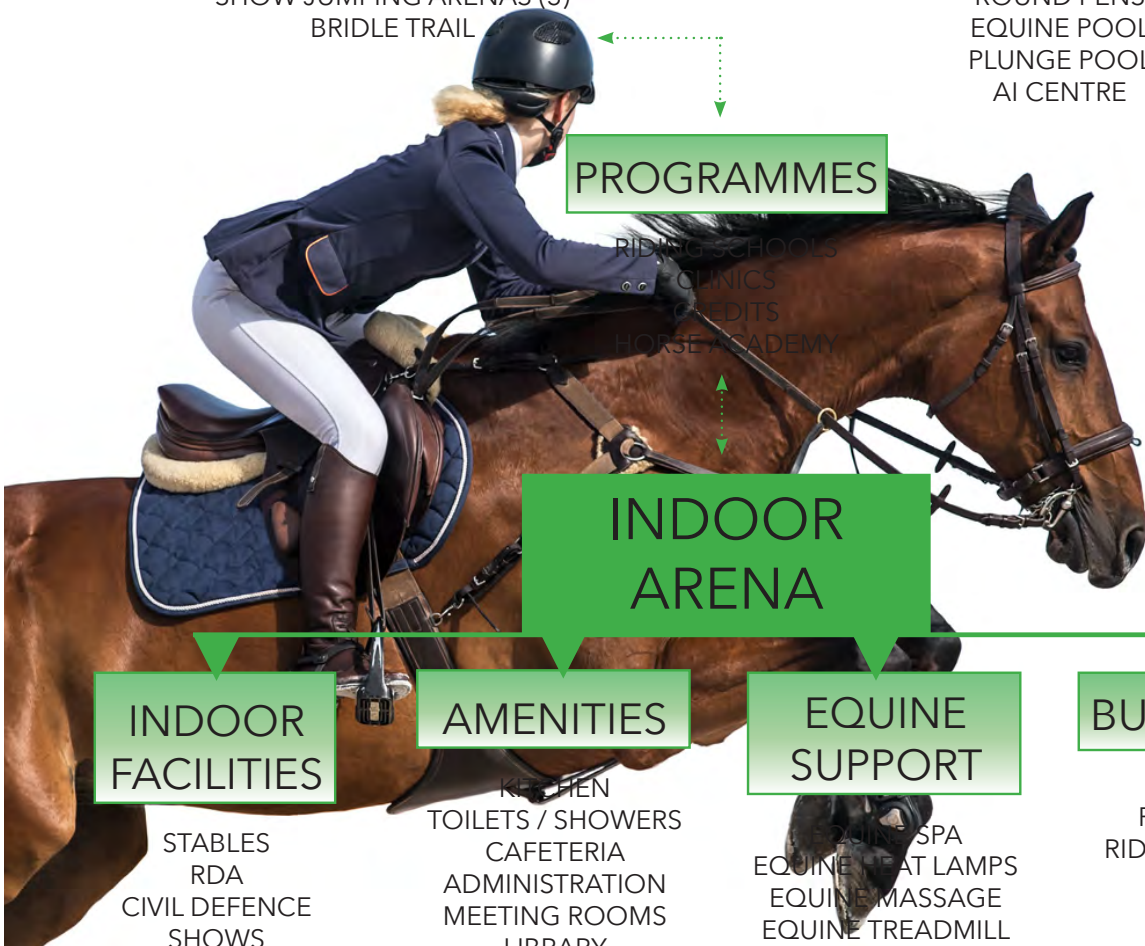
- KITCHEN
- TOILETS / SHOWERS
- CAFETERIA
- ADMINISTRATION
- MEETING ROOMS
- LIBRARY
- CRECHE
- MUSEUM

### EQUINE SUPPORT

- SPA
- EQUINE HEAT LAMPS
- EQUINE MASSAGE
- EQUINE TREADMILL
- REHABILITATION

### BUSINESSES

- SADDLERY
- FEED STORE
- RIDING SCHOOLS
- CAFETERIA
- FARRIERS
- VET CLINIC
- DENTIST
- RIDE-A-HORSE
- HIRE-A-FLOAT
- LIVERY





# TARANAKI HORSE PARK

*"I believe the equestrian park will cater for a wide range of equestrian groups in Taranaki, which is a lot of athletes. It will also enable National events to be held here which is good for Stratford and our whole province, so it is certainly worth investing in."*

*Bev Mulder*

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## OPERATOR OPTIONS

Stratford Park Horse Park Sub-Committee

(Consists of representatives from Racing, Equestrian and A&P)

**Capital Expenditure funding options, under all scenarios, could be borne by:**

Option 1      Stratford Park

## Funding

CAPEX required	\$16,544,833	Borrowings	\$16,544,833
Term loan	40 years	Interest rate	2.00%
Annual interest	\$330,897	Principal	\$262,053

The interest and principal above is based on the first year of a table loan.

## Performance

Annual revenue	To be determined	
EBITDAR	To be determined	
Net Profit after principal repayments	To be determined	100% Depreciation
	To be determined	0% Depreciation

▷ COMMENTARY:

The Taranaki Horse Park Financial Model is a work in progress and should be completed shortly.

The Horse Park will be significantly enhanced if the 63 hectare Stratford Racing Club property is incorporated in to the proposed park. Therefore the Business Model is based on this assumption. This will have the additional advantage of giving security of land tenure for thoroughbred and standard-bred interests.

**Please note: Stratford Racing Club land tenure is currently insecure due to recent government legislation.**

Annual Events: TBD  
Annual Spectators: TBD

See Appendix 3 for Work so far completed.

An opportunity to reinvent Stratford

# TARANAKI EVENT PARK (Showground)

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# TARANAKI EVENT PARK (Showground)

*"This project has the potential to have significant benefits for the local Stratford community, the Taranaki region, and national / international sporting groups. The approach taken thus far by the Stratford A&P in the conception of this potential multi-purpose facility has been holistic, logical, and well co-ordinated."*

Mathew Dickey

## EVENTS PARK

STRATFORD A & P

### FACILITIES

- INDOOR TRADE HALL
- LIVESTOCK BARNs
- MULTI-PURPOSE BARNs
- CAMPING KITCHEN
- MUSIC STAGE
- CONFERENCE FACILITY
- OUTDOOR OVAL
- OPEN SPACE
- SPORTS FIELDS
- ACCOMMODATION

### EVENTS

- CONCERTS
- EXPOS
- FESTIVALS
- FIELD DAYS
- A & P SHOWS
- NATIONAL EVENTS
- TRADE SHOWS
- LEISURE ACTIVITIES
- HOBBIES

### PARTNERSHIPS

- ENTREPRENEURIAL IDEAS
- CREATIVE PROJECTS
- EVENT MANAGEMENT
- START-UP BUSINESSES
- TOURISM
- EDUCATIONAL TRAINING
- VOLUNTEERISM



Image by: Unsplash

# TARANAKI EVENT PARK (Showground)

## OPERATOR OPTIONS

Stratford A&P Association  
(Managed by Stratford Event Management Team)

### ▷ COMMENTARY:

It is possible that a small Event Management Team may be formed to manage the large number of events that will be held over all four tenancies of Stratford Park. This team could possibly be aligned or joined with Venture Taranaki, TAFT and/or the Stratford District Council.

**Capital Expenditure funding options, under all scenarios, could be borne by: Stratford Park**

CAPEX required	\$12,681,224	Borrowings	\$12,681,224
Term loan	40 years	Interest rate	2.00%
Annual interest	\$253,624	Principal	\$200,858

The interest and principal above is based on the first year of a table loan.

## Performance

Annual revenue	To be determined	
EBITDAR	To be determined	
Net Profit after principal repayments	To be determined	100% Depreciation
	To be determined	0% Depreciation

### ▷ COMMENTARY:

This section is still a work in progress. We will approach regional leaders for their input into how best to use Stratford Park to overcome inadequate regional infrastructure. This will enable us to provide more accurate business planning.

Please see Appendix 4 for potential CAPEX figures.

### ▷ COMMENTARY: Potential events include:

- Agricultural Field Days
- NZ Energy Expo
- NZ Motorsport Festival
- NZ Electric Vehicle Expo
- National Horse of the Year
- Equidays; Equitana; Equifest
- Any Outdoor Expo requiring large amounts of space.

Annual Events: TBD  
Annual Spectators: TBD

# RISK ANALYSIS

## STRENGTHS

- ▷ An established, politically neutral parent entity. (A&P)
- ▷ Overwhelming community support
- ▷ Local council support
- ▷ Strong local volunteer culture
- ▷ Beautiful green space entrance to Stratford
- ▷ Multi-generational project approach
- ▷ A main road location and a railway line for transport options
- ▷ Improves the Stratford lifestyle
- ▷ Diversity of creative opportunities

## WEAKNESSES

- ▷ **LAND-LOCKED**
- ▷ The project is land-locked to the west by a SH3, to the south by residential housing, to the east by the Golf Club and to the north by the Kahouri stream. There is no room for land expansion.
- ▷ **LAND TOO FLAT**
- ▷ The land lacks suitable rolling countryside for low-cost spectator viewing
- ▷ **RACECOURSE LAND INSECURITY**
- ▷ Due to recent government legislation, the current racecourse ownership is vulnerable

## OPPORTUNITIES

- ▷ To join with iwi in reinventing Stratford
- ▷ To increase Stratford's GDP by 10 - 15%
- ▷ Hundreds of job opportunities creating population increase.
- ▷ Join with Ara Ake for motor transport and project design
- ▷ Century-low interest rates
- ▷ Property value increases for Stratford
- ▷ To be an example to small-town New Zealand
- ▷ To build self-esteem and civic pride in our children

## THREATS

- ▷ **TRANSMISSION LINES**
- ▷ The transmission lines can be buried at an additional cost.
- ▷ **INTEREST RATE RISES**
- ▷ Currently we can lock in 15 year term loans around 2.00%
- ▷ **LACK OF CAPITAL FUNDING**
- ▷ "Capital always finds its way to good projects" Bryce Barnett
- ▷ **RESOURCE CONSENT ISSUES**
- ▷ An opportunity to re-zone for long-term operational security
- ▷ **MOVING TOO SLOW**
- ▷ The community is currently energized and highly motivated by this project



# 2021 PRIORITIES

- 2020 Dec
  - Purchase Lilley land (\$7.18 million).
  - Sign a sale and purchase agreement for the Gilbert South land.
  
- 2021 Jan
  - Present formal recommendations to Stratford A&P Association.
  - Introduce the project to local iwi.
  - Revisit Strategic vision with SDC, iwi, community & possibly WITT.
  - Begin addressing all resource consent issues.
  
- Feb
  - Identify and apply for short term seed money, ie. 6-12 mth budget.
  - Identify human resource requirements for 2021.
  
- May
  - Finalize governance and management structures.
  - Finalize strategic vision, goals and guiding principles.
  
- June
  - Revisit the "Stratford Park" name.
  - Develop a capital funding strategy and plan.
  - Identify planning and architectural design partners.
  - Create more detailed spatial master plan, including landscaping framework.
  - Create Stratford Park fundraising plan, incl. Stfd Park Foundation.
  - Begin discussions with philanthropic donors and community funders.



Disclaimer: This business plan and the accompanying appendices reflect the information available at the preliminary feasibility stage of this project. Modifications to this plan can be expected as circumstances change and more advanced information becomes available.

Artwork by: Hayley Menzies (e) [signaturegraphics@bigpond.com](mailto:signaturegraphics@bigpond.com)



## 1.0 TARANAKI SPEEDWAY

**Important:** Please note all prices in this section are GST exclusive unless otherwise stated.

This section will investigate the future operating performance of Taranaki Speedway based on the proposed facility development. The Overview Table below summarizes the differences between the current Speedway facility and the future Speedway facility.

Overview			
Category	Facility	Current	2024/25
Speedway Track	Track	370m inside	370m inside
		450 m outside	450m outside
		12m width	12m width
	Track Surface	Papa	Clay/Lime
	Fencing	4m high netting	4m high netting
	Wire Ropes	4	4
	Lighting	8 poles	8 new poles
	Pole Line	370 m	370m inside
	Drainage		4 concrete sumps
Spectators	Meetings	17 regular, 2 national	18 regular, 1 national
	Annual Spectators	38,349	46,020
	Av. Crowd	2,018	2,422
	Ticket Pricing	see Table 7.1.3 A	see Table 7.1.3 B
	Total Seating	3,300	5,000
	Covered Seating	480	1,250
	Uncovered	2,820	3,750
	Clubrooms	Separate	Part of Grandstand
	Scorers Tower	Separate	Part of Grandstand
	Announcer's Box	Separate	Part of Grandstand
	Corporate Boxes	4	8
		Separate	Part of Grandstand
	First Aid	Separate	Underneath Grandstand
	Vehicle Checking	Separate/Outside	Underneath Grandstand
Pit Area	Pit	All Grass	5m * 4.5m concrete
	Parking	Grass	Grass
	Roadway to track	Grass/Metal	Asphalt
Property	Usage	Shared	Sole usage
	Operating Area	Approx 8ha	????
Finances	Gross Profit	\$615,224	\$887,675
	Net Profit	\$76,178	\$46,580

### 1.1.1 Taranaki Speedway Facility Requirements and Capital Cost Estimates

The costs below describe the facility requirements by Taranaki Speedway, which is based on a complete relocation of the Speedway track.

*Note, costs below do not include escalation, external works and consenting.*

Table 1.1.1 Infrastructure Requirements				
Category	Facility	Cost		Price Quoted
Speedway Track	Track	121,000		Yes
	Concrete Wall	610,000	480m x1.5 m x 0.2m	Yes
	Fencing	130,000		Yes
	Wire Ropes	23,000	4 wire ropes	Yes
	Lighting	520,000	8 poles - 5 bulbs per pole.	Yes
	Pole Line	45,000	370m x \$122	Yes
	Drainage	30,000	4 concrete sumps	Yes
	Site/Services	100,000	Earthworks Preparation	
	<b>Sub-Total</b>	<b>1,579,000</b>		
Seating/Clubrooms	Grandstand	4,062,000	1250 seats x \$3,250 per seat	Yes
	Site/Services	100,000	Earthworks Preparation	
	Uncovered	532,500	3750 seats x \$142 per seat	Yes
	Site/Services	100,000	Earthworks Preparation	
	<b>Sub-Total</b>	<b>4,794,500</b>		
Pit Area	Sealing	255,225	4,150 sq. metres	Yes
	Concrete Pads	280,000	5m x 4.5m x 140 exhibitors	Yes
	Site/Services	100,000	Earthworks Preparation	
	<b>Sub-Total</b>	<b>635,225</b>		
Sundry	Toilet Blocks (2)	250,000	\$125,000 per block	Yes
	Other	200,000	Security Fence	
	<b>Sub-Total</b>	<b>450,000</b>		
<b>Sub-Total</b>		<b>\$7,458,725</b>		
Sub-Total Incl. 10% fees		\$8,204,598		
<b>Total incl. 10% Contingency</b>		<b>\$9,025,057</b>		



### 1.1.2 Overview of Club

(Source: Stratford Development Feasibility Study Stage One – January 2020)

#### Membership

- Currently the Club has 248 members, which includes 199 competitors, 24 non-competitors and 25 life members
- The price for an adult membership is \$150 (GST inclusive), for a non-competitor is \$75 (GST inclusive) and for a youth membership it is \$62.50 (GST inclusive).

#### Speedway Season

- At each event there can be up to 120 cars
- The Speedway season runs from 1<sup>st</sup> October through to 15<sup>th</sup> April

### Current Financial Overview

#### Statement of Profit or Loss

The table below outlines the profit or loss statement for the last 3 years.

Table 1.1.2A Profit & Loss Statement for Taranaki Speedway				
	2017/18	2018/19	2019/20	Average
<b>Trading Income</b>				
Corporate Box		357	14,539	4,965
Gate Takings	363,491	370,038	425,825	386,451
Sponsorship	41,096	37,930	35,085	38,037
Other	115,130	116,825	139,775	123,910
<b>Total</b>	<b>519,717</b>	<b>525,150</b>	<b>615,224</b>	<b>553,364</b>
Cost of Sales	17,989	26,159	24,299	22,816
<b>Gross Profit</b>	<b>501,728</b>	<b>498,991</b>	<b>590,925</b>	<b>530,548</b>
Other Income	5,806	4,353	4,795	4,985
<b>Expenses</b>				
Cleaning	8,855	4,398	4,680	5,978
Depreciation	26,178	38,138	41,132	35,149
Insurance	8,725	9,455	10,234	9,471
Power	6,705	6,885	4,536	6,042
Rates	5,283	7,453	7,105	6,614
Rent	30,566	28,844	38,167	32,526
Repairs & Maintenance	36,289	22,901	34,813	31,334
Rubbish	8,514	6,540	3,859	6,304
Wages	10,800	19,564	21,049	17,138
Other	327,531	312,177	340,181	326,630
<b>Total</b>	<b>469,446</b>	<b>456,355</b>	<b>505,756</b>	<b>477,186</b>
<b>Net Profit</b>	<b>38,088</b>	<b>46,989</b>	<b>89,964</b>	<b>58,347</b>

### Current Ticket Pricing

Taranaki Speedway currently has a complex ticket pricing schedule involving 3 different categories for regular season meetings, plus an additional two categories for national teams champs (national) meetings. The Taranaki Speedway prices in the graph below are based on the 2019/20 season.

Table 1.1.2B 2019/20 Pricing Schedule (GST included)				
	Adult	Child	Family	Student
Category A	\$18	\$6	\$38	\$12
Category B	\$20	\$8	\$45	\$15
Category C	\$25	\$10	\$55	\$18
Category D	\$30	\$15	\$70	\$20
Category E	\$40	\$20	\$90	\$25
Weighted average for Categories A, B, C (Regular meetings)	\$21	\$8	\$48	\$15
Weighted average for Categories D, E (National meetings)	\$35	\$18	\$82	\$23

Additionally the following information is relevant.

- Category C meetings contribute to 43% of annual ticket sales revenue (av. crowd = 2391)
- Category B meetings contribute to 38% of annual ticket sales revenue (av. crowd = 2418)
- Category A meetings contribute to 19% of annual ticket sales revenue (av. crowd = 1220)

Based on 2019/20 figures the following assumptions can be used for a regular meeting:

- 7% of total attendance numbers are gained through a child ticket
- 32% of total attendance numbers are gained through an adult ticket
- 32% of total attendance numbers are gained through a family ticket
- 11% of total attendance numbers are gained through a student/pensioner ticket
- 18% of total attendance numbers are gained through a complimentary ticket

Based on 2018/19 and 2019/20 figures the following assumptions can be used for national meetings:

- 4% of total attendance numbers are gained through a child ticket
- 47% of total attendance numbers are gained through an adult ticket
- 27% of total attendance numbers are gained through a family ticket
- 13% of total attendance numbers are gained through a student/pensioner ticket
- 9% of total attendance numbers are gained through a complimentary ticket

Table 1.1.2C Ticket Pricing - 2019/20 (GST Inclusive)				
	Adult	Child	Family	Student
<b>Regular Meetings</b>				
Taranaki (weighted average)	\$21	\$8	\$48	\$15
Palmerston Nth	\$25	\$10	\$60	
Rotorua	\$22	\$8	\$48	
Te Marua	\$23	\$10	\$55	
<b>National Meetings</b>				
Taranaki (weighted average)	\$35	\$18	\$82	\$23
Palmerston Nth	\$83	\$35	\$148	

### 1.1.3 Possible Ways to Improve Club Revenue

Future ticket pricing is based on Table 1.1.3A prices.

Table 1.1.3A Ticket Pricing - 2024/25 (GST Inclusive)				
	Adult	Child	Family	Student
Regular Meeting (20% increase)	\$25	\$10	\$58	\$18
National Meeting (30% increase)	\$46	\$23	\$107	\$30

Future spectator numbers are based on Table 1.1.3B

Table 1.1.3B Taranaki Spectator Numbers				
	2018/19	2019/20	Average	2024/25
Regular Meeting	34,211	32,340	33,276	39,931
National Meeting	3,723	6,424	5,074	6,089
<b>Total</b>	<b>37,934</b>	<b>38,764</b>	<b>38,349</b>	<b>46,020</b>
2019/20 regular meeting number is projected due to Covid				
2024/25 number is a 20% increase due to superior spectator facilities				

#### Future Operational Opportunities

- Currently, the Club does not sell pre-sale tickets as they do not have numbered seating. With numbered seating, the Club has identified that pre-sales could increase their income by 10% to 15% per year.
- The club also predicts a 5 – 10% increase in walk-up spectator numbers due to upgraded facilities.
- The Club also believe Sponsorship and Corporate Box income has significant room for improvement with upgraded facilities. Please see Table 1.1.4A notes.

Table 7.1.3C summarizes potential ticket sales revenue.

Table 1.1.3C Ticket Revenue 2024/25						
	Adult	Child	Family	Student	Complimentary	Total
Regular Meeting %	32%	7%	32%	11%	18%	
Regular Meeting Nos	12,778	2,795	12,778	4,392	7,188	<b>39,931</b>
2024/25 Ticket Price	\$25	\$10	\$58	\$18		
Revenue	\$322,004	\$26,834	\$122,668	\$79,063		<b>\$550,569</b>
						<b>\$478,755</b> (GST excl)
National Meeting %	47%	4%	27%	13%	9%	
Nat. Meeting Nos	2,862	244	1,644	792	548	<b>6,089</b>
2024/25 Ticket Price	\$46	\$23	\$107	\$30		
Revenue	\$130,213	\$5,699	\$29,209	\$23,668		<b>\$188,789</b>
						<b>\$164,165</b> (GST excl)

### 1.1.4 Taranaki Speedway Financial Projections

#### Estimated Future Revenue for Taranaki Speedway

Table 1.1.4A describes the estimated future revenue for Taranaki Speedway compared to the previous annual revenue received in FY2019/20.

<b>Table 1.1.4A Annual Revenue for Taranaki Speedway</b>			
	<b>2019/20</b>	<b>2024/25</b>	<b>Notes</b>
Membership Subs	22,709	22,709	As per FY2019/20
Sponsorship	35,085	68,500	(A)
Corporate Box	14,539	36,480	(B)
Regular Meet Tickets	268,920	478,755	(C)
National Meet Tickets	156,905	164,165	(D)
Demolition Derby	3,487	3,487	As per FY2019/20
Catering Rights	12,000	12,000	As per FY2019/20
Junior Memberships	2,005	2,005	As per FY2019/20
NZ SS Champs	1,739	1,739	As per FY2019/20
Prizegiving	8,870	8,870	As per FY2019/20
Programme Sales	7,343	7,343	As per FY2019/20
Programmes + Advertising	18,509	18,509	As per FY2019/20
Sales (Souvenir Shop)	50,670	50,670	As per FY2019/20
St. John's Driver Payments	12,226	12,226	As per FY2019/20
Transmitter Hire/Sales	217	217	As per FY2019/20
<b>Total</b>	<b>\$615,224</b>	<b>\$887,675</b>	
(A) Includes 4 boxes sold @\$10,000 for the whole season and 1 box for event day naming rights at an average of \$1,500 for 19 meetings			
(B) 3 boxes @ \$800/night for 19 meetings. Sales @ 80%			
(C) Due to superior spectator facilities we estimate a 20% increase in ticket prices and 20% increase in spectator numbers			
(D) Due to superior spectator facilities we estimate a 30% increase in ticket prices and 20% increase in spectator numbers			

\*Note, this excludes interest, costs of sales, the purchases and closing stock and small asset sales

### Estimated Potential Future Annual Operating Costs for Taranaki Speedway (Excluding Facility Landlord Costs)

(Source: Stratford Development Feasibility Study Stage One – January 2020)

<b>Table 1.1.4B Annual Operating Costs for Taranaki Speedway</b>				
<b>Description</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>Average</b>
Wages (Speedway)	10,800	19,564	21,049	17,138
Accounting	2,544	3,838	4,075	3,486
Bank & Interest	598	258	425	427
Advertising	41,167	35,148	27,915	34,743
Announcing	3,800	3,600	3,000	3,467
Appearances	98,867	91,072	119,112	103,017
Cleaning	8,855	4,398	4,680	5,978
Computer		704	572	425
Electricity	6,705	6,885	4,536	6,042
Entertainment	960	1,163	1,069	1,064
Equipment - hall lease	4,153	17,816	7,998	9,989
Gate Keepers	8,967	5,692	9,595	8,085
Licenses - fees	2,198	8,286	2,541	4,342
Membership (Junior)	409	578	363	450
Merchant Fees	925	1,008	868	934
Prizegiving Costs	15,763	13,089	15,630	14,827
Motor Vehicles	8,398	3,929	5,000	5,776
Penalties / Fines			115	38
Postage	152	281	170	201
Print / Stationery / Programmes	9,538	5,419	7,833	7,597
Repairs & Maintenance	36,289	22,901	34,813	31,334
Safety Equipment	470	259	956	562
Security	37,023	35,104	37,289	36,472
Signage	3,753	624	468	1,615
Spectator Entertainment	5,807	6,388	14,025	8,740
SNZ Track Fees	10,002	9,872	10,524	10,133
St Johns Driver's Levies	22,955	18,599	15,533	19,029
Telephone	1,671	1,993	1,988	1,884
Rubbish	8,514	6,540	3,859	6,304
Trophies & Engraving	6,175	6,648	9,146	7,323
Travel & Accommodation	31,340	38,344	41,009	36,898
Water (Truck travel)			900	300
General / Miscellaneous	9,894	2,464	2,064	4,807
<b>TOTAL</b>	<b>398,692</b>	<b>372,464</b>	<b>409,120</b>	<b>393,425</b>
<b>Additional</b>				
Rental Payment	30,566	28,844	38,167	32,526
Insurance	8,725	9,455	10,234	9,471
Rates	5,283	7,453	7,105	6,614
Depreciation	26,178	38,138	41,132	35,149

Table 1.1.4B on the previous page provides the operating costs for Taranaki Speedway for the 3 years FY2017/20. For modelling, the 3 year average will be applied as it is estimated that the operational model will remain consistent.

Note, rental payment, insurance, rates, and depreciation have been excluded from this table as they will be discussed separately.

### Estimated Depreciation for Taranaki Speedway

#### *Estimated Average Depreciation Rate for New Facilities*

Table 1.1.4C below describes the estimated asset life and estimated annual depreciation for the proposed new facilities.

Table 1.1.4C Projected Depreciation Chart for Taranaki Speedway 2024/25					
Category	Facility	Cost*	Asset Life	Dep Rate	Depreciation
Speedway Track	Track	121,000	50	0.02	2,420
	Concrete Wall	610,000	33	0.03	18,300
	Fencing	130,000	33	0.03	3,900
	Wire Ropes	23,000	25	0.04	920
	Lighting	520,000	50	0.02	10,400
	Pole Line	45,000	50	0.02	900
	Drainage	30,000	50	0.02	600
	Site/Services	100,000	50	0.02	2,000
Seating/Clubrooms	Grandstand**	4,062,000	50	0.02	81,240
	Site/Services	100,000	50	0.02	2,000
	Uncovered***	532,500	50	0.02	10,650
	Site/Services	100,000	50	0.02	2,000
Pit Area	Sealing	255,225	50	0.02	5,105
	Concrete Pads	280,000	50	0.02	5,600
	Site/Services	100,000	50	0.02	2,000
Sundry Infrastructure	Toilet Blocks (2)	250,000	50	0.02	5,000
	Other	200,000	33	0.03	4,000
<b>Sub-Total</b>					<b>157,035</b>
Sundry Plant/Equipment	Motor Vehicles				14,619
	Plant & Equipment				7,770
	Souvenir Shop				921
	Other				
<b>Sub-Total</b>					<b>23,310</b>
<b>Total</b>					<b>180,345</b>

#### *Depreciation for Retained Facilities*

Motor Vehicles, Plant & Equipment and Souvenir Shop depreciation are based on FY2019/20 figures.

### Estimated Future Total Annual Costs for Taranaki Speedway

The tables below are a summary of the annual total estimated 'landlord' costs and 'tenant' costs for Taranaki Speedway.

Due to community purposes we have provided 50% and 0% depreciation projections for this financial model.

Table 1.1.4D Projected Annual Costs for Taranaki Speedway 2024/25				
Description	2017/20 Average	2024/25 Projection	2024/25	Projection Notes
		50% Depreciation	0% Depreciation	
<b>Landlord Costs</b>				
Depreciation	Addressed below	78,517		
Insurance	9,471	21,537	21,537	HTL Insurance Quote
Rates	6,614	6,614	6,614	
<b>Sub-Total</b>	<b>16,085</b>	<b>106,668</b>	<b>28,151</b>	
<b>Tenant Costs</b>				
Operating Costs	393,425	393,425	393,425	See Table 1.1.4B
Depreciation	35,149	23,310	23,310	Based on Sundry Depreciation - Table 1.1.4C
Extra Staffing/Marketing		26,630	26,630	Based on 3% of annual gross revenue
Land Rental	32,526	46,129	46,129	* See below
Facility Hireage		323,449	323,449	** See below
<b>Sub-Total</b>	<b>461,100</b>	<b>812,944</b>	<b>812,944</b>	
<b>Total</b>	<b>477,185</b>	<b>919,612</b>	<b>841,095</b>	

**\*Land Rental** - The Land Rental has been calculated on a per hectare basis. The purchase price of the land, along with overhead infrastructure costs (\$2 million allocated) has been combined and put on a 40yr loan at 2% interest. It has then been divided by the hectares purchased (101 hectares) to arrive at a per hectare cost of \$4,613 land rental. For the purposes of this model, the Speedway facility has been based on a 10 hectare area.

**\*\*Facility Hireage** - The Facility Hireage figure has been calculated by putting the \$9.025 million capital investment on a 40yr loan at 2% interest. The annual repayment is \$323,449 which is the annual facility hireage.

### 1.1.5 Summary

#### Stratford Park Annual Facility Hire by Taranaki Speedway

At this time, it is assumed that Stratford Park will be the landlord for the proposed new \$9.025 million Speedway facilities. Note, this model does not include car parking as this will be treated separately.

Table 1.1.5 Financial Summary			
Description	2017/20 average	2024/25 Projection	2024/25
Income		50% Depreciation	0% Depreciation
Corporate Box	4,965	36,480	36,480
Gate Takings	386,451	642,920	642,920
Sponsorship	38,037	68,500	68,500
Other	123,910	139,775	139,775
<b>Gross Revenue</b>	<b>553,364</b>	<b>887,675</b>	<b>887,675</b>
Expenses			
Landlord Costs	16,085	106,668	28,151
Tenant Costs	461,100	812,944	812,944
<b>Total Expenses</b>	<b>477,185</b>	<b>919,612</b>	<b>841,095</b>
<b>Net Revenue</b>	<b>76,178</b>	<b>(31,937)</b>	<b>46,580</b>

#### Please note:

**It is envisaged that a non-refundable deposit equivalent to two years of land rental will be required from the tenant before construction of the facility could commence. This is to cover landlord mortgage repayments during the construction period.**

#### Summary Overview

This financial model has been built upon Speedway activities only. There is the possibility of significant additional income to be gained by Taranaki Speedway through the hireage of their facility to outside parties for other events throughout the year.

Any additional revenue obtained through hiring the facilities would be 100% Speedway revenue.





## 2.0 MOTORSPORT PARK SUMMARY

**Important:** Please note all prices in this section are GST exclusive unless otherwise stated.

The Motorsport Section of Stratford Park consists of six different business models that have the potential to have synergistic benefits.

Table 2.0 Financial Summary				
	CAPEX	Revenue	Net Profit	Net Profit
				(50% Depreciation)
Circuit Track	\$10,317,076	\$1,529,330	\$234,451	\$198,236
Drag Strip	\$8,282,074	\$1,051,663	\$155,806	\$85,753
Driver Training	\$5,697,233	\$311,600	\$53,213	\$3,329
Burn Out Pad	\$1,102,794	\$132,478	\$49,691	\$40,327
Rally	\$48,400	\$82,304	\$16,346	\$15,546
Garages	\$2,502,280	\$766,800	\$626,360	\$605,680
<b>Total</b>	<b>\$27,949,857</b>	<b>\$3,874,175</b>	<b>\$1,135,867</b>	<b>\$948,871</b>
<b>Return on Assets</b>			<b>4.06%</b>	<b>3.39%</b>

### Observations:

- CAPEX - The facility funding will require \$27.95 million of infrastructure expenditure. This model has been based on \$25.95 million of borrowed funds at 2% interest on a 40-year loan. Annual repayments for this loan of both interest and principal have been lumped together in the Facility Hireage line of each section. The remaining \$2 million we hope will be available through community grants for a portion of the Driver Training Facility. The CAPEX figures in this section do not include the land purchase nor the overhead infrastructure required for the land, i.e. sewage, water, electricity, access roading, internet etc. However annual repayments for the land portion have been covered in the Land Rental line of each section.
- Depreciation - Net Profit with 100% Depreciation is \$740,608. Return on Assets with 100% Depreciation is 2.6%.

Table 2.0.1 Statistical Summary				
	Spectators	Events	Private Hire	Staff/Promotion
Circuit Track	32,600	57	30	76,467
Drag Strip	27,250	10	5	52,583
Driver Training			130	
Burn Out Pad	6,600	10	15	6,624
Rally	4,000	11		4,115
Garages				
<b>Total</b>	<b>70,450</b>	<b>88</b>	<b>180</b>	<b>\$139,789</b>

### **Spectators**

Whilst 70,450 spectators are in these figures, there is currently only one event which is a drag event with over 5,000 spectators.

5YR GOAL: 3 events over 10,000 people

10YR GOAL: 4 events over 10,000 people; 1 event over 15,000 people

### **Events**

The model is based on 88 competition events of which 53 are race day meetings and 35 are test day meetings. Only one meeting is classed as an international meeting

5YR GOAL: 2 international meetings

10YR GOAL: 3 international meetings (all televised)

### **Private Hire**

The Motorsport Facility has the unique ability to make four different sections available for private hire all on the same day. So, whilst 180 days of private hire have been allocated, potentially this figure could be achieved within 45 calendar days.

5YR GOAL: 250 Private Hire Days

10YR GOAL: 350 Private Hire Days

### **Staff/Promotion**

5% of Gross Revenue (\$139,789) from the Event Facility sections has been allocated as a cost for extra staff and promotional expenses. This is in addition to \$53,800 in Wages in the Operating Cost sections.

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## 2.1 CIRCUIT TRACK

**Important:** Please note all prices in this section are GST exclusive unless otherwise stated.

This section investigates how the circuit track might operate. The preferred length of the track has yet to be decided, so costings for 2km, 3km and 4km lengths have been provided.

The Overview Table below summarizes some key parameters upon which this Circuit Business Model is based.

Overview			
	Facility	Dimensions	Materials
Circuit Track	Track Width	12 m	
	Track 1 Length	2 km	Asphalt / Hotmix
	Track 2 Length	3 km	Asphalt / Hotmix
	Track 3 Length	4 km	Asphalt / Hotmix
	Track Surface		Asphalt / Hotmix
	Portable Concrete Walls	300m x 1.2m x 125mm	Concrete
	Digital Scoreboard	4m x 2m	
	Flag/Marshal Points (5)		
Pit Area	Pit (140 entrants)	7,510 sq. metres	Asphalt
Spectators	Raceday Meetings		29
	Test Day Meetings		28
	Private Hire		30 per annum
	Annual Spectators		32,600
	Av. Crowd		1,124
	Ticket Pricing		see Table 6.1.2 A
	Total Seating		500 + Corporate Box
	Uncovered		500 + grass banks
	Corporate Boxes		10
Property	Usage		Open to options
	Operating Area		24 hectares
Finances	Annual Revenue		\$1,529,330
	Net Profit		\$234,451

This Circuit Track Financial Model is based on club level meetings only. In order to hold national level meetings, the 4km track option would most probably be necessary.



## 2.1.1 Circuit Track Facility Requirements and Capital Cost Estimates

Table 2.1.1 is a summary of the facility requirements and their costs, based on estimates received from local business operators.

*Note, costs below do not include escalation, external works and consenting.*

Table 2.1.1 Infrastructure Requirements				
Category	Facility	Cost		Price Quoted
Motor Circuit	Track - 4km	6,947,200	12m x 4000m (3600)	Yes
	Track - 3km	5,210,400	12m x 3000m (2600)	Yes
	Track - 2km	3,523,333	12m x 2000m (1600)	Yes
	Concrete Barriers	100,000	300m x 1200mm x 125mm	Yes
	Race Timing system	124,963		Yes
	Digital Score Board	27,305		Yes
	Flag Marshal Points (5)	25,000	\$5,000 each	
	Mesh fencing	31,250	\$125 / metre x 250m	
	Site/Services	500,000	Earthworks Preparation	
	<b>Sub-Total</b>	<b>808,518</b>		
Seating/facilities	Uncovered	71,000	500 seats x \$142 per seat	Yes
	Corporate Boxes (10)	390,000	30m <sup>2</sup> x 1300 /m <sup>2</sup> per box	Yes
	Site/Services	100,000	Earthworks Preparation	
	<b>Sub-Total</b>	<b>561,000</b>		
Pit Area	Sealing	462,541	\$61.59 / m <sup>2</sup>	Yes
	Site/Services	100,000	Earthworks Preparation	
	<b>Sub-Total</b>	<b>562,541</b>		
Sundry	Toilet Block	125,000		Yes
	Judges Tower	100,000		Yes
	Other	200,000	Security Fence	
	Equipment	100,000		
	Shower Block	172,800	6 Showers	Yes
	Social area	686,250	15mx15m @\$3,050/m <sup>2</sup>	Yes
	<b>Sub-Total</b>	<b>1,384,050</b>		
<b>Sub-Total</b>		<b>\$6,839,442</b>		
Sub-Total Incl. 10% fees		\$7,523,386		
Total incl. 10% Contingency		<b>\$8,275,725</b>	2km track	
		<b>\$10,317,076</b>	3km track	
		<b>\$12,418,604</b>	4km track	

## 2.1.2 Estimated Ticketing and Entry Fee Revenue

At this point all ticketing has been based on club prices. There is additional potential in the future to create national level meetings at higher ticket and entry prices, but they have not been included in this model.

Table 2.1.2 A Ticket Pricing - 2024/25 (GST Inclusive)			
	Adult	Child	Family
Club Meeting	\$25	\$10	\$58

Ticket pricing levels in Table 6.1.2 A above is projected on the same prices as Speedway. This will create uniformed pricing throughout the Motorsport Park.

Table 2.1.2 B Estimated Spectator Numbers			
	Crowd Size	Meetings	Total
Club Meeting (Car)	800	12	9,600
Club Meeting (Bike)	1,000	10	10,000
Club Meeting (Rallycross)	1,000	3	3,000
Drift Meeting (Competition)	2500	4	10000
Private Hire per year		30	

Private Hireage in Table 2.1.2 B above is full day hireage of the circuit track for specific motoring clubs. An example of such clubs would be the Nissan or Subaru Clubs.

Table 2.1.2 C Revenue				
<b>Entry Fee Revenue</b>				
<b>Entry Fees</b>	<b>Car Fee</b>	<b>Exhibitors</b>	<b>Events</b>	
Raceday (Car)	\$150	75	12	\$135,000
Raceday (Bike)	\$150	75	10	\$112,500
Raceday (Rallycross)	\$150	50	3	\$22,500
Drifting	\$400	75	4	\$120,000
Test Day (Car)	\$120	75	12	\$108,000
Test Day (Bike)	\$150	75	10	\$112,500
Test Day (Drift)	\$150	60	6	\$54,000
<b>Total</b>				\$664,500
<b>Total GST exclusive</b>				\$577,826
<b>Ticket Revenue</b>				
	<b>Adult</b>	<b>Child</b>	<b>Family</b>	<b>Total</b>
Ticket %	50%	10%	30%	
Club (Car)	\$120,000	\$9,600	\$27,840	\$157,440
Club (Bike)	\$125,000	\$10,000	\$29,000	\$164,000
Club (Rallycross)	\$37,500	\$3,000	\$8,700	\$49,200
Drifting	\$125,000	\$10,000	\$29,000	\$164,000
<b>Total</b>				<b>\$534,640</b>
<b>Total GST exclusive</b>				<b>\$464,904</b>
<b>Private Hire Revenue</b>				
	<b>Price</b>	<b>Meetings</b>		
Private Hire	\$3,000	30		<b>\$90,000</b>

This model allows for 10% of all tickets to be complimentary.

### Price Comparisons:

Test Day Entry Fees for Pukekohe, Hampton Downs and Taupo range from \$175 through to \$220.

Private Hire prices at Pukekohe, Hampton Downs and Taupo range from \$3,500 through to \$7,500.

### 2.1.3 Circuit Track Financial Projections

Table 2.1.3 A Circuit Revenue		
	Notes	2024/25
Gymkhana	12 per annum @ \$300	\$3,600
Signage	50 signs @ \$1,500 each	\$75,000
Sponsorship	\$3,000 per meeting	\$87,000
Corporate Box	\$1,500/box/meeting @60% sales	\$231,000
Entry Fees	See Table 6.1.2 C	\$577,826
Ticket Sales	See Table 6.1.2 C	\$464,904
Private Hire	30 days per annum	\$90,000
<b>Total</b>		<b>\$1,529,330</b>

This model has calculated that 66% of sponsorship revenue will be allocated as an operating cost in the form of prizemoney.

Table 2.1.3 B Operating Costs	
Operating Costs per Race Day Circuit Meeting	
Description	2024/25 (per meeting)
Wages	\$1,200
Advertising	\$1,200
Announcing	\$150
Cleaning	\$500
Electricity	\$300
Gate Keepers	\$500
Print / Stationery / Programmes	\$500
Prizemoney	\$2,000
Repairs & Maintenance	\$2,000
Security	\$2,000
St Johns Driver's Levies	\$1,000
Telephone	\$50
Rubbish	\$350
General / Miscellaneous	\$200
<b>Total</b>	<b>\$11,950</b>
Operating Costs per Test Day Circuit Meeting	
Cleaning	\$500
Electricity	\$300
Repairs & Maintenance	\$2,000
St. John's	\$1,000
Rubbish	\$350
General/Miscellaneous	\$200
<b>Total</b>	<b>\$4,350</b>
<b>Total Annual Operating Costs</b>	<b>\$468,344</b>

## Depreciation for Circuit Track

### *Estimated Average Depreciation Rate for New Facilities*

Table 2.1.3 C below shows the estimated asset life and estimated annual depreciation for the proposed new circuit track.

Table 2.1.3 C Projected Depreciation Chart for Circuit Track (2024/25)					
Category	Facility	Cost*	Asset Life	Dep Rate	Depreciation
Circuit Track	Track 4km	\$6,947,200	20	0.05	\$347,360
	Track 3km	\$5,210,400	20	0.05	\$260,520
	Track 2km	\$3,523,333	20	0.05	\$176,167
	Concrete barriers	\$100,000	33	0.03	\$3,000
	Race Timing System	\$124,963	33	0.03	\$3,749
	Digital Scoreboard	\$27,305	50	0.02	\$1,092
	Flag Marshal Points	\$25,000	50	0.02	\$500
	Mesh Fencing	\$31,250	33	0.03	\$938
	Site/Services	\$500,000	50	0.02	\$10,000
Seating/Facilities	Uncovered	\$71,000	50	0.02	\$1,420
	Corporate Boxes	\$390,000	50	0.02	\$7,800
	Site/Services	\$100,000	50	0.02	\$2,000
Pit Area	Sealing	\$462,541	50	0.02	\$9,251
	Site/Services	\$100,000	50	0.02	\$2,000
Sundry Infrastructure	Toilet Block	\$125,000	50	0.02	\$2,500
	Judges Tower	\$100,000	33	0.03	\$3,000
	Other	\$200,000	33	0.03	\$4,000
	Equipment	\$100,000	25	0.04	\$4,000
	Shower Block	\$172,800	50	0.02	\$3,456
	Social Area	\$686,250	50	0.02	\$13,725
<b>4km Track</b>				<b>Total</b>	<b>\$72,430</b>
<b>3km Track</b>				<b>Total</b>	<b>\$72,430</b>
<b>2km Track</b>				<b>Total</b>	<b>\$72,430</b>

Depreciation on the Capital Cost of the Tracks is not included in the Depreciation Total. We have been advised the track will need re-sealing approximately every 8 years. The cost structure of the track includes groundworks, base material and seal. A depreciation cost of the seal portion has been allocated to Table 2.1.3 D under the Tenant Costs.



## Future Annual Costs for Circuit Track

Due to community purposes we have provided 50% and 0% depreciation projections for this financial model.

Table 2.1.3 D Projected Annual Costs for Circuit (2024/25)			
Description	2024/25	2024/25	Projection Notes
	50% Depreciation	0% Depreciation	
<b>Landlord Costs</b>			
Depreciation	\$36,215		*See below
Insurance	\$20,000	\$20,000	
Rates	\$6,614	\$6,614	
<b>Sub-Total</b>	<b>\$62,829</b>	<b>\$26,614</b>	
<b>Tenant Costs</b>			
Operating Costs	\$468,344	\$468,344	
Depreciation (Track)	\$260,520	\$260,520	** See below
Extra Staffing/Marketing	\$76,467	\$76,467	Based on 5% of annual gross revenue
Land Rental	\$93,181	\$93,181	***See below
Facility Hireage	\$369,753	\$369,753	****See below
<b>Sub-Total</b>	<b>\$1,268,265</b>	<b>\$1,268,265</b>	
<b>Total</b>	<b>\$1,331,095</b>	<b>\$1,294,879</b>	

**\*Depreciation** of \$36,215 is calculated from the 3km track option.

**\*\*Depreciation (Track)** is an 8 yearly re-sealing of the asphalt portion of track construction.

**\*\*\* Land Rental** -The Land Rental has been calculated on a per hectare basis. The purchase price of the land, along with overhead infrastructure costs (\$2 million allocated) has been combined and put on a 40yr loan at 2% interest. It has then been divided by the hectares purchased (100 hectares) to arrive at a per hectare cost of \$4,659 land rental. For the purposes of this model, the Circuit facility has been based on a 20-hectare area.

**\*\*\*\*Facility Hireage** - The Facility Hireage figure has been calculated by putting the \$10.32 million capital investment (3km track option) on a 40yr loan at 2% interest. The annual repayment is \$369,753 which is the annual facility hireage.

## 2.1.4 Summary

At this time, it is assumed that Stratford Park will be the landlord for the proposed new \$10.53 million Circuit Track Facility.

Table 2.1.4 Financial Summary		
	2024/25 50% Depreciation	2024/25 0% Depreciation
<b>Income</b>		
Gymkhana	\$3,600	\$3,600
Signage	\$75,000	\$75,000
Sponsorship	\$87,000	\$87,000
Corporate Box	\$231,000	\$231,000
Ticket Sales	\$464,904	\$464,904
Entry Fees	\$577,826	\$577,826
Private Hire	\$90,000	\$90,000
<b>Gross Profit</b>	<b>\$1,529,330</b>	<b>\$1,529,330</b>
<b>Expenses</b>		
Landlord Costs	\$62,829	\$26,614
Tenant Costs	\$1,268,265	\$1,268,265
<b>Total Expenses</b>	<b>\$1,331,095</b>	<b>\$1,294,879</b>
<b>Net Profit</b>	<b>\$198,236</b>	<b>\$234,451</b>

### **Please note:**

**It is envisaged that a non-refundable deposit equivalent to two years of land rental will be required from the tenant before construction of the facility could commence. This is to cover landlord mortgage repayments during the construction period.**

### Additional

Whilst this Circuit model has been based solely on club level meetings, Stratford Park would encourage the Motorsport fraternity to work towards national level meetings and possibly even a televised international event.

## 2.2 DRAG RACING

**Important:** Please note all prices in this section are GST exclusive unless otherwise stated.

This section investigates how the drag strip might operate. The Overview Table below summarizes some key parameters upon which this Drag Strip Business Model is based.

Table 2.2 Overview			
	Facility	Dimensions	Materials
Drag Strip	Track Width	18.2 m	Concrete
	Track Length	900 m	Concrete
Emergency Braking	Pea metal 300m deep	18.2 m x 250m	Pea Metal
Race area barriers	Length	900m	Concrete Walls
	Material	.9m x .125mm	2 x Concrete Walls
Entry/ stage area	Width	18m x 100m	Asphalt
Return Road	width	8m x 900m	asphalt
Pit Area	Pit (parking pads qty 140)		5m * 4.5m concrete
	Parking		Asphalt preferred, Grass
	Roadway to track		Asphalt
Spectators	Meetings		1 international, 4 national. 5 regional
	Private Hire		5 meetings/year
	Annual Spectators		27,250
	Av. Crowd		2,725
	Ticket Pricing		see Table 6.2.2 B
	Total Seating		2,000 + grass banks
	Uncovered		2,000
	Scorers Tower		
	Announcer's Box		
	Corporate Boxes		4
Property	Usage		Open to options
	Operating Area		10 hectares
Finances	Annual Revenue		\$1,051,663
	Net Profit		\$155,806

The Drag Strip Business Model is based on 10 events per year. One of these events would be at international level where appropriate appearance fees would be required for Australian competitors.

## 2.2.1 Drag Strip Facility Requirements and Capital Cost Estimates

Table 2.2.1 is a summary of the facility requirements and their costs, based on estimates received from local business operators.

*Note, costs below do not include escalation, external works and consenting.*

Table 2.2.1 Infrastructure Requirements				
Category	Facility	Cost		Price Quoted
Drag Race Strip	Track	\$2,013,912	18.2m x 900m concrete	Y
	Emergency Braking	\$396,897	18.2m x 250m pea metal	Y
	Race barrier (concrete)	\$1,755,000	Roading barriers	Y
	Entry/Stage Area	\$214,645	18.2m x 100m asphalt	Y
	Return Road	\$418,980	900m x 5m	Y
	Race Timing system	\$40,420		Y
	Digital Score Boards (2)	\$54,610	\$27,305 each	Y
	Site/Services	\$200,000	Earthworks Preparation	
	<b>Sub-Total</b>	<b>\$5,094,464</b>		
Seating/facilities	Uncovered***	\$284,000	2000 seats x \$142 per seat	Y
	Corporate Boxes (4)	\$156,000	30m2 x 1300 /m2 per box	Y
	Site/Services	\$100,000	Earthworks Preparation	
	<b>Sub-Total</b>	<b>\$540,000</b>		
Pit Area	Sealing	\$255,225	1,125 sq. metres	Y
	Concrete Pads	\$280,000	5m x 4.5m x 140 exhibitors	Y
	Site/Services	\$100,000	Earthworks Preparation	
	<b>Sub-Total</b>	<b>\$635,225</b>		
Sundry	Toilet Block	\$125,000		Y
	Judges Tower	\$250,000		Y
	Other	\$200,000	Security Fence	
	<b>Sub-Total</b>	<b>\$575,000</b>		
<b>Sub-Total</b>		<b>\$6,844,689</b>		
<b>Sub-Total Incl. 10% fees</b>		<b>\$7,529,158</b>		
<b>Total incl. 10% Contingency</b>		<b>\$8,282,074</b>		

## .2.2 Ticketing and Entry Fee Revenue

Table 2.2.2 A displays current pricing levels around the North Island.

Table 2.2.2 A Ticket Pricing – 2019/20 (GST Inclusive)			
	Adult	Child	Family
<b>Regional Meeting</b>			
Taranaki	\$20	\$10	\$60
MereMere	\$25	\$10	\$60
Masterton	\$25	\$10	\$60
Taupo	\$25	\$10	\$60
Racecar entry	\$75		
<b>National Meetings</b>			
Masterton (sample)	\$35	\$10	\$75
MereMere	\$40	\$10	\$90
Taupo	\$35	\$10	\$75
Racecar entry	\$100		
<b>Private Hire +GST</b>			
Taupo (full facility)	\$7,500		
Masterton	\$2,500		

Table 2.2.2 B below displays the suggested pricing for an international level drag strip facility.

Table 2.2.2 B Ticket Pricing – 2024/25 (GST Inclusive)			
	Adult	Child	Family
Regional Meeting	\$25	\$10	\$75
National meeting	\$40	\$10	\$100
International	\$50	\$15	\$125
Racecar entry regional	\$90		
Racecar entry national	\$120		
International	\$180		
Private hire	\$3,000		

Ticket Pricing above is based on a regional price being the same level as Speedway ticket entry. This will create uniformed pricing throughout the Motorsport Park.

Table 2.2.2 C Estimated Spectator Numbers			
	Crowd Size	Meetings	2024/25
Regional Meeting	2,250	5	11,250
National meeting (AKL)	2,500	4	10,000
International	6,000	1	6,000
<b>Total</b>		<b>10</b>	<b>27,250</b>



Table 2.2.2 D displays the estimated Revenue from ten meetings per annum.

Table 2.2.2 D Revenue				
Entry Fee Revenue				
Entry Fees	Car Fee	Exhibitors	Events	Total
Regional	\$90	100	5	\$45,000
National	\$120	160	4	\$76,800
International	\$180	160	1	\$28,800
<b>Total</b>				<b>\$150,600</b>
<b>Total GST exclusive</b>				<b>\$130,957</b>
Ticket Revenue				
	Adult	Child	Family	Total
<b>Ticket %</b>	50%	10%	30%	
Regional	\$140,625	\$11,250	\$42,188	\$194,063
National	\$200,000	\$10,000	\$50,000	\$260,000
International	\$150,000	\$9,000	\$37,500	\$196,500
<b>Total</b>				<b>\$650,563</b>
<b>Total GST exclusive</b>				<b>\$565,707</b>

This model allows for 10% of all tickets to be complimentary tickets.

### 2.2.3 Drag Strip Financial Projections

Table 2.2.3 A Drag Revenue		
	Notes	2024/25
Sponsorship	National Meeting (\$30,000 per meeting)	\$120,000
	International Meeting	\$100,000
Corporate Box	National Meeting (\$20,000 per meeting)	\$80,000
	International Meeting	\$40,000
Entry Fees	See Table 2.2.2 D	\$130,957
Ticket Sales	See Table 2.2.2 D	\$565,707
Private Hire	5 meetings	\$15,000
<b>Total</b>		<b>\$1,051,663</b>

This model has calculated that 66% of sponsorship revenue will be allocated as an operating cost in the form of prizemoney for national and international meetings.

Table 2.2.3 B Annual Operating Costs for Taranaki Drag (2024/25)			
	Regional	National	International
Wages	\$1,200	\$1,200	\$1,200
Accommodation		\$850	\$850
Advertising	\$500	\$1,000	\$1,200
Announcing	\$750	\$750	\$750
Appearance Fees		\$25,000	\$68,000
Cleaning	\$200	\$200	\$200
Crash Crew	\$1,600	\$1,600	\$1,600
Electricity	\$150	\$150	\$150
Gate Keepers	\$500	\$500	\$500
Drag Licenses	\$1,262	\$1,262	\$1,388
Print / Stationery / Programmes	\$500	\$500	\$500
Prizemoney	\$2,000	\$19,800	\$66,000
Repairs & Maintenance	\$2,000	\$2,000	\$2,000
Security	\$2,000	\$2,000	\$2,000
St Johns Driver's Levies	\$2,100	\$2,100	\$2,100
Traction Spray		\$2,673	\$2,941
Travel Money	\$400	\$400	\$400
Rubbish	\$350	\$350	\$350
General / Miscellaneous	\$200	\$200	\$200
<b>Total</b>	<b>\$15,712</b>	<b>\$62,535</b>	<b>\$152,329</b>
<b>Weighted Average Cost per Meeting</b>			<b>\$48,103</b>
<b>Total Annual Operating Costs</b>			<b>\$481,029</b>

## Depreciation for Drag Strip

### *Estimated Average Depreciation Rate for New Facilities*

Table 2.1.3 C below shows the estimated asset life and estimated annual depreciation for the proposed new Drag Strip.

Table 2.2.3 C Projected Depreciation Chart for Taranaki Drag (2024/25)					
Category	Facility	Cost*	Asset Life	Dep Rate	Depreciation
Drag Race Strip	Track	\$2,013,912	50	0.02	\$40,278
	Emergency Braking	\$396,897	50	0.02	\$7,938
	Race barrier	\$1,755,000	50	0.02	\$35,100
	Entry/Stage Area	\$214,645	50	0.02	\$4,293
	Return Road	\$418,980	50	0.02	\$8,380
	Race Timing System	\$40,420	20	0.05	\$2,021
	Digital Scoreboards	\$54,610	50	0.02	\$1,092
	Site/Services	\$200,000	50	0.02	\$4,000
Seating/Facilities	Uncovered	\$284,000	50	0.02	\$5,680
	Corporate Boxes	\$156,000	50	0.02	\$3,120
	Site/Services	\$100,000	50	0.02	\$2,000
Pit Area	Sealing	\$255,225	50	0.02	\$5,105
	Concrete Pads	\$280,000	50	0.02	\$5,600
	Site/Services	\$100,000	50	0.02	\$2,000
Sundry Infrastructure	Toilet Block	\$125,000	50	0.02	\$2,500
	Judges Tower	\$250,000	50	0.02	\$5,000
	Other	\$200,000	33	0.03	\$6,000
<b>Total</b>					<b>\$140,106</b>

## Future Annual Costs for Drag Strip

Due to community purposes we have provided 50% and 0% depreciation projections for this financial model.

Table 2.2.3 D Projected Annual Costs for Taranaki Drag (2024/25)			
Description	2024/25	2024/25	Projection Notes
	50% Depreciation	0% Depreciation	
<b>Landlord Costs</b>			
Depreciation	\$70,053		
Insurance	\$21,537	\$21,537	
Rates	\$6,614	\$6,614	
Sub-Total	\$98,204	\$28,151	
<b>Tenant Costs</b>			
Operating Costs	\$481,029	\$481,029	
Extra Staffing/Marketing	\$52,583	\$52,583	Based on 5% of annual gross revenue
Land Rental	\$37,273	\$37,273	*See below
Facility Hireage	\$296,821	\$296,821	**See below
<b>Sub-Total</b>	<b>\$867,706</b>	<b>\$867,706</b>	
<b>Total</b>	<b>\$965,910</b>	<b>\$895,857</b>	

**\* Land Rental** - The Land Rental has been calculated on a per hectare basis. The purchase price of the land, along with overhead infrastructure costs (\$2 million allocated) has been combined and put on a 40yr loan at 2% interest. It has then been divided by the hectares purchased (100 hectares) to arrive at a per hectare cost of \$4,659 land rental. For the purposes of this model, the Circuit facility has been based on an 8-hectare area.

**\*\*Facility Hireage** - The Facility Hireage figure has been calculated by putting the \$8.28 million capital investment on a 40yr loan at 2% interest. The annual repayment is \$296,821 which is the annual facility hireage.

## 2.2.4 Summary

At this time, it is assumed that Stratford Park will be the landlord for the proposed new \$8.28 million Drag Strip Facility.

Table 2.2.4 Financial Summary		
Description	2024/25 Projection 50% Depreciation	2024/25 0% Depreciation
<b>Income</b>		
Sponsorship	\$220,000	\$220,000
Corporate Box	\$120,000	\$120,000
Ticket Sales	\$565,707	\$565,707
Entry Fees	\$130,957	\$130,957
Private Hire	\$15,000	\$15,000
<b>Gross Profit</b>	<b>\$1,051,663</b>	<b>\$1,051,663</b>
<b>Expenses</b>		
Landlord Costs	\$98,204	\$28,151
Tenant Costs	\$867,706	\$867,706
Total Expenses	\$965,910	\$895,857
<b>Net Profit</b>	<b>\$85,753</b>	<b>\$155,806</b>

### Please note:

It is envisaged that a non-refundable deposit equivalent to two years of land rental will be required from the tenant before construction of the facility could commence. This is to cover landlord mortgage repayments during the construction period.



## 2.3 DRIVER TRAINING

**Important:** Please note all prices in this section are GST exclusive unless otherwise stated.

Overview			
	Facility	Dimensions	Materials
Training Area	Low speed area	200m x 60m	Asphalt
	Breaking Area	250m x 6m	Asphalt
	Breaking Area	50m x 6m	Gravel
	Rotary Platform	10m diameter	
	Unloading Area	40m x 40m	Concrete
	Simulators		Car, Truck & Bike
	Tanker Track Roundabout		
	Cattle Loading Bank		
	Truck + Trailer		
Buildings	Classrooms (3)	12-15 people	
	Truck loading building	30m x 20m x 5m	
	Lounge Area		
	Toilet Block		
Finances	Annual Revenue		\$311,600
	Net Profit		\$53,213



**Due to the significant social benefits a driver training facility will provide to the region, the Driver Training Model is based on receiving a \$2 million grant from external sources.**

### 2.3.1 Driver Training Facility Requirements and Capital Cost Estimates

Table 2.3.1 is a summary of the facility requirements and their costs, based on estimates received from local business operators.

*Note, costs below do not include escalation, external works and consenting.*

Table 2.3.1 Infrastructure Requirements				
Category	Facility	Cost		Price Quoted
Training Area	Low speed area	\$1,817,757	200m x 60m	Y
	Breaking Area	\$172,500	1500m2 x 115/m2	Y
	Breaking Area	\$39,000	300m2 x 130/m2	Y
	Rotary Platform	\$250,000		Y
	Unloading Area	\$196,800	1600m2 x 123/m2	Y
	Simulator Car (5)	\$35,000	\$7,000 each	
	Traffic Lights etc	\$100,000		
	Tanker Track Roundabout	\$20,000		
	Cattle Loading Bank	\$10,000		
	Truck + Trailer	\$80,000		Y
	Cars (5)	\$25,000		
	Site/Services	\$200,000		
	<b>Sub-Total</b>		<b>\$2,946,057</b>	
Buildings	Classrooms (3)	\$510,000	\$170k each	Y
	Truck loading building	\$780,000	30m x 20m x 5m	Y
	Lounge Area + deck	\$247,400		Y
	Toilet Block	\$125,000		Y
	Site/Services	\$100,000		
	<b>Sub-Total</b>		<b>\$1,762,400</b>	
<b>Sub-Total</b>		<b>\$4,708,457</b>		
<b>Sub-Total Incl. 10% fees</b>		<b>\$5,179,303</b>		
<b>Total incl. 10% Contingency</b>		<b>\$5,697,233</b>		

The \$5.7 million capital cost hopefully will only require \$3.7 million of borrowed funds if \$2 million can be obtained from external community funding (see top of page).

The Driver training pad pictured on Page 20 would cater for all low speed manoeuvres, whilst the circuit track could cater for higher speed manoeuvres and braking. Additionally, the Burn Out Pad facility could also cater for additional manoeuvres. There will also be plenty of additional farm space and tracks for truck and other off-road forms of training.

## 2.3.2 Estimated Pricing and Income Streams

Table 2.3.2 A provides the option of hiring the full Driver Training Facility out to companies for a full day rate of \$1,500. Taranaki Chamber of Commerce have advised us that there are 15,000 registered companies in Taranaki, and so the calculation below equates to 130 businesses per year hiring the facility.

Table 2.3.2 A Income Stream 1			
	Rate	Days/Week	Total
Business Hireage	\$1,500	2.5	\$195,000

Table 6.3.2 B allows one of Taranaki's qualified driving instructors to educate or assess their own clients in the Driver Training facility. The example figure below describes a 15-hour card valued at \$150 and ten instructors purchasing two cards per month.

Table 2.3.2 B Income Stream 2					
	Hours/Card	Price/Card	Instructors	Cards/Mth	Total
Instructor Hireage	15	\$150	10	2	\$36,000

Table 2.3.2 C is for private hire on an hourly basis. Children would be required to have a parent present through all driving practices.

Truck Hire would consist of low speed manoeuvres and backing practices. There would also be the opportunity for the trucks to drive over the farm tracks.

Table 2.3.2 C Income Stream 2				
	\$/hr	Hrs/Weekday	Hrs/Weekend	Total
Parent/Child Car	\$30	20	20	\$62,400
Truck Hire	\$50	5	2	\$18,200
			<b>Total</b>	\$80,600

Additionally, there is the option of simulator fees with simulators being available to the public at an hourly or half-hourly rate in the \$5-10 range. This could also bring in additional revenue.

### 2.3.3 Driver Training Financial Projections

Table 2.3.3 A Driver Training Revenue	
Business Hireage	\$195,000
Instructor Hireage	\$36,000
Parent/Child	\$80,600
<b>Total</b>	<b>\$311,600</b>

Table 2.3.3 B Operating Costs	
<b>Description</b>	
Wages	\$14,400
Cleaning	\$2,400
Electricity	\$3,600
Fuel	\$3,600
Print / Stationery / Programmes	\$900
Repairs & Maintenance	\$56,972
Rubbish	\$1,200
General / Miscellaneous	\$2,400
<b>Total Annual Operating Costs</b>	<b>\$85,472</b>

Table 2.3.3 C Depreciation Chart for Driver Training (2024/25)					
Category	Facility	Cost*	Asset Life	Dep Rate	Depreciation
Training Area	Low speed area	\$1,817,757	50	0.02	\$36,355
	Breaking Area	\$172,500	50	0.02	\$3,450
	Breaking Area	\$39,000	50	0.02	\$780
	Rotary Platform	\$250,000	33	0.03	\$7,500
	Unloading Area	\$196,800	50	0.02	\$3,936
	Simulator Car (5)	\$35,000	10	0.1	\$3,500
	Traffic Lights etc	\$100,000	25	0.04	\$4,000
	Tanker Track	\$20,000	25	0.04	\$800
	Loading Bank	\$10,000	50	0.02	\$200
	Truck + Trailer	\$80,000	10	0.1	\$8,000
	Cars (5)	\$25,000	10	0.1	\$2,500
	Site/Services	\$200,000	50	0.02	\$4,000
	Buildings	Classrooms (3)	\$510,000	50	0.02
Truck loading building		\$780,000	50	0.02	\$15,600
Lounge Area + deck		\$247,400	50	0.02	\$4,948
Toilet Block		\$125,000	50	0.02	\$2,500
Site/Services		\$100,000	50	0.02	\$2,000
<b>Total</b>					<b>\$110,269</b>

Table 2.3.3 D Annual Costs for Driver Training (2024/25)			
Description	2024/25	2024/25	Projection Notes
	50% Depreciation	0% Depreciation	
<b>Landlord Costs</b>			
Depreciation	\$49,885		
Insurance			
Rates	\$6,614	\$6,614	
<b>Sub-Total</b>	<b>\$56,499</b>	<b>\$6,614</b>	
<b>Tenant Costs</b>			
Operating Costs	\$85,472	\$85,472	
Depreciation	\$10,500	\$10,500	Based on Sundry Depreciation - Table 6.3.3 C
Land Rental	\$23,295	\$23,295	*See below
Facility Hireage	\$132,505	\$132,505	**See below
<b>Sub-Total</b>	<b>\$251,773</b>	<b>\$251,773</b>	
<b>Total</b>	<b>\$308,271</b>	<b>\$258,387</b>	

**\* Land Rental** - The Land Rental has been calculated on a per hectare basis. The purchase price of the land, along with overhead infrastructure costs (\$2 million allocated) has been combined and put on a 40yr loan at 2% interest. It has then been divided by the hectares purchased (100 hectares) to arrive at a per hectare cost of \$4,659 land rental. For the purposes of this model, the Circuit facility has been based on a 5-hectare area.

**\*\*Facility Hireage** - The Facility Hireage figure has been calculated by putting the \$3.7 million capital borrowing required on a 40yr loan at 2% interest. The annual repayment is \$132,505 which is the annual facility hireage.

### 2.3.4 Summary

At this time, it is assumed that Stratford Park will be the landlord for the proposed new \$5.7 million Driver Training Facility.

Table 2.3.4 Financial Summary		
	2024/25 50% Depreciation	2024/25 0% Depreciation
<b>Income</b>		
Driver Training	\$311,600	\$311,600
<b>Gross Profit</b>	<b>\$311,600</b>	<b>\$311,600</b>
<b>Expenses</b>		
Landlord Costs	\$56,499	\$6,614
Tenant Costs	\$251,773	\$251,773
<b>Total Expenses</b>	<b>\$308,271</b>	<b>\$258,387</b>
<b>Net Profit</b>	<b>\$3,329</b>	<b>\$53,213</b>

#### Please note:

It is envisaged that a non-refundable deposit equivalent to two years of land rental will be required from the tenant before construction of the facility could commence. This is to cover landlord mortgage repayments during the construction period.

## 2.4 Burn Out Pad

**Important:** Please note all prices in this section are GST exclusive unless otherwise stated.

This section investigates how the burn out pad might operate. The Burn Out pad has been allocated approximately 2 hectares of the larger park and is a separate facility from the driver training pad.

Table 2.4 Overview			
	Facility	Dimensions	Materials
Burn Out Pad	Burn Out Pad	80m x 60m	Concrete
	Burn Out Pad Safety Bank	1.2m high	Tyres
	Burn Out Pad Safety Fence	400m long	4 sides of Skid Pan
Spectators	Burn Out Pad Meetings	3 x Competition	10
	Private Hire		15 Per annum
	Annual Spectators		6600
Finances	Annual Revenue		\$132,478
	Net Profit		\$49,691
Property	Operating Area		2 hectares

The three competition meetings listed above are expected to attract drivers from around the country.

### 2.4.1 Burn Out Pad Facility Requirements and Capital Cost Estimates

Table 2.4.1 is a summary of the facility requirements and their costs, based on estimates received from local business operators.

*Note, costs below do not include escalation, external works and consenting.*

Table 2.4.1 Infrastructure Requirements				
Category	Facility	Cost		Price Quoted
Burn Out Pad	Burn Out Pad	\$590,400	\$123 /m2	Y
	Burn Out Pad Safety Fence	\$50,000		
	Uncovered Seating	\$71,000	500 @ \$142 per seat	Y
	Site/Services	\$200,000		
<b>Sub-Total</b>		\$911,400		
<b>Sub-Total Incl. 10% fees</b>		\$1,002,540		
<b>Total incl. 10% Contingency</b>		<b>\$1,102,794</b>		



## 2.4.2 Estimated Ticketing and Entry Fee Revenue

Table 2.4.2 A Ticket Pricing – 2019/20 (GST Inclusive)			
	Adult	Child	Family
Burn Out Pad (Local)	\$10		
Burn Out Pad (Competition)	\$20	\$5	\$35
Burn Out Pad Entry Fee (Local)	\$50		
Burn Out Pad Entry Fee (Competition)	\$100		

Table 2.4.2 B Burn Out Pad Spectator Numbers			
	Crowd Size	Meetings	Total
Burn Out Pad (Local)	300	7	2100
Burn Out Pad (Competition)	1500	3	4500
Private Hire		15	

Table 2.4.2 C Revenue				
<b>Entry Fee Revenue</b>				
Entry Fees	Car Fee	Exhibitors	Events	Total
Burn Out Pad (Local)	\$50	50	7	\$17,500
Burn Out Pad (Competition)	\$100	75	3	\$22,500
<b>Total</b>				<b>\$40,000</b>
<b>Total GST exclusive</b>				<b>\$34,783</b>
<b>Ticket Revenue</b>				
	Adult	Child	Family	Total
Ticket %	50%	10%	30%	
Burn Out Pad (Local)	\$21,000			\$21,000
Burn Out Pad (Competition)	\$45,000	\$2,250	\$7,875	\$55,125
<b>Total</b>				<b>\$76,125</b>
<b>Total GST exclusive</b>				<b>\$66,196</b>
<b>Private Hire Revenue</b>				
	Price	Meetings		Total
Private Hire	\$1,500	15		\$22,500

This model allows for 10% of all tickets to be complimentary.

### 2.4.3 Burn Out Pad Financial Projections

Table 2.4.3 A Other Future Revenue		
	Notes	2024/25
Burn Out Pad Entry Fees		\$34,783
Burn Out Pad Ticket Sales		\$66,196
Burn Out Pad Sponsorship	\$3,000 / meeting	\$9,000
Burn Out Pad Recreational Use		\$22,500
<b>Total</b>		<b>\$132,478</b>

Recreational Use also includes Private Hire.

Table 2.4.3 B Per Meeting Cost Averages	
	Burn Out Pad
Wages	\$500
Advertising	\$300
Announcing	\$150
Cleaning	\$200
Gate Keepers	\$500
Print / Stationery / Programmes	\$3,000
Prizemoney	\$599
Repairs & Maintenance	\$200
St Johns Driver's Levies	\$1,000
Rubbish	\$100
General / Miscellaneous	\$200
<b>Total</b>	<b>\$5,350</b>
<b>Total Annual Operating Costs</b>	<b>\$16,049</b>

This model has calculated that 66% of sponsorship revenue will be allocated as an operating cost in the form of prizemoney. Per meeting costs have only been allocated to the three competition meetings.

## Depreciation for Burn Out Pad

### *Estimated Average Depreciation Rate for New Facilities*

Table 2.1.3 C below shows the estimated asset life and estimated annual depreciation for the proposed new burn out pad.

Table 2.4.3 C Projected Depreciation Chart					
Category	Facility	Cost*	Asset Life	Dep Rate	Depreciation
	Burn Out Pad	\$590,400	50	0.02	\$11,808
	Burn Out Pad Safety Fence	\$50,000	33	0.03	\$1,500
	Uncovered Seating	\$71,000	50	0.02	\$1,420
	Site/Services	\$200,000	50	0.02	\$4,000
<b>Total</b>					<b>\$18,728</b>

## Future Annual Costs for Burn Out Pad

Due to community purposes we have provided 50% and 0% depreciation projections for this financial model.

Table 2.4.3D Projected Annual Costs			
Description	2024/25	2024/25	Projection Notes
	50% Depreciation	0% Depreciation	
<b>Landlord Costs</b>			
Depreciation	\$9,364		
Insurance			
Rates	\$6,614	\$6,614	
Sub-Total	\$15,978	\$6,614	
<b>Tenant Costs</b>			
Operating Costs	\$16,049	\$16,049	
Extra Staffing/Marketing	\$6,624	\$6,624	Based on 5% of annual gross revenue
Land Rental	\$13,977	\$13,977	*See below
Facility Hireage	\$39,523	\$39,523	** See below
<b>Sub-Total</b>	<b>\$76,174</b>	<b>\$76,174</b>	
<b>Total</b>	<b>\$92,152</b>	<b>\$82,788</b>	

**\* Land Rental** - The Land Rental has been calculated on a per hectare basis. The purchase price of the land, along with overhead infrastructure costs (\$2 million allocated) has been combined and put on a 40yr loan at 2% interest. It has then been divided by the hectares purchased (100 hectares) to arrive at a per hectare cost of \$4,659 land rental. For the purposes of this model, the Skid Pad facility has been based on a 2-hectare area.

**\*\*Facility Hireage** - The Facility Hireage figure has been calculated by putting the \$1.1 million capital investment on a 40yr loan at 2% interest. The annual repayment is \$39,523 which is the annual facility hireage.

## 2.4.4 Summary

At this time, it is assumed that Stratford Park will be the landlord for the proposed new \$1.1 million Burn Out Pad Facility.

Table 2.4.4 Financial Summary		
Description	2024/25 Projection 50% Depreciation	2024/25 0% Depreciation
<b>Income</b>		
Sponsorship	\$9,000	\$9,000
Ticket Sales	\$66,195	\$66,195
Entry Fees	\$34,782	\$34,782
Private Hire	\$22,500	\$22,500
<b>Gross Profit</b>	<b>\$132,478</b>	<b>\$132,478</b>
<b>Expenses</b>		
Landlord Costs	\$15,978	\$6,614
Tenant Costs	\$76,174	\$76,174
<b>Total Expenses</b>	<b>\$92,152</b>	<b>\$82,788</b>
<b>Net Profit</b>	<b>\$40,327</b>	<b>\$49,691</b>

### Please note:

It is envisaged that a non-refundable deposit equivalent to one year of land rental will be required from the tenant before construction of the facility could commence. This is to cover landlord mortgage repayments during the construction period.

## 2.5 RALLY

**Important:** Please note all prices in this section are GST exclusive unless otherwise stated.

This section investigates how Rally events might operate. The Overview Table below summarizes some key parameters upon which the Rally Business Model is based.

Rally enthusiasts have indicated that some rally events could be held immediately on Stratford Park. The two cow tracks feeding off the old cowshed have a combined length of 1.5km and these tracks in their current state can currently hold rally competitions.

A 2.3 km rally circuit could be created by joining the endpoints of these two cow tracks. The joining track could potentially be along the southern border of the motorsport area. It has been estimated this track extension could be achieved for approximately \$40,000.

This Rally model is based on one national meeting and ten club meetings.

Table 2.5 Overview			
	Facility	Dimensions	Materials
Rally Track	Gravel Track*	2.5km 4m	Gravel
Spectators	Rally Meetings		11
Finances	Annual Revenue		\$82,304
	Net Profit		\$16,346

### 2.5.1 Rally Facility Requirements and Capital Cost Estimates

Table 2.5.1 is a summary of the facility requirements and their costs, based on estimates received from local business operators.

*Note, costs below do not include escalation, external works and consenting.*

Table 2.5.1 Infrastructure Requirements				
Category	Facility	Cost		Price Quoted
Rally Track	Track Extension	\$40,000	1km @ \$40/metre	
<b>Sub-Total</b>		<b>\$40,000</b>		
<b>Sub-Total Incl. 10% fees</b>		<b>\$44,000</b>		
<b>Total incl. 10% Contingency</b>		<b>\$48,400</b>		

## 2.5.2 Ticketing and Entry Fee Revenue

Table 2.5.2 A Ticket Pricing – 2024/25 (GST Inclusive)			
	Adult	Child	Family
Rally (Club)	\$15	\$5	\$30
Rally (National)	\$25	\$10	\$60
Rally Entry (Club)	\$80		
Rally Entry (National)	\$100		

Table 2.5.2 B Estimated Spectator Numbers			
	Crowd Size	Meetings	Total
Rally Meeting (Club)	300	10	3000
Rally Meeting (National)	1000	1	1000

Table 2.5.2 C Revenue				
Entry Fee Revenue				
Entry Fees	Car Fee	Exhibitors	Events	Total
Rally (Club)	\$80	40	10	\$32,000
Rally (National)	\$100	50	1	\$5,000
<b>Total</b>				\$37,000
<b>Total GST exclusive</b>				\$32,174
Ticket Revenue				
	Adult	Child	Family	Total
<b>Ticket %</b>	50%	10%	30%	
Rally (Club)	\$22,500	\$1,500	\$4,500	\$28,500
Rally (National)	\$12,500	\$1,000	\$3,000	\$16,500
<b>Total</b>				\$45,000
<b>Total GST exclusive</b>				\$39,130

This model allows for 10% of all tickets to be complimentary.

### 2.5.3 Rally Financial Projections

Table 2.5.3 A Rally Revenue		
	Notes	2024/25
Rally Ticket Sales		\$39,130
Rally Entry Fees		\$32,174
Rally Sponsorship	\$1,000 / meeting	\$11,000
<b>Total</b>		<b>\$82,304</b>

Table 2.5.3 B Per Meeting Cost Averages		Skid Pad
Wages		\$500
Advertising		\$300
Announcing		\$150
Cleaning		\$200
Gate Keepers		\$500
Print / Stationery / Programmes		\$200
Prizemoney		\$666
Repairs & Maintenance		\$200
St Johns Driver's Levies		\$1,000
Rubbish		\$100
General / Miscellaneous		\$200
<b>TOTAL</b>		<b>\$4,016</b>
<b>Total Annual Operating Costs</b>		<b>\$44,176</b>

66% of sponsorship revenue will be allocated as an operating cost in the form of prizemoney.

### Depreciation for Rally Track

#### *Estimated Average Depreciation Rate for New Facilities*

Table 2.5.3 C below shows the estimated asset life and estimated annual depreciation for the proposed Rally Track.

Table 2.5.3 C Projected Depreciation Chart					
Category	Facility	Cost*	Asset Life	Dep Rate	Depreciation
	Rally Track	\$40,000	25	0.04	\$1,600
<b>Total</b>					<b>\$1,600</b>



Table 2.5.3 D Projected Annual Costs			
Description	2024/25	2024/25	Projection Notes
	50% Depreciation	0% Depreciation	
<b>Landlord Costs</b>			
Depreciation	\$800		
Insurance			
Rates	\$6,614	\$6,614	
Sub-Total	\$7,414	\$6,614	
<b>Tenant Costs</b>			
Operating Costs	\$44,176	\$44,176	
Extra Staffing/Marketing	\$4,115	\$4,115	Based on 5% of annual gross revenue
Land Rental	\$9,318	\$9,318	*See below
Facility Hireage	\$1,735	\$1,735	**See below
<b>Sub-Total</b>	<b>\$59,344</b>	<b>\$59,344</b>	
<b>Total</b>	<b>\$66,758</b>	<b>\$65,958</b>	

\* **Land Rental** - The Land Rental has been calculated on a per hectare basis. The purchase price of the land, along with overhead infrastructure costs (\$2 million allocated) has been combined and put on a 40yr loan at 2% interest. It has then been divided by the hectares purchased (100 hectares) to arrive at a per hectare cost of \$4,659 land rental. For the purposes of this model, the Rally facility has been based on a two-hectare area.

\*\***Facility Hireage** -The Facility Hireage figure has been calculated by putting the \$48,400 capital investment on a 40yr loan at 2% interest. The annual repayment is \$1,735 which is the annual facility hireage.

### 2.5.4 Summary

Table 2.5.4 Financial Summary		
Description	2024/25 Projection 50% Depreciation	2024/25 0% Depreciation
<b>Income</b>		
Sponsorship	\$11,000	\$11,000
Ticket Sales	\$39,130	\$39,130
Entry Fees	\$32,174	\$32,174
<b>Gross Profit</b>	<b>\$82,304</b>	<b>\$82,304</b>
<b>Expenses</b>		
Landlord Costs	\$7,414	\$6,614
Tenant Costs	\$59,344	\$59,344
<b>Total Expenses</b>	<b>\$66,758</b>	<b>\$65,958</b>
<b>Net Profit</b>	<b>\$15,546</b>	<b>\$16,346</b>

## 2.6 GARAGES

**Important:** Please note all prices in this section are GST exclusive unless otherwise stated. This section identifies two principal revenue streams through the hiring of garage facilities.

Overview				
	Facility	Nos	Dimensions	Materials
Buildings	Garages (30)	30	8m x 4m	
	Pit Garages (20)	20	12m x 8m	4 bays per garage
	Communal Workshop		10m x 30m	5 bays @ 5m wide + toilets
Pit Garages	Usage			75%
	Events /Year			77
Finances	Annual Revenue			\$766,800
	Net Profit			\$626,360

The garages that would be available for yearly hire are where individuals could store their race car or classic car on-site for the full 12 months. These garages would have a small workbench at the front of their garage.

The Pit Garages would be designed for race day meetings. Potentially four bays could be accommodated in each garage at a rate of \$140 per bay.

### 2.6.1 Garage Capital Cost Requirements

Table 2.6.1 Infrastructure Requirements				
Category	Facility	Cost		Price Quoted
Buildings	Garages (30)	\$624,000	\$20,800 per garage	Yes
	Pit Garages (20)	\$1,344,000	\$67,200 per garage	Yes
	Communal Workshop		300m <sup>2</sup> @ \$1,665 /m <sup>2</sup>	Yes
	Site/Services	\$100,000		
<b>Sub-Total</b>		\$2,068,000		
<b>Sub-Total Incl. 10% fees</b>		\$2,274,800		
<b>Total incl. 10% Contingency</b>		<b>\$2,502,280</b>		

The Communal Workshop listed in Table 2.6.1 above has not been priced as it is not considered a priority at this stage of the project.

### 2.6.2 Garage Pricing

Table 2.6.2 A Garage Pricing - 2024/25	
Pit Garage Hire/bay/day	\$140
Garage Hire/Year	\$4,000

### 2.6.3 Garages Financial Projections

Table 2.6.3 A Other Future Revenue		
	Notes	2024/25
Pit Garage Hireage		\$646,800
Garage Rental		\$120,000
<b>Total</b>		<b>\$766,800</b>

Table 2.6.3 B Annual Garage Costs	
Description	
Electricity (\$100 per event)	\$7,700
Repairs & Maintenance (1% of CAPEX)	\$25,023
<b>Total</b>	<b>\$32,723</b>

#### Depreciation for Garages

*Estimated Average Depreciation Rate for New Facilities*

Table 2.1.3 C below shows the estimated asset life and estimated annual depreciation for the proposed new Garages.

Table 2.6.3 C Projected Depreciation Chart					
Category	Facility	Cost*	Asset Life	Dep Rate	Depreciation
	Garages (30)	\$624,000	50	0.02	\$12,480
	Pit Garages	\$1,344,000	50	0.02	\$26,880
	Site/Services	\$100,000	50	0.02	\$2,000
				<b>Total</b>	<b>\$41,360</b>

## Future Annual Costs for Drag Strip

Due to community purposes we have provided 50% and 0% depreciation projections for this financial model.

Table 2.6.3 D Projected Annual Costs			
Description	2024/25	2024/25	Projection Notes
	50% Depreciation	0% Depreciation	
<b>Landlord Costs</b>			
Depreciation	\$20,680		
Insurance			
Rates	\$6,614	\$6,614	
Sub-Total	\$27,294	\$6,614	
<b>Tenant Costs</b>			
Operating Costs	\$32,723	\$32,723	
Land Rental	\$4,659	\$4,659	*See below
Facility Hireage	\$96,444	\$96,444	**See below
<b>Sub-Total</b>	<b>\$133,826</b>	<b>\$133,826</b>	
<b>Total</b>	<b>\$161,120</b>	<b>\$140,440</b>	

\* **Land Rental** - The Land Rental has been calculated on a per hectare basis. The purchase price of the land, along with overhead infrastructure costs (\$2 million allocated) has been combined and put on a 40yr loan at 2% interest. It has then been divided by the hectares purchased (100 hectares) to arrive at a per hectare cost of \$4,659 land rental. For the purposes of this model, the Garage facilities have been based on a one-hectare area.

\*\***Facility Hireage** - The Facility Hireage figure has been calculated by putting the \$8.28 million capital investment on a 40yr loan at 2% interest. The annual repayment is \$96,444 which is the annual facility hireage.

## 2.6.4 Summary

Table 2.6.4 Financial Summary		
Description	2024/25 Projection 50% Depreciation	2024/25 0% Depreciation
<b>Income</b>		
Garage Hire	\$120,000	\$120,000
Pit Garage Hire	\$646,800	\$646,800
<b>Gross Profit</b>	<b>\$766,800</b>	<b>\$766,800</b>
<b>Expenses</b>		
Landlord Costs	\$27,294	\$6,614
Tenant Costs	\$133,826	\$133,826
<b>Total Expenses</b>	<b>\$161,120</b>	<b>\$140,440</b>
<b>Net Profit</b>	<b>\$605,680</b>	<b>\$626,360</b>

### **Please note:**

It is envisaged that a non-refundable deposit equivalent to one year of land rental will be required from the tenant before construction of the facility could commence. This is to cover landlord mortgage repayments during the construction period.

### 3.0 Taranaki Horse Park

**Important:** Please note all prices in this section are GST exclusive unless otherwise stated.

This section investigates how the Taranaki Horse Park might operate. The Park Centre will be a large Indoor Arena with a custom designed surface for equestrian activity. This Arena will be available for a range of different activities for both sporting and racing codes.

The Overview Table below summarizes some key parameters upon which this Horse Park Business Model is based.

Overview			
	Facility	Dimensions	Notes
Requirements	Synthetic Track	1800 x 6m Wide	
	Straight Gallop	1,000m x 16m wide	
	Practice Gates		
	Indoor Arena	80m x 60m	
	Horse Barns	43m x 6m	18 boxes/barn
	Swimming Pool	25m x 4m x 2.5m	
	Horse Walker		10 horses/walker
	Round Pens	15m diameter	
	Outdoor Arenas (x2)		
	Dressage Arena		
	Outdoor Arenas (x3)		
	Covered Yards		
	Water Treadmill		
	Horse Spa		
Crush			
Horse Numbers	On-Site		340
	Casual		230
Other	Full-Time Employment		Approx. 100 people

### 3.1.1 Horse Park Facility Requirements and Capital Cost Estimates

Table 3.1.1 is a summary of the facility requirements and their costs, based on estimates received from local business operators.

*Note, costs below do not include escalation, external works and consenting.*

Infrastructure Requirements Table 3.1.1				
Category	Facility	Costs		Price Quoted
Racing	Synthetic Track	2,700,000	10,800m <sup>2</sup> @ \$250/m <sup>2</sup>	Yes
	Straight Gallop	30,000	1,000mx16m wide	
	Horse Walker (5)	285,180	\$57,036 each	Yes
	Round Pens (5)	87,500	\$17,500 each	Yes
	Practice Gates	30,000		
	Horse Barns	660,000	\$55,000/barn	Yes
	Site/Services	100,000		
Sporting	Indoor Arena	7,200,000	4,800m <sup>2</sup> @1500/m <sup>2</sup>	Yes
	Indoor Arena Surface	840,000	4,800m <sup>2</sup> @ \$175/m <sup>2</sup>	
	Horse Barns	275,000	\$55,000/barn	Yes
	Swimming Pool	310,000	100m <sup>2</sup>	Yes
	Horse Walker	57,036	\$57,036 each	Yes
	Round pens (3)	52,500	\$17,500 each	Yes
	Outdoor Arenas (Sand x2)	120,000	\$25/m <sup>2</sup>	
	Dressage Arena	52,500	\$25/m <sup>2</sup>	
	Outdoor Arena (Grass x3)	43,200	\$3/m <sup>2</sup>	Yes
	Covered Yards	480,000	\$4,000 per box	
	Water Treadmill	145,000		Yes
	Horse Spa	200,000		
	Crush	5,500		
Sundry	Farm Equipment	100,000		
	Site/Services	200,000		
Sub-Total		<b>\$13,673,416</b>		
Sub-Total incl. 10% Fees		<b>\$15,040,758</b>		
Total incl. 10% Contingency		<b>\$16,544,833</b>		



**Please Note: Although this section is still a work in progress, early indications suggest the Taranaki Horse Park could create over 100 fulltime jobs when fully operational.**

## 4.0 Taranaki Event Park

**Important:** Please note all prices in this section are GST exclusive unless otherwise stated.

This section investigates how the Event Park might operate. The preferred size of the Indoor Trade Hall has yet to be decided, so costings for three different options have been provided.

The Overview Table below summarizes some key parameters upon which this Event Park Business Model is based.

Overview			
	Facility	Dimensions	Notes
Facilities Current	Skinner Road Hall	310m <sup>2</sup>	Retain
	Cattle Shed Stalling	1560m <sup>2</sup>	Remodel or demolish
	Beef Shed Stalling	540m <sup>2</sup>	Remodel or demolish
	Pig/Sheep Shed	1330 m <sup>2</sup>	Remodel or demolish
	Sand Arena	2700 m <sup>2</sup>	Move to Horse Park
	Cattle Rings	1750 m <sup>2</sup>	
	Toilet Block		
Facilities Future	Indoor Trade Hall (1)	6000 m <sup>2</sup>	Mystery Creek Pavilion
	Indoor Trade Hall (2)	2400 m <sup>2</sup>	TSB Arena
	Indoor Trade Hall (3)	1000 m <sup>2</sup>	
	Skinner Road Hall	310 m <sup>2</sup>	
	Cattle Shed Stalling	7500m <sup>2</sup>	500 animals
	Cattle Rings + Viewing	2175m <sup>2</sup>	3 rings @400m <sup>2</sup> each
	Milking Shed		10 bales
	Alpaca Shed	1000 m <sup>2</sup>	50m x 20m
	Sheep/Pig Shed	1330 m <sup>2</sup>	Remodel
	Beef Shed	540 m <sup>2</sup>	Remodel
	Toilet Block (2)		
	Camping Kitchen		
	Music Stage		
	Office Facilities		
	Conference Facility		150 pax theatre style
	Media Room		30 pax
Portable Seating		2000 seating	

### 4.1.1 Event Park Facility Requirements and Capital Cost Estimates

The costs below describe the facility requirements of the Event Park. They are based on estimates received from local business operators.

*Note, costs below do not include escalation, external works and consenting.*

Table 4.1.1 Infrastructure Requirements				
Category	Facility	Cost		Quotes
Buildings	Indoor Trade Hall (1)	9,300,000	6000 m2 @ \$1,550	Yes
	Indoor Trade Hall (2)	3,000,000	2400 m2 @ \$1,250	Yes
	Indoor Trade Hall (3)	1,250,000	1000 m2 @ \$1,250	Yes
	Cattle Shed Stalling	1,687,500	7500 m2 @ \$225	Yes
	Cattle Rings + Viewing	489,375	2175 m2 @ \$225	Yes
	Milking Shed	62,500	10 bales	Yes
	Alpaca Shed	225,000	1000m2 @ \$225	Yes
	Sheep/Pig Shed	89,775	Remodel - 30% of rebuild	Yes
	Beef Shed	189,000	Remodel - 30% of rebuild	Yes
	Outdoor Trade Areas	300,000	10 ha @ \$30,000 / ha	
	Toilet Block (2)	250,000		Yes
	Camping Kitchen	256,000	64m2 @ \$4,000	Yes
	Music Stage	74,800		Yes
	Office Facilities	318,000	120m2 @ 2650	Yes
	Conference Facility	1,620,000	150 pax theatre style	Yes
	Media Room	134,400	48m2 @ \$2,800	Yes
	Portable Seating	284,000	2,000 @ \$142 per seat	
	Speedway Track	100,000	Re-purpose and remodel	
	Security Fence	200,000		
	Lighting	200,000		
Site and Services	1,000,000			
Sub Total		<b>\$8,730,350</b>		
Sub-Total incl. 10% Fees		<b>\$9,603,385</b>		
Total incl. 10% Contingency		<b>\$10,563,724</b>	Trade Hall 3	
		<b>\$12,681,224</b>	Trade Hall 2	
		<b>\$20,304,224</b>	Trade Hall 1	

**Please note: Capex figures provided have been based on Trade Hall 2 scenarios.**

This section is currently a work in progress.

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13 November 2020

Stratford A & P Association  
PO Box 309  
**STRATFORD 4352**

Dear Committee

### **Revised Lilley budget**

Please find enclosed the revised budget for the purchase of the neighbouring Lilley property.

There are some key changes:

1. Silage income has been increased to reflect a per hectare dry matter production level of 11,000 kgs. This is an increase of 3,000 on the previous levels. This has been based on the advice from farm consultants Brendan Attrill & Jono Buchly, as well as the closeness of the farm to the nearby Stratford District Council Farm & Stratford Demonstration Farm which both achieve over 12,000 kgs DM per hectare.
2. Wages have been decreased from \$20,000 to \$5,000 to reflect volunteer work.
3. Allowance has been included for principle repayments on the SDC loan based on an estimated 40 year term.

The overall result is that with these changes the farm produces after the initial set up years a cash surplus each year, after debt repayment, of \$11,158.

The attached budget demonstrates that the farm can be expected to sustain itself financially, and not be a cash burden on the other Stratford A & P operations, if operated as a dry stock and supplement farm.

As always please note that the budget is based on assumptions and area & industry production guidelines. Actual results may vary from the budget due to unforeseen circumstances or one off events.

#### **ACCOUNTANCY | HR | INSOLVENCY | MARKETING | IT | AUDIT | TAXATION**

Baker Tilly Staples Rodway Taranaki Limited trading as Baker Tilly Staples Rodway Taranaki is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities.



As always please let me know if you have any questions.

Regards

Yours sincerely  
Baker Tilly Staples Rodway Taranaki Limited

A handwritten signature in black ink, appearing to read 'Philip Macey', written in a cursive style.

Philip Macey  
*Director*

Enclosure



**Stratford A & P Association (Inc)**  
**Statement of Disclaimer**  
**For the Period 1 January 2021 to 31 December 2030**

We have compiled the financial forecast of Stratford A & P Association (Inc) for the period 1 June 2020 to 31 March 2030, as set out on pages attached.

This forecast has been prepared for Stratford A & P Association (Inc) and may not be appropriate for other users' purposes.

This forecast is solely for the purchase of the "Lilley" land and does not include any other transaction.

A compilation is limited primarily to the collection, classification and summarisation of financial information supplied by the client. In particular, the forecast has been prepared on the basis of best estimate assumptions made by our client and set out on the attached page. A compilation does not involve verification of that information or the assumptions.

We accordingly do not express any opinion on the financial forecast and neither we nor any of our employees accept any responsibility for the accuracy of the information from which the forecast has been prepared.

Readers are cautioned that prospective financial information is inherently uncertain in nature and that actual results achieved for the period are likely to be different from the forecast since anticipated events frequently do not occur as expected. The variations may be material.

The financial forecast has been prepared at the request of and for the purpose of the clients only and neither we nor any of our employees accept any responsibility on any ground whatever, including liability in negligence, to any other person.

  
**Baker Tilly Staples Rodway Tararaki Limited**  
**Chartered Accountants**

10<sup>th</sup> November 2020



# Cash Flow

Stratford A & P Association  
 Lilley Budget revised November 2020 from 2021 to 2030  
 Created by philip.macey@bakertillysr.nz

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Income										
Other Income										
Grazing - Carry Over Cows	-	27,250	27,250	27,250	27,250	27,250	27,250	27,250	27,250	27,250
Sale of Silage	199,021	199,021	199,021	199,021	199,021	199,021	199,021	199,021	199,021	199,021
Grazing - Winter	48,160	48,160	48,160	48,160	48,160	48,160	48,160	48,160	48,160	48,160
Rent on Dwellings	24,700	24,700	24,700	24,700	24,700	24,700	24,700	24,700	24,700	24,700
Total Other Income	271,881	299,131	299,131	299,131	299,131	299,131	299,131	299,131	299,131	299,131
<b>Gross Profit</b>	<b>271,881</b>	<b>299,131</b>	<b>299,131</b>	<b>299,131</b>	<b>299,131</b>	<b>299,131</b>	<b>299,131</b>	<b>299,131</b>	<b>299,131</b>	<b>299,131</b>
Operating Expenses										
Repairs and Maintenance										
Repairs and Maintenance - Machinery Costs	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Repairs and maintenance	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Repairs and Maintenance - Hedge Mulching	1,666	1,666	1,666	1,666	1,666	1,666	1,666	1,666	1,666	1,666
Total Repairs and Maintenance	11,666	11,666	11,666	11,666	11,666	11,666	11,666	11,666	11,666	11,666
Insurance										
Insurance	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Insurance - Public Liability	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Total Insurance	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Fertiliser	15,211	15,211	15,211	15,211	15,211	15,211	15,211	15,211	15,211	15,211
Wages	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Consulting	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Electricity - Fairr	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875
Total Operating Expenses	38,252	38,252	38,252	38,252	38,252	38,252	38,252	38,252	38,252	38,252
<b>Operating Surplus</b>	<b>233,629</b>	<b>260,879</b>	<b>260,879</b>	<b>260,879</b>	<b>260,879</b>	<b>260,879</b>	<b>260,879</b>	<b>260,879</b>	<b>260,879</b>	<b>260,879</b>
Interest										



Funding of Lilley Land Interest Payments	124,650	122,444	120,198	117,913	115,588	113,222	110,814	108,363	105,870	103,332
Total Interest	124,650	122,444	120,198	117,913	115,588	113,222	110,814	108,363	105,870	103,332
<b>Total Cash Surplus</b>	<b>108,979</b>	<b>138,435</b>	<b>140,681</b>	<b>142,966</b>	<b>145,291</b>	<b>147,657</b>	<b>150,065</b>	<b>152,516</b>	<b>155,009</b>	<b>157,547</b>
<ul style="list-style-type: none"> <li>✓ Non Operating Movements</li> <li> <ul style="list-style-type: none"> <li>✓ Other                             <ul style="list-style-type: none"> <li>Tractor - Machinery &amp; Equipment</li> <li>Topper - Machinery &amp; Equipment</li> <li>Gatrz - Machinery &amp; Equipment</li> <li>Sundry Plant - Machinery &amp; Equipment</li> <li>Lilley Land - Rural Property</li> </ul> </li> </ul> </li> </ul>										
	(40,000)	-	-	-	-	-	-	-	-	-
	(3,000)	-	-	-	-	-	-	-	-	-
	(8,000)	-	-	-	-	-	-	-	-	-
	(5,000)	-	-	-	-	-	-	-	-	-
	(7,180,000)	-	-	-	-	-	-	-	-	-
Funding of Lilley Land	7,054,929	(127,277)	(129,523)	(131,808)	(134,133)	(136,499)	(138,907)	(141,358)	(143,851)	(146,389)
Total Other	(181,071)	(127,277)	(129,523)	(131,808)	(134,133)	(136,499)	(138,907)	(141,358)	(143,851)	(146,389)
<b>Total Non Operating Movements</b>	<b>(181,071)</b>	<b>(127,277)</b>	<b>(129,523)</b>	<b>(131,808)</b>	<b>(134,133)</b>	<b>(136,499)</b>	<b>(138,907)</b>	<b>(141,358)</b>	<b>(143,851)</b>	<b>(146,389)</b>
<ul style="list-style-type: none"> <li>✓ GST</li> </ul>										
GST	32,089	36,177	36,177	36,177	36,177	36,177	36,177	36,177	36,177	36,177
Refunds/Payments	(16,048)	(34,132)	(36,177)	(36,177)	(36,177)	(36,177)	(36,177)	(36,177)	(36,177)	(36,177)
Total GST	16,041	2,045	-	-	-	-	-	-	-	-
<b>Opening Balance</b>	<b>50,000</b>	<b>(6,051)</b>	<b>7,152</b>	<b>18,310</b>	<b>29,468</b>	<b>40,626</b>	<b>51,783</b>	<b>62,941</b>	<b>74,099</b>	<b>85,257</b>
<b>Net Cash Movement</b>	<b>(56,051)</b>	<b>13,202</b>	<b>11,158</b>	<b>11,158</b>	<b>11,158</b>	<b>11,158</b>	<b>11,158</b>	<b>11,158</b>	<b>11,158</b>	<b>11,158</b>
<b>Closing Balance</b>	<b>(6,051)</b>	<b>7,152</b>	<b>18,310</b>	<b>29,468</b>	<b>40,626</b>	<b>51,783</b>	<b>62,941</b>	<b>74,099</b>	<b>85,257</b>	<b>96,415</b>



# Profit & Loss

Stratford A & P Association  
 Lilley Budget revised November 2020 from 2021 to 2030  
 Created by philip.macey@bakertillysr.nz

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Income										
Other Income										
Grazing - Carry Over Cows	-	27,250	27,250	27,250	27,250	27,250	27,250	27,250	27,250	27,250
Sale of Silage -	199,021	199,021	199,021	199,021	199,021	199,021	199,021	199,021	199,021	199,021
Grazing - Winter	48,160	48,160	48,160	48,160	48,160	48,160	48,160	48,160	48,160	48,160
Rent on Dwellings	24,700	24,700	24,700	24,700	24,700	24,700	24,700	24,700	24,700	24,700
Total Other Income	271,881	299,131	299,131	299,131	299,131	299,131	299,131	299,131	299,131	299,131
<b>Gross Profit</b>	<b>271,881</b>	<b>299,131</b>	<b>299,131</b>	<b>299,131</b>	<b>299,131</b>	<b>299,131</b>	<b>299,131</b>	<b>299,131</b>	<b>299,131</b>	<b>299,131</b>
Operating Expenses										
Repairs and Maintenance										
Repairs and Maintenance - Machinery Costs	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Repairs and maintenance - scenario use only	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Repairs and Maintenance - Hedge Mulching	1,666	1,666	1,666	1,666	1,666	1,666	1,666	1,666	1,666	1,666
Total Repairs and Maintenance	11,666	11,666	11,666	11,666	11,666	11,666	11,666	11,666	11,666	11,666
Insurance										
Insurance	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Insurance - Public Liability	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Total Insurance	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Fertiliser	15,211	15,211	15,211	15,211	15,211	15,211	15,211	15,211	15,211	15,211
Wages	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Consulting	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Electricity - Farm	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875
Total Operating Expenses	38,252	38,252	38,252	38,252	38,252	38,252	38,252	38,252	38,252	38,252
<b>Operating Surplus</b>	<b>233,629</b>	<b>260,879</b>	<b>260,879</b>	<b>260,879</b>	<b>260,879</b>	<b>260,879</b>	<b>260,879</b>	<b>260,879</b>	<b>260,879</b>	<b>260,879</b>
<b>EBITDAR</b>	<b>233,629</b>	<b>260,879</b>	<b>260,879</b>	<b>260,879</b>	<b>260,879</b>	<b>260,879</b>	<b>260,879</b>	<b>260,879</b>	<b>260,879</b>	<b>260,879</b>

Interest																									
Funding of Lilley Land Interest Payments	124,650	122,444	120,198	117,913	115,588	113,222	110,814	108,363	105,870	103,332															
Total Interest	124,650	122,444	120,198	117,913	115,588	113,222	110,814	108,363	105,870	103,332															
Net Profit Before Tax	108,979	138,435	140,681	142,966	145,291	147,657	150,065	152,516	155,009	157,547															
Net Profit After Tax	108,979	138,435	140,681	142,966	145,291	147,657	150,065	152,516	155,009	157,547															

Slilage income has been increased to reflect an increase in dry matter production from the original 8,000kgs to 11,000kgs. This is based on relative farms in the area most notably the SDC farm that generated in excess of 12,000kgs dry matter.  
 Wages have been reduced to \$5,000 to reflect donated time to the Stratford A & P



# Balance Sheet

Stratford A & P Association  
 Lilley Budget revised November 2020 from Dec 2021 to Dec 2030  
 Created by philip.macey@bakertillysr.nz

	Dec 2021	Dec 2022	Dec 2023	Dec 2024	Dec 2025	Dec 2026	Dec 2027	Dec 2028	Dec 2029	Dec 2030
<b>Assets</b>										
<b>Current Assets</b>										
TSS Cheque Account	-	7,152	18,310	29,468	40,626	51,783	62,941	74,099	85,257	96,415
Total Current Assets	-	7,152	18,310	29,468	40,626	51,783	62,941	74,099	85,257	96,415
<b>Non-Current Assets</b>										
Tractor - Machinery & Equipment	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Topper - Machinery & Equipment	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Gator - Machinery & Equipment	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Sundry Plant - Machinery & Equipment	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Lilley Land - Rural Property	7,180,000	7,180,000	7,180,000	7,180,000	7,180,000	7,180,000	7,180,000	7,180,000	7,180,000	7,180,000
Total Non-Current Assets	7,236,000	7,236,000	7,236,000	7,236,000	7,236,000	7,236,000	7,236,000	7,236,000	7,236,000	7,236,000
<b>Total Assets</b>	<b>7,236,000</b>	<b>7,243,152</b>	<b>7,254,310</b>	<b>7,265,468</b>	<b>7,276,626</b>	<b>7,287,783</b>	<b>7,298,941</b>	<b>7,310,099</b>	<b>7,321,257</b>	<b>7,332,415</b>
<b>Liabilities</b>										
<b>Current Liabilities</b>										
TSS Cheque Account	6,051	-	-	-	-	-	-	-	-	-
GST	16,041	18,086	18,086	18,086	18,086	18,086	18,086	18,086	18,086	18,086
Total Current Liabilities	22,092	18,086	18,086	18,086	18,086	18,086	18,086	18,086	18,086	18,086
<b>Non-Current Liabilities</b>										
Funding of Lilley Land	7,054,929	6,927,651	6,798,129	6,666,321	6,532,188	6,395,669	6,256,782	6,115,424	5,971,573	5,825,184
Total Non-Current Liabilities	7,054,929	6,927,651	6,798,129	6,666,321	6,532,188	6,395,669	6,256,782	6,115,424	5,971,573	5,825,184
<b>Total Liabilities</b>	<b>7,077,021</b>	<b>6,945,737</b>	<b>6,816,215</b>	<b>6,684,407</b>	<b>6,550,274</b>	<b>6,413,775</b>	<b>6,274,868</b>	<b>6,133,510</b>	<b>5,969,659</b>	<b>5,845,270</b>
<b>Net Assets</b>	<b>158,979</b>	<b>297,414</b>	<b>438,095</b>	<b>581,061</b>	<b>726,352</b>	<b>874,009</b>	<b>1,024,074</b>	<b>1,176,589</b>	<b>1,331,599</b>	<b>1,489,145</b>
<b>Equity</b>										
Current Year Earnings	108,979	138,435	140,681	142,966	145,291	147,657	150,065	152,516	155,009	157,547
Retained Earnings	50,000	158,979	297,414	438,095	581,061	726,352	874,009	1,024,074	1,176,599	1,331,599

Total Equity	158,979	297,414	438,095	581,061	726,352	874,009	1,024,074	1,176,569	1,331,599	1,489,145
Net Equity	158,979	297,414	438,095	581,061	726,352	874,009	1,024,074	1,176,569	1,331,599	1,489,145

11<sup>th</sup> November 2020

Attention Neil McDonald

### **Stratford Show Grounds land purchase**

I have reviewed the attached information with the purchase of the neighbouring 63 ha to be used for silage/hay sales, wintering cows and carryover grazing.

### **Feed budget**

I have reviewed the budget which is based on the sale of grass both standing and bales, the budgeted grass harvest would be 11,000 kgdm per ha this would be 1.5 grazing with cows in the winter (May to Sept) and three cuts of silage/hay

A mob of carryover cows would be used to clean up paddocks as required these will eat approx. 1,000 kgdm per ha.

The pasture harvest is on par with the pasture harvest that is seen at the SDC Aerodrome farm which is located down the road from attended purchase block

### **Cash Budget**

#### **Income**

- Grazing sales
  - The income is based on current market rates on this type of contour which based on the current grazing rate of between \$28-\$30 per head per week for 160 cows over a ten week period.
- Fodder Sales
  - The income for the silage sales is based on a market price of \$100.00 per bale the range of sales over the last 3 years have been between \$80.00 to \$120.00 per bale.

#### **Costs**

- Operating costs
  - The operation costs match the expected spend with similar operations that focus on grazing and fodder sales
- Fixed costs
  - Based on the information provided of the funding options conditions and timeline the budgeted fixed costs are as expected



## Stratford Showgrounds Review



### Summary

The information and budget provided is based on the expected market rates and allows for yearly seasonal variation that can be expected with the feed market.

If you require more information, please contact me

Yours Sincerely

Jono Buchly

Business Manager | Consultant | Headlands  
Level 1 Federated Farmers Building | 1 Carlton Street | PO Box 370  
Te Awamutu 3840 | New Zealand  
Mobile 027 202 7034 | DDI 07 872 0463  
[jono.buchly@headlands.co](mailto:jono.buchly@headlands.co) | [www.headlands.co](http://www.headlands.co)



## APPENDIX 2

**Roger Malthus**  
& Associates (2008) Ltd



# Valuation Report



**For:**

**Stratford District Council  
Agricultural & Pastoral Association Property  
9 Flint Road East  
Stratford  
STRATFORD DISTRICT**

**By:**

**Roger Malthus & Associates (2008) Ltd**

Roger Malthus & Associates (2008) Ltd  
61 High Street  
PO Box 290  
Hawera 4640

Telephone 06 278 7095  
Mobile 027 554 7006  
Email [roger.malthus@xtra.co.nz](mailto:roger.malthus@xtra.co.nz)  
Website [www.roger.malthus.co.nz](http://www.roger.malthus.co.nz)

**REGISTERED VALUERS AND PROPERTY ADVISORS**

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12 November 2020

The Director – Corporate Services  
Stratford District Council  
PO Box 320  
**STRATFORD 4352**

**Attention** Tiffany Radich

**MULTI-SPORT PROPERTY – AGRICULTURAL AND PASTORAL ASSOCIATION –  
9 FLINT ROAD EAST, STRATFORD**

**1.0 Executive Summary**

Property owners	Stratford Agricultural and Pastoral Association
Address	9 Flint Road East, Stratford
Date of inspection	3 November 2020
Effective date of valuation	3 November 2020
Purpose of valuation	Market value for mortgage security

**Brief Description**

15.6861 hectare multi-sport and showgrounds property on Rural Residential zoned land with specialist showground improvements including a parade arena, grandstand, associated holding and display buildings and other improvements. Situated to the northern side of Flint Road East to the northeastern urban periphery of Stratford, 1.5 kilometres northeast of the Stratford central business area.

**Market Value**

**\$2,300,000 (TWO MILLION THREE HUNDRED THOUSAND DOLLARS)**

Unless otherwise stated all figures are plus GST.

**Special Conditions**

- Our valuation is assessed as at date of inspection and includes all land, specific buildings and other improvements owned by the Agricultural and Pastoral Association but excludes those purchased or constructed by Licensee, Taranaki Stock Car Club (Inc).
- We emphasise that this page is a valuation summary only and should be read in conjunction with the attached report which includes appropriate property physical details, market considerations and methodology to our valuation assessment.

**Roger M Malthus – FNZIV, FPINZ**  
Registered Valuer

Roger Malthus & Associates (2008) Ltd  
61 High Street  
PO Box 290  
Hawera 4640

Telephone 06 278 7095  
Mobile 027 554 7006  
Email [roger.malthus@extra.co.nz](mailto:roger.malthus@extra.co.nz)  
Website [www.roger.malthus.co.nz](http://www.roger.malthus.co.nz)

## 2.0 Scope of Work

### 2.1 The Valuer

- The property has been inspected and valued by Roger Malthus of Roger Malthus & Associates (2008) Limited.
- The valuer has satisfied professional educational requirements of the Property Institute of New Zealand (PINZ) and the New Zealand Institute of Valuers (NZIV).
- The valuer has more than 35 years of valuing commercial, residential, rural and specialist properties throughout the Taranaki district.
- Our valuation report is dependent on some information with regard to the floor areas and construction of various buildings to the property as provided by Hutchins & Dick, Registered Valuers, for the Stratford Agricultural and Pastoral Association.
- The valuer has no financial interest or otherwise in the property and no relationship with the property owners.
- The valuer signing this report holds a current Annual Practicing Certificate.

### 2.2 Our Client

The valuation is prepared specifically to meet the requirements of the Stratford District Council in association with instructions received from Director – Corporate Services, Tiffany Radich.

This valuation and all valuation services are provided by Roger Malthus & Associates (2008) Ltd solely for the use of the Client. Roger Malthus & Associates (2008) Ltd does not and shall not assume any responsibility to any person other than the Client for any reason whatsoever including breach of contract, negligence (including negligent mis-statement) or wilful act or default of itself or others by reasons of or arising out of the provision of this valuation or valuation services. Any person, other than the Client, who uses or relies on this valuation does so at their own risk.

**Purpose of Valuation** Market value for mortgage security

**Asset being Valued** A multi-sport and showground property of 15.6861 hectares on Rural Residential zoned land being situated at 9 Flint Road East to the northern urban periphery of Stratford in Central Taranaki.

#### **Basis of Valuation (Market Value)**

The value provided in this valuation report is our opinion of the freehold interest being the current market value as at date of inspection on the basis of a willing buyer/willing seller negotiation. The value may change at a future date due to market conditions and changes to the state of the subject property.

#### **Specific Dates**

Valuation Date: 3 November 2020  
Inspection Date: 3 November 2020

### 2.3 Extent of Investigations

We have undertaken both an internal and external inspection of all buildings and other improvements valued but must advise that we have not commissioned structural surveys or tested any of the services and are therefore unable to confirm that these are free from defect. We note further that we have not inspected unexposed or inaccessible portions of any building and are therefore unable to certify that these are free from defect. Any elements of deterioration apparent during our consideration of the general state of repair of building/s has been noted or reflected in our valuation. We are however, unable to give any warranty as to structural soundness, weatherproofness or durability of any building and have assumed in arriving at our valuation that there are no structural defects or the inclusion of unsatisfactory materials.

No responsibility is assumed for legal matters, questions of survey, opinions of title, hidden or unapparent conditions of the property, soil or sub-soil conditions, engineering or other technical matters, which might render the property more or less valuable than as stated herein. If, as the result of our investigation and analysis, it came to our attention that certain problems may exist, a cautionary note has been entered in the body of the report.

### 2.4 Good & Services Tax (GST)

Unless otherwise stated, all figures shown in this report are plus GST, if any.

When analysing the sales relied upon for this valuation, it is noted that we have attempted to ascertain whether or not the sale price/rental is inclusive or exclusive of Goods and Services Tax (GST). The national database of sales evidence does not currently identify whether or not the sale price is inclusive or exclusive of GST. Where we have not been able to verify the matter of GST, we have assumed that the national database record of sale price is plus GST (if any) or zero rated for GST. Should this not be the case for any particular sale used as evidence, we reserve the right to reconsider our assessment.

### 2.5 Valuation Standards

The valuation has been prepared in accordance with International Valuation Standards 31 January 2020 as well as the Australia and New Zealand Valuation Standards, Guidance Notes and Technical Information Papers including:

- IVS101 – scope of work;
- IVS102 – investigation and compliance;
- IVS103 – reporting;
- IVS104 – bases of value;
- ANZVTIP9 – market value of rural and agri business properties;
- ANZVTIP11 – valuation procedures real property;
- ANZVTIP12 – valuation for mortgage and loan security purposes.

### 3.0 Property Physical Details

#### 3.1 Legal Description

The property is registered as one title which is detailed as follows:

An estate in fee simple described in the Computer Register as Section 6 and Part Section 5 Block I Ngaere Survey District which contains a land area of 15.6861 hectares more or less. The title identifier is TNF3/447 of the Land Registration District Taranaki.

Instruments registered to the titles include:

- Certificate 169897 declaring State Highway 3 adjoining the within land to be a Limited Access Road;
- Subject to a right to convey water and effluent over part marked A on Deposited Plan 13506 created by Transfer 287141.1.

We attach a search copy of the Register (Appendix B).

#### Note

The above Certificate 169897 acknowledges that although the property has frontage to the adjoining railway reserve and to Mountain Road (State Highway 3) it does not have rights of access over this western boundary. The property's access is limited to the road frontage off Flint Road East.

Transfer 287141.1 relates to rights to convey water and effluent across part marked A on Deposited Plan 13506 from Kiwi Tanneries Limited (now Mermac Stratford Limited).

We also note there is a Discharge Permit from the stockcar racing site area into an un-named tributary of the Kahouri Stream. We note this expires on 31 May 2034.

#### 3.2 Resource Management Area & Local Authority

The subject land has a Rural Residential zoning which is in effect the intermediary zoning between Rural zoned land and Residential zoned land developed for more intensive residential purposes. This zoning allows as permitted use one dwelling per title. Other permitted uses include residential business, Marae and non-intensive farm usage within this zoning environment.

We have not been provided with any resource consent information for the subject showgrounds complex but anticipate a new resource consent would be required should the rural-related showgrounds and multi-sport complex be expanded and further developed at a future date.

#### 3.3 Statutory Valuation & Charges

##### Rating Valuation as at 1 July 2020

Capital value	\$1,670,000
Land value	\$ 710,000
Value of improvements	\$ 960,000

##### Rates Payable

Local authority rates assessed for the 2020/21 rating year were set at \$6,131.67 inclusive of GST.

### 3.4 Climate & Altitude

In the Central Taranaki location, we would anticipate an annual rainfall range of between 1600 and 1800mm with a reasonably even seasonal spread, but cold periods over winter months indicate a limit in pastoral production for a 90 to 100 day winter period. There will also be seasonal frosts and the potential for a snowfall annually.

The property's altitude ranges between 300 and 310 metres above sea level.

### 3.5 Situation & Location



This near square shaped multi-sport showground complex is situated to the northeastern corner of Flint Road East and the Hawera/New Plymouth railway line reserve running parallel to Mountain Road (State Highway 3). The property is approximately 1.5 kilometres north via Broadway (also State Highway 3) of the central retail shopping and business area. This and neighbouring properties are also well located in relation to community facilities. Beyond the central business area there is a further local authority sports complex and the Stratford Primary School. Stratford High School is two kilometres southeast off Swansea Road.

Stratford is the main provincial centre for the Stratford district and has a wide range of rural-related businesses including stock and station agencies, veterinary services, machinery services as well as a variety of professions including accounting, legal and banking. It has an estimated population base of some 9,000 residents with indications of population increase over the previous three years. New Plymouth city is some 45 kilometres northwest via State Highway 3 and Hawera is 35 kilometres southeast also via State Highway 3.

Neighbouring properties have a diverse range of development from seasonal supply dairy farms further east on Flint Road East to the Stratford Racing Club Complex to the southern side of Flint Road East and Pembroke Road. Beyond the northern boundary there is a previous Stratford Tannery Complex now used as a road transport depot and to the western



side of Monmouth Road land has a diverse range of development from rural lifestyle lots to light industrial complexes including a concrete batching plant. Further south to the western side of Broadway there is a wide range of residential housing, rural lifestyle lots and a large modern supermarket as well as a neighbouring motel complex.

Historically, this location has had good saleability for a diverse range of land uses which acknowledges its relatively close proximity to a wide range of community facilities but also being in a pleasant rural residential environment.

### 3.6 Land Description



#### General

This near square shaped title has a 404 metre frontage to Flint Road and extends for a depth of 302 metres along the western boundary with the Hawera/New Plymouth railway line reserve to an angled 459 metre rear northern boundary. The block is mainly of flat contour and readily accessible off the long Flint Road frontage. It also has a rural outlook across the eastern boundary to a previous dairy farm property. To the west is the New Plymouth railway line reserve which may create some rail noise in conjunction with road noise from the adjoining State Highway (Mountain Road).

#### Contour & Cover

From aerial photograph information downloaded from Taranaki Regional Council's Regional Xplorer website we calculate that of the property's total land area of 15.6861 hectares, 14.5 hectares is of flat to undulating contour and developed for showground and stockcar racing purposes as well as other multi-sport land uses with the residual land area being used for grazing of sheep. There is also a 1.2 hectare area of sidling which has been planted or regenerated to native bush along the northwestern boundary. This mature planting provides good shelter for the flat contoured land from the westerly quarter.

**Soils**

These are described as Stratford fine sandy loam being free draining volcanic ash of medium natural fertility with an original cover of podocarp and broadleaf forest.

**Utility Services**

To Flint Road East overhead electricity is reticulated along the frontage and there is also a community water supply to which the subject property is connected. Being in a rural residential location, amenities are connected to the property’s own septic tank sewage disposal system. The property is of more than adequate size for stormwater drainage via various soakage systems.



**4.0 Improvements**

**4.1 Overview**

This Agricultural and Pastoral Association property has been developed over more than 100 years and incorporates a central parade ground with adjoining grandstand updated with office and reception facilities. There are also some large display sheds for cattle, pigs and calves. In addition, there is a diverse range of horse stables, other amenity buildings, toilets, an equestrian arena and an 80 site motorhome park.

In association with the showgrounds complex, there are various buildings owned and operated by the Taranaki Stock Car Club who also have a Licence to Occupy and use a significant proportion of the subject property under the licence. The various buildings constructed and owned by the Stock Car Club, in association with their improvements, are excluded from our valuation assessment. The Stratford Agricultural and Pastoral Association buildings, their description, floor areas and other details are scheduled as follows:

**4.2 Buildings**

Description	Photograph
<p><b>Grandstand, Office Administration - 334m<sup>2</sup></b>                      This building was constructed in 1910 but has been subject to substantial alterations and improvements in recent years. It has concrete and timber foundations with weatherboard and galvanised steel sheathing and a combination gable and lean-to steel roof. Refurbishment and upgrading of offices is to a good modern standard, whereas the balance of the building is old but well maintained.</p>	
<p><b>Skinner Road Hall - 313m<sup>2</sup></b>                      This building was relocated to the property in the 1980s era but having been originally built in the 1940s. Construction is on concrete foundations with shiplap timber and corrugated steel cladding with a gable and lean-to steel roof. The interior provides a large hall on RSJ portal frame, adjoining kitchen facilities and toilet facilities.</p>	

<p><b>McDonalds Farm Barn - 332m<sup>2</sup></b></p> <p>Estimated to have originally been built in the 1910/1920 era with concrete and timber foundations, a combination of timber flooring with corrugated steel cladding and gabled corrugated steel roof. Includes roofline canopy extension and lean-to men's and ladies toilet facilities.</p>	
<p><b>Toilet Block (D) - 30m<sup>2</sup></b></p> <p>Sited towards the western boundary, this building was constructed in the 1960s but has had recent refurbishment. Construction is on a concrete foundation with concrete block walls and a lean-to steel roof. Internal linings upgraded in seratone.</p>	
<p><b>Jersey Pavilion - 79m<sup>2</sup></b></p> <p>Constructed in the 1960s this office / tea room and small grandstand building is sited towards the northern boundary. Construction is with concrete foundations, concrete block walls and a corrugated steel roof. It is apportioned between the office tearoom area and an open small grandstand.</p>	
<p><b>Dairy Display Sheds - 1673m<sup>2</sup></b></p> <p>This large building complex is located to the northern end of the showgrounds site. It is estimated to have been built in the 1950s and retains an earth floor but with timber framing, corrugated steel sheathing and a multiple gabled corrugated steel roof. There is inter-gable access and both electricity and water have been reticulated.</p>	
<p><b>Pig Shed/Calf Shed - 1368m<sup>2</sup></b></p> <p>The original pig shed building is adjacent to the dairy shed and was built also in the 1950s area. Construction is on timber framing with corrugated steel sheathing to a gable and lean-to roof design. In recent years the building is used for calf housing and display areas.</p>	
<p><b>Beef Shed - 651m<sup>2</sup></b></p> <p>Estimated to have originally been built in the 1960s and constructed with concrete foundations, an earth floor, corrugated steel and concrete block sheathing with a gable and lean-to iron roof. Includes some toilet facilities.</p>	



<p><b>Horse Stables / Stalls - 403m<sup>2</sup></b></p> <p>Originally built in the 1950s but relocated to the present site in 2012. Rests on concrete foundations with an earth floor, is clad in corrugated steel with a low-pitched steel roof. Subdivided into a large number of enclosed stalls partially lined.</p>	
<p><b>Covered Horse Stalls - 480m<sup>2</sup></b></p> <p>This horse shelter is located to the eastern boundary and built in 2000. Construction is on timber pole framing with a low-pitched corrugated steel roof. It provides various open stalls with access from the eastern/western elevations.</p>	
<p><b>Western Riding Building - 60m<sup>2</sup></b></p> <p>Constructed in the 1960s with concrete foundations and a combination of galvanised steel and fibrocement cladding with a gabled steel roof. Of two storey design with ground floor storage area and first floor kitchen/meeting room plus an open verandah.</p>	
<p><b>Pony Club Rooms - 43m<sup>2</sup></b></p> <p>Built in the 1960s and resting on timber pole foundations with timber flooring, weatherboard cladding and a corrugated steel roof plus aluminium joinery. The interior is hardboard lined and there is a front deck area.</p>	<p>To the right of the western riding building (above photo)</p>
<p><b>Eastern Toilet Block - 68m<sup>2</sup></b></p> <p>This modern building was built in 2015 and rests on a concrete slab foundation with concrete flooring. The exterior is sheathed in corrugated steel with a low-pitched corrugated steel roof and has a roofline extension.</p>	
<p><b>Garage/Pump Shed - 54m<sup>2</sup></b></p> <p>Located towards the northwestern corner, this building is estimated to have been constructed in the 1980s. It retains an earth floor but with galvanised steel framing and corrugated steel cladding, plus a lean-to corrugated steel roof. Vehicle access is via roller door and sliding doors. The building also includes the pumping facilities for the adjoining washdown and storage tanks.</p>	

### 4.3 Other Improvements

There are a diverse range of associated site improvements including the parade ground, fencing, roading, equestrian arena, camper van sites as well as service reticulation, loading yards and site landscaping. Some of these improvements to the site have been provided by the Taranaki Stock Car Club and as with their buildings are excluded from our valuation. Details of the included other improvement items are as follows:

#### **Parade Ground**

The original parade ground is sited adjacent to the show grandstand but has been altered and upgraded by the Stock Car Club in association with their racing requirements. It now has a flat metalled track area of some 6200m<sup>2</sup> with a more lightly metalled area to the centre of the original parade ground. There is major site fencing and gate works constructed for safety purposes including steel framing and galvanised steel layers of netting. Our valuation includes only the original arena and not the Stock Car Club improvements.

#### **Fencing**

Common boundaries are fenced in a combination of post, wire and batten fencing and some cut hedging. There is also some internal fencing separating a rear paddock area and the western planted area.

#### **Roading & Racing**

There is an extensive roading network with three entrances off the Flint Road East frontage. These extend via bitumen seal and metal paving to the office administration and grandstand building as well as metal paving which encompasses the central parade ground and extends to other sport facilities towards the eastern boundary and eastern entrance.

#### **Equestrian Arena**

This modern horse arena is built with drained pit fines base and is fully fenced with post and rail fencing. It is of a large scale being some 2530m<sup>2</sup> and adjoins the western riding pavilion.

#### **Motorhome Sites**

In association with the mixed use of the property, there are some 80 powered sites to the southwestern part of the property adjacent to the Skinner Road Hall. These include a combination of three phase and single phased power outlets used for not only motorhome parking purposes but also for side shows associated with the annual Agricultural and Pastoral Association show.

#### **Planting & Landscaping**

The site has extensive planting including mature trees to the road frontage providing good shelter and similar planting to the northwestern corner sheltering the site in inclement weather conditions. In conjunction, there are expansive lawn and display areas, whereas the additional land to the eastern and northeastern corner is in pasture and continues to be maintained with grazing of sheep.

#### **Service Reticulation**

A major item of property is the reticulation of underground power supply from the road frontage where there is a mains transformer and switchboard to the McDonald barn building. The balance of the reticulation is underground to the major buildings and site facilities.

Other services include underground water supply from the community supply at the road frontage and being in a rural situation the serviced buildings are dependent on septic tank sewage disposal systems.

**Loading Facilities**

There is a raised loading bank with a concrete retaining wall to the eastern paddock area. In the same location there is a set of post and rail yards with loading facilities for horses adjacent to the arena.

**Fixed Chattels**

These include floor coverings and window dressings to the office administration area. These have been upgraded to a good commercial standard in recent years in association with refurbishment of the office meeting room and reception area.

**4.4 Taranaki Stock Car Club Licence**

In association with the total land use for a multi-sport facility, a licence has been issued to the Taranaki Stock Car Club who hold a regular number of racing events to the modified arena or stockcar track. A summary of details to this licence is as follows:

- Owner: Stratford Agricultural and Pastoral Association
- Licensee: Taranaki Stock Car Club Incorporated
- Land: Part of Certificate of Title 69/176 (see attached site plan)
- The club is scheduled to provide more or less than 10 speedway events per annum and to use the specified areas as per the site plan
- The stock car club must clean and maintain the grounds subsequent to any stockcar meeting event
- The stock car club pays for electricity between the months of October and April excluding the week of the A & P show
- The stock car club must fence and maintain stock in the grazed land areas
- The rental will be based on an 8.5% of the gross take from stockcar events with a prescribed fee per adult, child and family - we note from display boards this has changed considerably from the original licence details
- The term of the licence is for five years from 1 October 2016
- The owner is to insure the buildings used by the licensee
- The licence can be terminated by either party with one year's notice
- The licence can also be terminated by the owner should any of the above obligations not be dealt with by the licensee
- The licensee is to pay a portion of rates as detailed in the licence agreement.

In association with this licence for the use of part of the property for stockcar racing purposes, the Taranaki Stock Car Club has purchased and also built some additional buildings and other improvements which are excluded from our valuation as these may be removed or require removal should the above licence be terminated. These include:

- Southern hall building and amenities
- New implement shed/workshop
- St John's room building
- Stockcar racing marshall's office
- Corporate container boxes
- Various booths for ticket sale.s

Other Club improvements include:

- The clay tracking to the original parade ground
- Security and safety fencing plus gate works to the showground arena
- Concrete apron adjacent to the stockcar track entrance
- Washdown water tanks to the pump shed.

## 5.0 Market Considerations

Over the previous 10 years the economic environment throughout Taranaki has changed considerably. Specific to Central Taranaki and the Stratford district, there are two extremes to the land market. Firstly, the rural sector which has seen considerable economic change having historically been reliant on dairy farming and sheep and beef to which Stratford is the main urban centre. Secondly, the urban sector has seen trends in the opposite direction to the rural sector with substantial increase in the number of new buyers moving into Central Taranaki and as a result the demand for residential and rural lifestyle property has exceeded supply, particularly over the last three years.

### Rural Market Environment

Traditionally, the dairy farming sector has been the main driver in the Central Taranaki rural environment, but over the previous five years this has been under some pressure particularly where the industry is faced with ever-increasing compliance requirements, specifically in relation to environmental issues including nutrient run-off and effluent management. The market environment for dairy farm produce at an international level has also been volatile resulting in major fluctuations in payout for dairy farm produce at farm gate level.

The sheep and beef sector of the rural economy in the Stratford District is probably the strongest in Taranaki being traditionally where land has been used for breeding and finishing purposes. However, this sector is also under economic pressure with increased demand for productive sheep and beef land for conversion to forestry, carbon farming and manuka honey harvesting. However, these market competitors are also somewhat complimentary with the sheep and beef sector which has remained reasonably stable, be it that wool prices have declined rapidly whereas lamb and beef prices offset the wool price trends.

The third sector of the rural economy which is significant, has been the oil and gas sector which over the last 40 years in Taranaki has been a major contributor to our economy. However, over the last three years there has been a major market change with central Government decisions to cease further licensing for offshore exploration and this has meant that the existing productive fields have been maintained or expanded where licensing allows. However, the central Government decisions to cease further licensing for offshore exploration indicates a economic change to more sustainable self-sufficient energy such as wind farming and possibly hydrogen plants superseding the traditional gas-related energy industry.

### Urban & Rural Lifestyle

This sector of the Central Taranaki economy has changed significantly. With a substantial increase in the number of new buyers relocating to Taranaki and seeking attractively priced housing for owner occupation and investment, Stratford is an attractive option, being centrally located with a wide range of employment opportunities available within easy commuting distance to New Plymouth and Hawera. As a result, there has been a substantial increase in individuals and families relocating to Stratford and as a result what was a previous static property market has now become under-supplied in relation to the number of potential purchasers. This trend is particularly evident in the residential and rural lifestyle sectors. This market increase is not only for improved properties but also to a significant degree for vacant land as is noted in the number of section sales completed in the new Stratford District Council residential subdivision off Pembroke Road.

Value levels in this sector have shown a major increase and at time of reporting the market again remained under-supplied in relation to the number of prospective purchasers as more people relocate to Central Taranaki. At the same time, ongoing record low mortgage interest rates have also proven a market stimulus.

## 6.0 Risk Assessment (SWOT Analysis)

As this valuation is required for mortgage and loan security, we have summarised the above market and economic considerations into a risk analysis which is as follows:

### Strengths

- Conspicuous location from State Highway 3
- Some vacant land for further development
- Multiple land uses and sources of income.

### Weaknesses

- Busy traffic route and rail location
- Age of buildings and ongoing maintenance
- Cost of activities are volunteer related
- Future health, safety and noise compliance requirements.

### Opportunities

- Expansion of multisport facilities with limited competition
- Strategic central Taranaki location
- Neighbouring rural land suitable for further development.

### Threats

- Debt servicing ability from existing income
- Cost of new buildings and infrastructure
- Volatility of Taranaki rural and urban economy
- Biosecurity risks.

## 7.0 Valuation Methodology

The subject property is unique with regard to its development initially as the Agricultural and Pastoral Association showgrounds but more recently in association other land uses not least being the stockcar speedway events but also the passive uses associated with the Motorhome Association and parking. We have therefore used a dual approach to establishing a market value.

Firstly, due to the unique nature of the property and the lack of sales evidence for comparison for the property in its present improved state, we note from historic Court decisions that valuations can be assessed on the basis of assuming that the existing owners, being the Agricultural and Pastoral Association, can also be considered as purchasers when identifying the value of buildings and other improvements. Secondly, we have considered the value of the land, noting its rural residential zoning and the underlying pastoral land use of much of the surrounding land. This approach requires direct comparison with similar sized parcels of rural land which have sold, whereas the improvements are assessed on the basis of cost less depreciation and obsolescence which acknowledges the varying ages of the buildings to the property, the extent of infrastructure improvements, the high level of good maintenance in spite of the ages of these buildings, but also accepting that some buildings are now obsolete or of a scale that no longer reflects their current use.

### Market Value Improvements




To assess a market value on a cost less depreciation basis, we have paid particular regard to the physical details in the Hutchins & Dick insurance valuation report, but also made our own site inspection confirming these details and accepting that there is no reason to remeasure the buildings as those prepared in the Hutchins & Dick report appear to be accurate. We have therefore applied this information to the subject building and to establish the age of the respective buildings before applying a depreciation rate of between one and 1.25% before making further adjusting for obsolescence where appropriate to establish a schedule of values for the various buildings.







In addition to establishing building values, we have also measured the areas of various other improvements not least being the parade ground, without the Stock Car Club improvements, the length of fencing, the extent of roading and racing, the area of the arena and allowing for the number of powered camping sites before also adding in allowances for planting, service reticulation, stockyards or loading facilities. Details of these improvements and their added value are scheduled later in this report.

**Valuation of Land**

To assess the market value for the land component to the property, we acknowledge its mainly flat contour but also the sidling area to the northwestern corner, but in particular its underlying rural residential zoning as well as the single title ownership. We have then compared the following sales of similar and some smaller parcels of rural and rural/residential land which have sold to use as a means of comparison.

Address/Land Area	Contract Date & Sale Price	Aerial Photograph
<p><b>82 Flint Road West, Stratford – Beck – 7.0917 hectares</b></p> <p>Flat to undulating contoured vacant rural lifestyle lot. Includes old shed and infrastructural improvements. Older sale, similar location. Land sale price per hectare \$76,145. Land sale price per effective hectare \$81,371.</p>	<p>October 2018 \$ 552,000</p>	
<p><b>3872 Mountain Road, Stratford – Thompson – 17.0374 hectares</b></p> <p>Similar property but southern periphery of Stratford. Includes 1980s well-presented dwelling with good range of outbuildings and other improvements. Undulating to rolling contour. State Highway frontage. Land sale price per hectare \$71,901. Land sale price per effective hectare \$83,433.</p>	<p>December 2018 \$1,575,000</p>	
<p><b>52 Climie Road, Ngaere – Schumaker – 132.345 hectares</b></p> <p>Undulating to rolling contoured dairy support property with executive styled modern dwelling with attached double garaging. Expansive rural and mountain views. Land sale price per hectare \$66,332. Land sale price per effective hectare \$68,333.</p>	<p>March 2019 \$1,475,000</p>	

<p><b>947-989 Hastings Road, Mangatoki – Death – 26.9472 hectares</b></p> <p>Undulating dairy support property without dwelling. At present used for maize cropping and grazing of young stock. Land sale price per hectare \$55,850. Land sale price per effective hectare \$56,698.</p>	<p>May 2019 \$1,580,000</p>	
<p><b>220-268 Brookes Road, Stratford – Kroon – 19.8396 hectares</b></p> <p>Undulating to rolling contoured dairy support property. Includes a large dwelling and separate cottage. Handy rural location to Stratford. Land sale price per hectare \$42,844. Land sale price per effective hectare \$49,163.</p>	<p>July 2020 \$1,250,000</p>	
<p><b>100 East Road, Stratford – Bromwich – 7.1373 hectares</b></p> <p>Flat to undulating contoured rural lifestyle property. Includes 1980 styled three bedroom dwelling and large workshop/studio as well as remnant previous farm buildings. Similar semi-urban location. Land sale price per hectare \$70,055. Land sale price per effective hectare \$74,943.</p>	<p>August 2020 \$ 900,000</p>	
<p><b>361 Brookes Road, Stratford – Cooper – 66.9805 hectares</b></p> <p>Previous seasonal supply dairy farm with two dwellings and Herringbone dairy shed. Likely to be developed for more intensive farming. Similar semi-urban location. Land sale price per hectare \$35,085. Land sale price per effective hectare \$37,540.</p>	<p>September 2020 \$2,750,000</p>	

When analysing these sales, there is obviously a diverse range of sale prices paid per hectare reflecting not only the size and location of these properties, but also the extent of structural and infrastructural improvements. As we are using these sales to establish a land value, we have deducted allowances for buildings and infrastructural improvements to establish a value for the land which has a scheduled rate per hectare as detailed with the respective sales of between \$35,000 and \$76,000 per hectare. This range also recognises that in many cases there are varying proportions of land retired from grazing or in bush or riparian areas. These have also been deducted at a rate of between \$4,500 and \$15,000 per hectare to establish a land sale price per effective hectare range of between \$38,000 and \$82,000 per hectare.

When applying this information to the subject property, adjustments are made for its flat contour, its existing land use as far as cover is concerned, in particular its location and the sale date for the older properties used for comparison. In addition, adjustments are made acknowledging that the smaller properties in the range tend to sell for sale prices at a higher rate per hectare recognising the lesser amount of capital involved to complete a purchase. We also recognise that some of the other properties used for comparison do have multiple titles which also impacts positively on the added value of land.

Having made these adjustments to establish a land value rate for the effective land area to the subject property, we have firstly deducted the highest and lowest land value rates in the adjusted range, giving the balance a land value rate per effective hectare of between \$72,500 and \$94,000 per hectare. We have adopted a rate for the effective land area of \$85,000 per hectare which fits comfortably within this range, whereas a nominal rate of \$15,000 per hectare is applied to the area retired from the main showgrounds and multi-sport site.

## 7.1 Valuation Details

Having recognised the unique nature of the subject property and the extent of specialist improvements but also the attractive presentation of the property and the high level of maintenance applied to what is in many cases older buildings and other structures, we assess a market value of the property as at date of inspection at **\$2,300,000 (TWO MILLION THREE HUNDRED THOUSAND DOLLARS)** plus GST, if any. This is apportioned as follows:

### Improvements

Grandstand, offices & storage	\$ 115,000
Skinner Road hall	\$ 150,000

### Other Buildings

McDonalds barn	\$ 25,000
Toilet block D	\$ 18,000
Jersey pavilion & outbuildings	\$ 24,000
Dairy & milking sheds	\$ 86,000
Pig, calf & shearing shed	\$ 95,000
Beef shed	\$ 45,000
Stables & stalls	\$ 25,000
Pony Club building	\$ 10,000
New toilet block	\$ 115,000
Garage/pump shed	\$ 10,000
Western riding pavilion	\$ 12,000
Covered horse stalls	\$ 70,000

<b>Total other buildings</b>	<b>\$ 535,000</b>
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**Other Improvements**

Parade ground	\$ 10,000
Fencing	\$ 15,000
Roading & racing	\$ 30,000
Equestrian arena	\$ 25,000
Camping & side show sites	\$ 20,000
Planting & landscaping	\$ 40,000
Service reticulation	\$ 100,000
Loading yards	\$ 5,000

<b>Total other improvements</b>		\$ 245,000
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Fixed chattels		\$ 5,000
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<b>Total value of improvements</b>		\$1,050,000
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**Land value**

Flat showgrounds site	
14.5 hectares @ \$85,000ph	\$1,232,500
Sidling in bush & plantation	
1.2 hectares @ \$15,000ph	\$ 18,000

<b>Total land value</b>	\$1,250,500	say \$1,250,000
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<b>MARKET VALUE</b>		<b>\$2,300,000</b> plus GST
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**8.0 Special Conditions**

Our valuation is assessed as at date of inspection and includes all land and specific buildings relating to the Agricultural and Pastoral Association but excluding those subject to a licence to operate owned by the Taranaki Stock Car Club.

**9.0 Mortgage Recommendation**

Specific to our instructions with most major lending banks, we have not been requested to provide a mortgage recommendation.

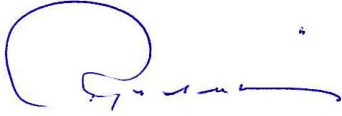
***Professional Indemnity Insurance***

*We have in force at the time of supplying the above valuation, current professional negligence insurance appropriate to the nature and level of our business activities. We confirm that the Registered Valuer signing this report is covered by the policy.*

Please do not hesitate to contact us if we can provide any further information.

Yours faithfully

**Roger Malthus & Associates (2008) Ltd**



A handwritten signature in blue ink, appearing to read 'R M Malthus', with a large, stylized initial 'R'.

**R M Malthus – FNZIV, FPINZ**

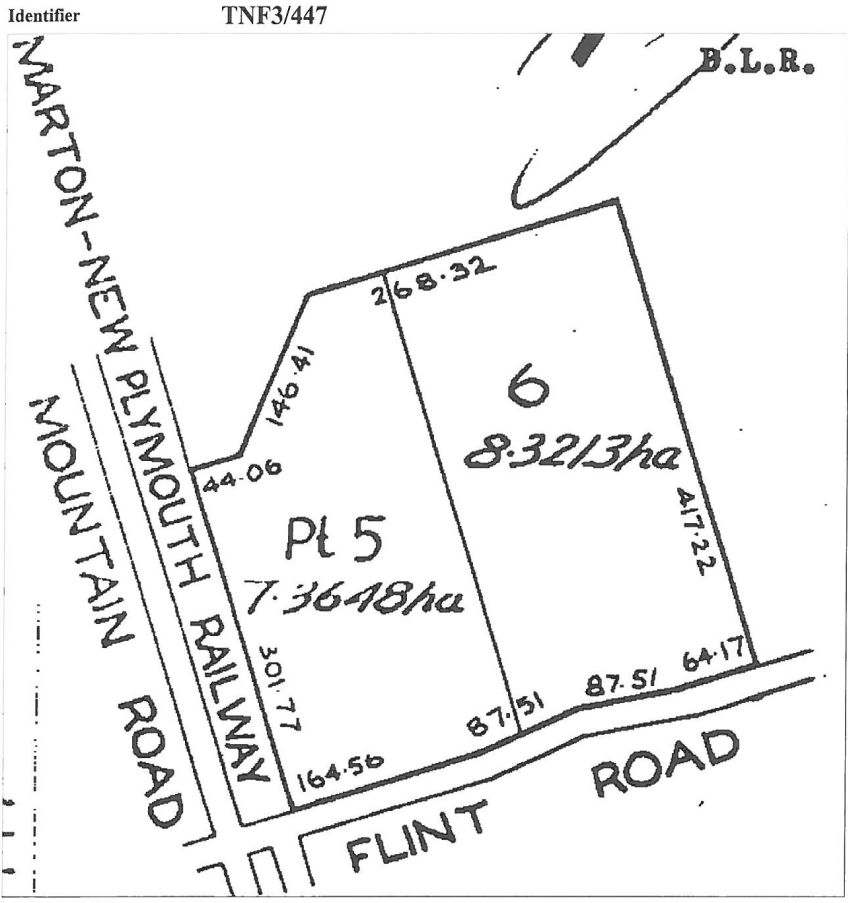
Registered Valuer

Email: [roger.malthus@xtra.co.nz](mailto:roger.malthus@xtra.co.nz)

**Appendix A – Title**

	<p style="text-align: center;"><b>RECORD OF TITLE UNDER LAND TRANSFER ACT 2017 FREEHOLD Search Copy</b></p>	 <p style="text-align: center;">R. W. Muir Registrar-General of Land</p>
<b>Identifier</b>	<b>TNF3/447</b>	
<b>Land Registration District</b>	<b>Taranaki</b>	
<b>Date Issued</b>	05 March 1982	
<b>Prior References</b>		
TN69/176		
<hr/>		
<b>Estate</b>	Fee Simple	
<b>Area</b>	15.6861 hectares more or less	
<b>Legal Description</b>	Section 6 and Part Section 5 Block I Ngaere Survey District	
<b>Registered Owners</b>		
The Stratford Agricultural and Pastoral Association		
<hr/>		
<b>Interests</b>		
169897 Certificate declaring State Highway 3 adjoining the within land to be a Limited Access Road - 28.7.1969 at 11.12 am		
Subject to a right to convey water and effluent over part marked A on DP 13506 created by Transfer 287141.1 - 5.3.1982		
<hr/>		
<i>Transaction Id</i>	<i>Search Copy Dated 9/11/20 10:42 am, Page 1 of 2</i>	
<i>Client Reference</i> <i>slarry001</i>	<i>Register Only</i>	

6



Transaction Id  
Client Reference sclarry001

Search Copy Dated 9/11/20 10:42 am, Page 2 of 2  
Register Only



Appendix B – Memorandum of Transfer

287141.1 TE

Approved by the Registrar-General of Land, Wellington, No. 065547 NEW ZEALAND

## MEMORANDUM OF TRANSFER

Taranaki Land Registry Office

WHEREAS (1) THE STRATFORD AGRICULTURAL AND PASTORAL ASSOCIATION  
 a duly incorporated society registered under the  
 Agricultural and Pastoral Societies Act, 1908

(hereinafter called the Transferor) being registered as proprietor of an estate set out in the schedule  
 below subject to such interests as are therein notified.

**SCHEDULE A**

ESTATE	FEE SIMPLE	<del>LEASEHOLD</del>	<del>LEASE</del>	<del>RENTCHARGE</del>	<del>RENTCHARGE</del>
(Delete those which do not apply)					
C.T. OR DOCUMENT NO.	AREA	LOT AND D.P. NO. OR OTHER LEGAL DESCRIPTION			
69/176 F3/447	15.6861 ha	Section 6 and Part of Section 5 Block I Ngaere Survey District			

**ENCUMBRANCES, LIENS AND INTERESTS**

Certificate 169897 declaring State Highway 3 adjoining the within land to be a limited access road (hereinafter called "the servient tenement").

(2) KIWI TANNERIES LIMITED a duly incorporated company having its registered office at Stratford (hereinafter called "the Transferee") is the registered proprietor of an estate in fee simple in all that piece of land containing 1.8368 ha being Lot 1 on Deposited Plan 1213 and Lot 1 on Deposited Plan 1205 being Part Sections 1 and 5 Block I Ngaere Survey District and being all the land in Certificate of Title Volume D4 Folio 1166 (Taranaki Registry) SUBJECT TO Mortgages 264091.1 and 234551.4 (hereinafter called "the dominant tenement").

(3) The Transferor has for the consideration appearing below agreed to grant to the Transferee as an easement appurtenant to the dominant tenement the right to convey by way of pipes water and effluent across that part of the servient tenement marked "A" on Deposited Plan 13506 and for that purpose to lay and maintain a line of water and effluent pipes at a minimum depth of two metres from Flint Road across the servient tenement to the boundary between the servient tenement and the dominant tenement.

**NOW THEREFORE** in pursuance of the recited agreement and in consideration of the sum of ten cents paid by the Transferee to the Transferor (the receipt of which sum is hereby acknowledged) the Transferor **HEREBY TRANSFERS AND GRANTS** to the Transferee as an easement to be forever appurtenant to the dominant tenement the full free uninterrupted and unrestricted right, liberty and privilege for the Transferee and its tenants (in common with the Transferor, its tenants and any other person lawfully entitled so to do) from time to time and at all times to convey and lead water and effluent in a free and unimpeded flow (except when the

6

flow is halted for any reasonable period necessary for essential repairs) and following the stipulated course over that part of the servient tenement marked "A" on Deposited Plan 13506

AND the Transferee and the Transferor HEREBY COVENANT with each other that the Transferee shall have the full free uninterrupted and unrestricted right, liberty and privilege together with its tenants (in common with the Transferor, its tenants and any other person lawfully entitled so to do) for the purposes of the easement concerned

- (a) To use any line of pipes already laid on the stipulated course or any pipe or pipes in replacement or in substitution for all or any of those pipes:
- (b) Where no such line of pipes exists to lay, place and maintain or to have laid, placed and maintained a line of pipes of a sufficient internal diameter and of suitable material for the purpose under the surface at a minimum depth of two metres of that part of the servient tenement marked "A" on Deposited Plan 13506:
- (c) In order to construct or maintain the efficiency of any such pipeline the full, free, uninterrupted and unrestricted right, liberty and privilege for the Transferee its tenants servants agents and workmen with any tools, implements, machinery, vehicles or equipment of whatsoever nature necessary for the purpose, to enter upon that part of the servient tenement marked "A" on Deposited Plan 13506 and to remain there for any reasonable time for the purpose of laying, inspecting, cleansing, repairing, maintaining and renewing the pipeline or any part thereof and of opening up the soil of that land to such extent as may be necessary and reasonable in that regard, subject to the condition that as little disturbance as possible is caused to the surface of the land of the Transferor and that the surface is restored as nearly as possible to its original condition and any other damage done by reason of the aforesaid operations is repaired.

IN WITNESS WHEREOF these presents have been executed this 8<sup>th</sup> day of December 1981.

THE COMMON SEAL of THE STRATFORD AGRICULTURAL AND PASTORAL ASSOCIATION was hereto affixed in the presence of:-



*[Signature]*  
D. J. West

and Secretary

THE COMMON SEAL of KIWI TANNERIES LIMITED was hereto affixed in the presence of:-



*[Signature]* SECRETARY  
*[Signature]* DIRECTOR

Registered in Triplicate

Correct for the purposes of the Land Transfer Act.

*J. Heavix*

Solicitor for Transferee

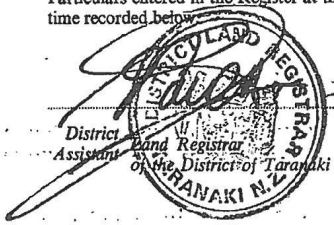
I hereby certify that Part IIA of The Land Settlement Promotion and Land Acquisition Act 1952 does not apply to the within transaction.

*J. Heavix*

Solicitor for the Transferee

**TRANSFER**

Particulars entered in the Register at the date and at the time recorded below



GES:  
①

1.54 05.MAR82 287141.1  
PARTICULARS ENTERED IN REGISTER  
LAND REGISTRY NEW PLYMOUTH  
DIST. ASST. LAND REGISTRAR

BUCHANAN, BUTLER & CO.

SOLICITORS

STRATFORD, N.Z.

THE CAXTON PRESS, CHRISTCHURCH



# Valuation Report



**For:**

**Stratford District Council  
Rural Residential & Lifestyle Property  
26 Flint Road East  
Stratford  
STRATFORD DISTRICT**

**By:**

**Roger Malthus & Associates (2008) Ltd**

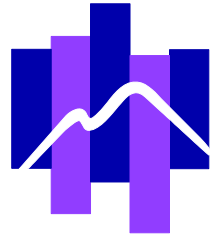
Roger Malthus & Associates (2008) Ltd  
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**REGISTERED VALUERS AND PROPERTY ADVISORS**

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10 November 2020

The Director – Corporate Services  
Stratford District Council  
PO Box 320  
**STRATFORD 4352**

**Attention** Tiffany Radich

**DAIRY SUPPORT & RURAL/RESIDENTIAL LIFESTYLE PROPERTY – 26 FLINT ROAD EAST, STRATFORD**

**1.0 Executive Summary**

Property owners	B A Lilley, R A Lilley and R J Mills
Address	26 Flint Road East, Stratford
Date of inspection	5 November 2020
Effective date of valuation	5 November 2020
Purpose of valuation	Market value for mortgage security

**Brief Description**

18.8504 hectare at present dairy farm support property on Rural Residential zoned land comprising some 12 Certificates of Title from an historic survey. Includes a 1960s dwelling, a haybarn/implement shed and a range of infrastructural improvements. The property is situated to the southeastern side of Flint Road East and Hotspur Street, being a paper road running parallel to the Hawera/New Plymouth railway line and State Highway 3, to the northern urban periphery of Stratford in Central Taranaki.

**Market Value**

**\$1,750,000 (ONE MILLION SEVEN HUNDRED AND FIFTY THOUSAND DOLLARS)**

Unless otherwise stated all figures are plus GST.

**Special Conditions**

- Our valuation is assessed as at date of inspection and includes land, buildings, infrastructural improvements and chattel items, being floor coverings and window dressings to the dwelling.
- We emphasise that this page is a valuation summary only and should be read in conjunction with the attached report which includes appropriate property physical details, market considerations and methodology to our valuation assessment.

**Roger M Malthus – FNZIV, FPINZ**  
Registered Valuer

Roger Malthus & Associates (2008) Ltd  
61 High Street  
PO Box 290  
Hawera 4640

Telephone 06 278 7095  
Mobile 027 554 7006  
Email [roger.malthus@xtra.co.nz](mailto:roger.malthus@xtra.co.nz)  
Website [www.roger.malthus.co.nz](http://www.roger.malthus.co.nz)

## 2.0 Scope of Work

### 2.1 The Valuer

- The property has been inspected and valued by Roger Malthus of Roger Malthus & Associates (2008) Limited.
- The valuer has satisfied professional educational requirements of the Property Institute of New Zealand (PINZ) and the New Zealand Institute of Valuers (NZIV).
- The valuer has more than 35 years of valuing residential, commercial and rural farm properties throughout the Taranaki district.
- No one except those specified in this report have provided professional assistance in preparing this report.
- The valuer has no financial interest or otherwise in the property and no relationship with the property owners.
- The valuer signing this report holds a current Annual Practicing Certificate.

### 2.2 Our Client

The valuation is prepared specifically to meet the requirements of the Stratford District Council in association with instructions received from Director – Corporate Services, Tiffany Radich.

This valuation and all valuation services are provided by Roger Malthus & Associates (2008) Ltd solely for the use of the Client. Roger Malthus & Associates (2008) Ltd does not and shall not assume any responsibility to any person other than the Client for any reason whatsoever including breach of contract, negligence (including negligent mis-statement) or wilful act or default of itself or others by reasons of or arising out of the provision of this valuation or valuation services. Any person, other than the Client, who uses or relies on this valuation does so at their own risk.

**Purpose of Valuation**      Market value for mortgage security

**Asset being Valued**      A rural and residential development property comprising 18.8504 hectares of rural/residential zoned land situated at 26 Flint Road East to the northeastern periphery of Stratford in Central Taranaki.

#### **Basis of Valuation (Market Value)**

The value provided in this valuation report is our opinion of the freehold interest being the current market value as at date of inspection on the basis of a willing buyer/willing seller negotiation. The value may change at a future date due to market conditions and changes to the state of the subject property.

#### **Specific Dates**

Valuation Date:            5 November 2020  
Inspection Date:          5 November 2020



### 2.3 Extent of Investigations

We have undertaken both an internal and external inspection of all buildings valued but must advise we have not provided any structural survey. Our inspection and discussions did not include any soil test information or details on Geotech survey and structural stability of the land. We are therefore unable to give any warranty as to the structural soundness, weather tightness and durability of the existing buildings or the land with regard to future building development.

No responsibility is assumed for legal matters, questions of survey, opinions of title, hidden or unapparent conditions of the property, soil or sub-soil conditions, engineering or other technical matters, which might render the property more or less valuable than as stated herein. If, as the result of our investigation and analysis, it came to our attention that certain problems may exist, a cautionary note has been entered in the body of the report.

### 2.4 Good & Services Tax (GST)

Unless otherwise stated, all figures shown in this report are plus GST, if any.

When analysing the sales relied upon for this valuation, it is noted that we have attempted to ascertain whether or not the sale price/rental is inclusive or exclusive of Goods and Services Tax (GST). The national database of sales evidence does not currently identify whether or not the sale price is inclusive or exclusive of GST. Where we have not been able to verify the matter of GST, we have assumed that the national database record of sale price is plus GST (if any) or zero rated for GST. Should this not be the case for any particular sale used as evidence, we reserve the right to reconsider our assessment.

### 2.5 Valuation Standards

The valuation has been prepared in accordance with International Valuation Standards 31 January 2020 as well as the Australia and New Zealand Valuation Standards, Guidance Notes and Technical Information Papers including:

- IVS101 – scope of work;
- IVS102 – investigation and compliance;
- IVS103 – reporting;
- IVS104 – bases of value;
- ANZVTIP9 – market value of rural and agri business properties;
- ANZVTIP11 – valuation procedures real property;
- ANZVTIP12 – valuation for mortgage and loan security purposes.

### 3.0 Property Physical Details

#### 3.1 Legal Description

This rural residential development property is registered as 12 separate but adjoining titles which have a composite land area of 18.8504 hectares more or less and are individually described as follows:

- An estate in fee simple described in the Computer Register as Lot 21 and Lot 66 on Deposited Plan 31 which contains a land area of 1012m<sup>2</sup> more or less. The title identifier is TNA2/841 of the Land Registration District Taranaki.
- An estate in fee simple described in the Computer Register as Lot 108 on Deposited Plan 31 which contains a land area of 1012m<sup>2</sup> more or less. The title identifier is TN155/244 of the Land Registration District Taranaki.
- An estate in fee simple described in the Computer Register as Lot 145, Lot 110 and Lot 153 on Deposited Plan 31 which contains a land area of 2024m<sup>2</sup> more or less. The title identifier is TNE4/1218 of the Land Registration District Taranaki.
- An estate in fee simple described in the Computer Register as Section 276 and Section 319 Town of Stratford which contains a land area of 2024m<sup>2</sup> more or less. The title identifier is TNE4/257 of the Land Registration District Taranaki.
- An estate in fee simple described in the Computer Register as Lot 60 and Lot 141 on Deposited Plan 31 which contains a land area of 1518m<sup>2</sup> more or less. The title identifier is TNA2/577 of the Land Registration District Taranaki.
- An estate in fee simple described in the Computer Register as Lot 278 on Deposited Plan 31 which contains a land area of 1012m<sup>2</sup> more or less. The title identifier is TNE4/1220 of the Land Registration District Taranaki.
- An estate in fee simple described in the Computer Register as Lot 100 on Deposited Plan 31 which contains a land area of 1012m<sup>2</sup> more or less. The title identifier is TNE4/1222 of the Land Registration District Taranaki.
- An estate in fee simple described in the Computer Register as Lot 196 on Deposited Plan 31 which contains a land area of 506m<sup>2</sup> more or less. The title identifier is TND4/1150 of the Land Registration District Taranaki.
- An estate in fee simple described in the Computer Register as Lot 316-317 on Deposited Plan 31 which contains a land area of 2024m<sup>2</sup> more or less. The title identifier is TNE4/1217 of the Land Registration District Taranaki.
- An estate in fee simple described in the Computer Register as Lot 10 on Deposited Plan 31 which contains a land area of 506m<sup>2</sup> more or less. The title identifier is TND3/671 of the Land Registration District Taranaki.
- An estate in fee simple described in the Computer Register as Lots 1-4 on Deposited Plan 9499 which contains a land area of 5.0199 hectares more or less. The title identifier is TNB1/583 of the Land Registration District Taranaki.

- An estate in fee simple described in the Computer Register as Lots 1-9, Lots 11-20, Lot 22, Lots 46-59, 61-65, 67, Lots 91-99, Lots 101-107, Lot 109, Lot 111, Lots 134-140, Lots 142-144, Lots 146-152, Lot 154, Lots 177-195, Lots 219-238, Lots 261-275, Lot 277, Lots 279-280, Lots 303-315, Lot 318 and Lots 320-322 on Deposited Plan 31 which contains a land area of 12.5655 hectares more or less. The title identifier is TN240/95 of the Land Registration District Taranaki.

Instruments registered to the titles include:

- Several of the above titles have no frontage to a legal road;
- Subject to rights of way implied in Section 168 Land Transfer Act 1952.

We attach search copies of the Register (Appendix B).

### 3.2 Resource Management Area & Local Authority

The land is zoned Rural/Residential under the Stratford District Council's Operative District Plan. This zoning is an intermediary zoning between land zoned rural and other land developed or zoned for more intensive use such as development for residential. This zoning allows residential use for dwellings on the basis of one dwelling per title as a permitted use. Likewise, residential businesses, Marae and non-intensive farm uses such as the existing grazing or dairy farm support use are permitted activities within this zoning environment.

From our discussions with Stratford District Council planning staff, we understand that further development of rural residential land will be on a similar basis to residentially zoned land given that any subdivision or boundary adjustment is likely to be a controlled activity and will therefore be subject to terms and conditions in association with the use of neighbouring land and availability of infrastructural improvements such as water supply, sewer, roading and stormwater services.

### 3.3 Statutory Valuation & Charges

#### Rating Valuation as at 1 July 2020

Capital value	\$980,000
Land value	\$760,000

#### Rates Payable

Local authority rates assessed for the 2020/21 rating year were set at \$4,137.78 inclusive of GST.

### 3.4 Climate & Altitude

In this Central Taranaki location, we would anticipate an annual rainfall range of between 1600 and 1800mm with a reasonably even seasonal spread, but with cold temperatures over winter months resulting in a reduction of pastoral production for a 90 to 100 day period. There will also be seasonal frosts and the potential for a snowfall annually.

The property's altitude ranges between 310 and 320 metres above sea level.

### 3.5 Situation & Location



This near square shaped rural residential block is at present used for dairy farming support purposes having previously been an integral part of the neighbouring Lilley dairy farm, on which the dairy shed and other infrastructural improvements are located, while the 1960s styled family homestead is sited on the subject land adjacent to Flint Road East. The property has a northwestern intersection with Flint Road East and unformed Hotspur Street, some 75 metres east of the intersection with Broadway (State Highway 3) after crossing the Hawera/New Plymouth railway line reserve which runs parallel to the eastern boundary of the State Highway.

Although the property has a rural land use, it is to the northeastern urban periphery of Stratford and situated some 1.6 kilometres north via Broadway (State Highway 3), from in the central Stratford retail shopping and business area. This and neighbouring properties are also reasonably well located in relation to other community facilities with primary schooling being 2.1 kilometres southwest off Regan Street, whereas Stratford High School is three kilometres southeast off Swansea Road. The central business area has a wide range of retail shops and there is a large supermarket providing daily domestic needs and a further supermarket north on Broadway is opposite the subject land to the western side of Broadway or State Highway 3.

Stratford is the main provincial centre for the Stratford district and has a wide range of rural-related businesses including stock and station agencies, veterinary services, machinery services as well as a variety of professions including accounting, legal and banking. It has an estimated population base of some 9,000 residents with indications of population increase over the previous three years. New Plymouth city is some 45 kilometres northwest via State Highway 3 and Hawera is 35 kilometres southeast also via State Highway 3.

Neighbouring properties have a diverse range of development from seasonal supply dairy farms and dairy support properties further to the northeast off Flint Road East, whereas the Stratford Racing Club have their course complex directly east to the southeastern corner.

Residential subdivision has been developed on Oberon Street which adjoins the property’s southern boundary, whereas the western boundary is defined by the unformed Hotspur Street, the Hawera/New Plymouth railway line reserve and State Highway 3. Beyond the State Highway there is a diverse range of development including the previously mentioned supermarket, various residential properties, a motel complex and a series of rural lifestyle lots to Flint Road West. The Agricultural and Pastoral Association have their grounds and sports complex including the Stratford Stockcar Club facilities to the northwestern side of Flint Road directly opposite the subject property. Historically, the location has had good saleability for a diverse range of land uses be it that there still continues to be other significant areas of vacant rural residential land which continue to be used for farming support purposes or as rural lifestyle lots.

**3.6 Land Description**



**General**

This near square shaped property has a 408 metre frontage to the southern side of Flint Road East and extends for a depth of 445 metres adjacent to the western boundary with Hotspur Street. A 408 metre southern boundary separates the property from the adjoining Oberon Street residential area. Community services include community water supply and overhead electricity reticulation to Flint Road East. Being in a rural situation, dwellings are dependent on septic tank sewage disposal systems and stormwater is accommodated within the property’s existing creek network and an open drainage area extending through two parts of the property to the eastern boundary. Other land areas have in-ground tile draining systems, be it that there are still several low lying wet areas and other areas include several small patches of native bush.

### Contour & Cover

In general, land is of flat to undulating contour with a slight southeasterly tilt with drainage to the southeastern boundary with the adjoining Stratford Racing Club land. The above-mentioned small areas of native bush are located towards the rear southern boundary whereas the northern open drain creek area has some riparian planting including regenerating native bush. The balance of the land is in fair to average quality ryegrass dominant pasture and at date of inspection was due for harvesting for hay and silage.

From aerial photograph information downloaded from Taranaki Regional Council's Regional Xplorer website and our associated measurements, we estimate the total land area is apportioned as follows:

Flat to undulating in fair to average pasture	16.50 hectares
Areas in native bush, creek and open drains	2.35 hectares
<b>Total</b>	<b>18.85 hectares</b>

### Soils

The total land area has a soil description of Stratford fine sandy loam being free draining volcanic ash with an original cover of podocarp and broadleaf forest. These soils respond readily to fertiliser applications of phosphate and potash.

### Fertiliser

No specific soil test information has been provided at time of inspection but from our discussions with Mr Lilley, we understand for the haymaking and silage making land areas that annual applications of some 200 kilograms of potassic type super is applied after harvesting.

### Weeds & Pests

In this district, there is a significant infestation of giant buttercup which does require regular seasonal spraying. To the subject property, those areas that have been sprayed have only limited amount of giant buttercup flowering at time of inspection, whereas areas retired from grazing show a significantly higher proportion of giant buttercup. There are also the usual perennial weeds including some blackberry to the creek and sidling areas that are retired from grazing.

### Stock & Production

Historically, this block has been farmed as an integral part of the adjoining Lilley seasonal supply dairy farm to the northern side of Flint Road East with over road access for the dairy herd. Over the previous two seasons, we understand the property has no longer been stocked but has been utilised for supplementary feed harvesting with one to two crops of hay and silage cut annually.

## 4.0 Improvements

### 4.1 Overview

The main building improvement is a 1960s styled four bedroom dwelling sited adjacent to the Flint Road frontage. There is also a large reasonably modern haybarn/implement shed with access to Flint Road. Other property infrastructural improvements include metal access paving along a section of paper road to the eastern boundary with a central race extending to the middle of the block adjacent to the small bush areas. A further metal track gives access to the haybarn. Other infrastructural improvements include a trough network to various grazing paddocks from the community water supply to the Flint Road frontage, overhead electricity to the dwelling site and fencing being a combination of multi-wire electric and post, wire and batten.

## 4.2 Buildings

### Dwelling

This dwelling was built in 1960 and has a ground floor area of 159m<sup>2</sup> beneath which there is a double basement garage measuring 54m<sup>2</sup>. There is also a concrete entrance terrace of 11m<sup>2</sup>.

Construction is on concrete foundations and concrete block foundation walls with tongue and groove timber flooring to the dwelling and concrete to the basement garage. The dwelling exterior is clad in bevel back weatherboard and window joinery is of wooden casement type. The complete structure has a short run corrugated steel roof with galvanised spoutings. The internal linings are a combination of gibraltar board and hardboard with pinex ceilings and the basement garage remains unlined.

The floor plan layout includes four double bedrooms, family bathroom, kitchen/dining room, lounge, laundry and internal stair access to the basement garage.

Fixtures and fittings to the kitchen are of 1960s design including wooden cupboard joinery, formica dresser tops and four plate electric range. The bathroom has a built-in enamel bath, a porcelain hand basin, a formica lined shower and a toilet. Laundry facilities are off the rear porch where there is also access to a second toilet. Heating to the kitchen/dining area includes an enclosed log fire and hot water is via an electric 180 litre high pressure system.

The dwelling is now at a stage where it is due for some repairs and refurbishment. Roofing is due for replacement as is indicated by some evidence of previous roof leaks and decoration throughout to the interior is of a fair standard only. Kitchen and bathroom areas reflect the 1960s era and we are unaware of any insulation to ceilings or subfloor level. To the exterior, weatherboarding is due for repainting and wooden window joinery in association with French doors is also due for upgrading. We estimate it would cost in the vicinity of \$100,000 to upgrade the dwelling to an average modern residential standard.

### Other Buildings

The only other building to the property is a modern haybarn/implement shed in the paddock area adjacent to the dwelling site. This building measures 98m<sup>2</sup>, is timber pole framed with corrugated zincalume sheathing to the three walls and a low-pitched zincalume roof. It retains an earth floor but provides good storage for supplementary feed and farm machinery.

## 4.3 Other Improvements

### Access & Paving

The metalled farm race, extending along the eastern boundary, is in fact on the adjoining paper road reserve and a continuation of this metalled access road extends to the central part of the property. Further metalled paving gives access to the haybarn from the Flint Road East frontage.

### Water Supply & Reticulation

The property is connected to the Stratford Community Water Supply from the road frontage and reticulates to a trough network servicing all paddocks. It also reticulates to the dwelling to give a reliable domestic supply.

### Fencing

Common boundaries are fenced in post, wire and batten fencelines, whereas internal fencing is mainly of multi-wire electric type subdividing the property into 10 varying sized paddocks. Similar multi-wire electric fencing separately fences the central to southern bush areas from grazing or haymaking land. Likewise, regenerating bush and riparian planting is fenced to the northern creek area, a paddock back from Flint Road East.



**Site Landscaping & Services**

The dwelling site has historically been well developed with concrete paving to the basement garage and dwelling front terrace. This is now breaking up in several areas and requires repaving. Site landscaping includes tidy lawn areas and a wide range of matured decorative planting. Being in a rural situation, the dwelling has a septic tank sewage disposal system.

**Fixed Chattels**

These are limited to floor coverings, window dressings and light fittings to the dwelling. These are also of a fair standard only and reflect the 1960s era. In general, they are due for replacement.

**5.0 Market Considerations**

Over the previous 10 years the economic environment throughout Taranaki has changed considerably. Specific to Central Taranaki and the Stratford district, there are two extremes to the land market. Firstly, the rural sector has seen considerable economic change having historically been reliant on dairy farming and sheep and beef farming for which Stratford is the prime urban centre. Secondly, the urban sector has seen trends in the opposite direction to the rural sector with substantial increase in the number of new buyers moving into Central Taranaki and as a result the demand for residential and rural lifestyle property has exceeded supply, particularly over the last three years.

**Rural Market Environment**

Traditionally, the dairy farming sector has been the main driver in the Central Taranaki rural environment, but over the previous five years this has been under considerable economic pressure particularly where the industry is faced with ever-increasing compliance requirements, specifically in relation to environmental issues including nutrient run-off and waste management. The market environment for dairy farm produce at international level has also been volatile resulting in major fluctuations of payout for dairy farm produce at farm gate level.

The sheep and beef sector of the rural economy is dominated by Central Taranaki, being inland Taranaki, where traditionally land has been used for breeding and finishing purposes. However, this sector is also under economic pressure with increased demand for productive sheep and beef land for redevelopment to forestry, carbon farming and manuka honey harvesting. These alternative land uses are also somewhat complimentary with the sheep and beef sector which has remained reasonably stable, be it that wool prices have declined rapidly whereas lamb and beef prices continued to remain reasonably stable.

The third sector of the rural economy which is significant, has been the oil and gas sector which over the last 40 years in Taranaki has been a major contributor to our economy. However, over the last three years there has been a major market change with central Government decisions to cease further licensing for offshore exploration and this has meant that the existing productive fields have been maintained or expanded where licensing allows. However, the central Government decisions indicate an economic change to a more sustainable energy supply such as wind farming and possibly hydrogen plants superseding the traditional gas-related energy industry.

**Residential & Rural Lifestyle Market Environment**

As outlined above, this area of the Central Taranaki economy has changed significantly. With a substantial increase in the number of new buyers relocating to Taranaki and seeking attractively priced housing for owner occupation and/or investment, Stratford seems an attractive option being centrally located and with a wide range of employment opportunities.



New Plymouth and Hawera, being within easy commuting distance, also offer employment opportunities. As a result, there has been a substantial increase in new individuals and families relocating to Stratford and as a result what was a previous static property market has now become under-supplied in relation to the number of potential purchasers. This trend is particularly evident in the residential and rural lifestyle sectors. This market increase is not only for improved properties but also to a significant degree for vacant land as is noted in the number of section sales completed in the new Stratford District Council residential subdivision off Pembroke Road.

Value levels in this sector have shown a major improvement and at time of reporting the market again remained under-supplied in relation to the number of prospective purchasers as more people relocate to Central Taranaki. At the same time, ongoing record low mortgage interest rates have also proven a market stimulus.

## 6.0 Risk Assessment (SWOT Analysis)

As the subject valuation is required for mortgage and loan security, we summarise the above property physical details and the market considerations as follows:

### Strengths

- Rural residential location close to urban community facilities
- Flat to undulating contour with some mature bush
- Ease of access from Flint Road East

### Weaknesses

- Wet areas requiring ongoing or further drainage
- Frontage adjacent to State Highway 3, the Hawera/New Plymouth railway line reserve and speedway to Agricultural and Pastoral Association property
- Ongoing spray requirements rurally for giant buttercup

### Opportunities

- Adjacent to residential development land, continuing migration of population to Stratford and surrounding Central Taranaki district
- Proximity of urban community services including roading, sewer, water and electricity

### Risks




- Viability of subdivision development
- Unknown compliance requirements associated with future subdivision
- The dependence of economic environment being maintained for future development
- The volatility of the property market in general.





## 7.0 Valuation Methodology

To assess a market value for the property acknowledging its present dairy farming support land use but also its underlying rural/residential zoning and the potential for further development be it in form of rural lifestyle subdivision under this zoning, we have used two different valuation approaches. The first uses a direct sales comparison approach with similar and some smaller parcels of rural and rural/residential land which has sold and the second is on the basis of a subdivision budget approach, acknowledging that the property is in 12 titles, has rural/residential zoning and some immediate potential for subdivision development for rural lifestyle lots.

**Rural Market Comparison**

To assess a market value for the property by this approach, we have used a direct sales comparison approach comparing it with a range of similar sized and some smaller parcels of rural land, some being in vacant condition, whereas others include housing and associated buildings. The following sales have been researched by us and used as a guide to making our assessment:

Address/Land Area	Contract Date & Sale Price	Aerial Photograph
<p><b>82 Flint Road West, Stratford – Beck – 7.0917 hectares</b></p> <p>Flat to undulating contoured vacant rural lifestyle lot. Includes old shed and infrastructural improvements. Older sale, similar location. Land sale price per hectare \$76,145. Land sale price per effective hectare \$81,371.</p>	<p>October 2018 \$ 552,000</p>	
<p><b>3872 Mountain Road, Stratford – Thompson – 17.0374 hectares</b></p> <p>Similar property but southern periphery of Stratford. Includes 1980s well-presented dwelling with good range of outbuildings and other improvements. Undulating to rolling contour. State Highway frontage. Land sale price per hectare \$71,901. Land sale price per effective hectare \$83,433.</p>	<p>December 2018 \$1,575,000</p>	
<p><b>52 Climie Road, Ngaere – Schumaker – 13.945 hectares</b></p> <p>Undulating to rolling contoured dairy support property with executive styled modern dwelling with attached double garaging. Expansive rural and mountain views. Land sale price per hectare \$66,332. Land sale price per effective hectare \$68,333.</p>	<p>March 2019 \$1,475,000</p>	

<p><b>947-989 Hastings Road, Mangatoki – Death – 26.9472 hectares</b></p> <p>Undulating dairy support property without dwelling. At present used for maize cropping and grazing of young stock. Land sale price per hectare \$55,850. Land sale price per effective hectare \$56,698.</p>	<p>May 2019 \$1,580,000</p>	
<p><b>51 Rata Street, Hawera – Cooper/Gibbon – 5.9922 hectares</b></p> <p>Flat to rolling contoured residentially zoned development block with extensively refurbished dwelling and wide range of infrastructural improvements. Prime sought after residential development location. Land sale price per hectare \$143,004. Land sale price per effective hectare \$148,684.</p>	<p>October 2019 \$1,300,000</p>	
<p><b>220-268 Brookes Road, Stratford – Kroon – 19.8396 hectares</b></p> <p>Undulating to rolling contoured dairy support property. Includes a large dwelling and separate cottage. Handy rural location to Stratford. Land sale price per hectare \$42,844. Land sale price per effective hectare \$49,163.</p>	<p>July 2020 \$1,250,000</p>	
<p><b>100 East Road, Stratford – Bromwich – 7.1373 hectares</b></p> <p>Flat to undulating contoured rural lifestyle property. Includes 1980 styled three bedroom dwelling and large workshop/studio as well as remnant previous farm buildings. Similar semi-urban location. Land sale price per hectare \$70,055. Land sale price per effective hectare \$74,943.</p>	<p>August 2020 \$ 900,000</p>	

When analysing these sales, there is obviously a diverse range of sale prices paid per hectare reflecting not only the sizes of these properties but also the extent of structural improvements. We prefer to deduct these structural and infrastructural improvements to establish a land sale price which on a per hectare basis is scheduled above. However, these sale properties also vary considerably with regard to the effective land areas acknowledging that the significant areas are retired from grazing or in bush, creek and non-grazable areas. We have deducted these measured areas with rates per hectare in the range of \$4,500 to \$10,000 per hectare to establish a land sale price per effective hectare range which again is detailed above ranges between \$49,000 and \$148,000 per hectare.

When applying this information to the subject property, adjustments are made for its contour, its cover, fertility, location and sale date for the older properties used for comparison. In addition, further adjustment is required for size acknowledging that smaller properties achieve a substantially higher rate per hectare. In addition, we also recognise that there are 12 titles to the subject property being a significant advantage for further residential or lifestyle development and that the property is also zoned as suitable for this type of development, being rural residential. When making adjustments for these variations to the sales, we have then deducted the highest and lowest adjusted land sale price per hectare in the range leaving the reduced range of between \$76,500 and \$111,500 per effective hectare.

Having considered the above sales information as well as the changing state of the rural and lifestyle markets in the current economic environment, we have assessed a market value for the subject land of \$90,000 per hectare for the effective land area and a more nominal rate of \$10,000 per hectare for the areas in bush and retired from grazing.

**7.1 Valuation Details (Direct Sales Comparison Approach)**

We assess the market value for the property by a direct comparison basis at **\$1,725,000 (ONE MILLION SEVEN HUNDRED AND TWENTY FIVE THOUSAND DOLLARS)** plus GST. This is apportioned as follows:

<b>Improvements</b>		
Dwelling		\$ 165,000
<b>Other Buildings</b>		
Haybarn/implement shed		\$ 12,000
<b>Other Improvements</b>		
Water reticulation	\$ 10,000	
Fencing	\$ 9,000	
Roading & racing	\$ 8,000	
Landscaping & services	\$ 7,000	
Electricity	\$ 2,000	
Household fixed chattels	\$ 2,000	
<b>Total other improvements</b>		\$ 38,000
<b>Total value of improvements</b>		\$ 215,000
<b>Land value</b>		
Undulating in fair to average pasture 16.5 hectares @ \$90,000ph	\$1,485,000	
Bush & creek areas retired from grazing 2.35 hectares @ \$10,000ph	\$ 23,500	
<b>Total land value</b>	\$1,508,500	say \$1,510,000
<b>MARKET VALUE BY THIS APPROACH</b>		<b>\$1,725,000</b> plus GST

**7.2 Valuation Details (Rural Residential Development Approach)**

To assess a market value using this approach, acknowledging the rural residential zoning of the subject land and the proximity of the property to other urban development, we have used a subdivision budget approach which initially requires us to consider the extent of development of the subject land in the short term while acknowledging that there are 12 titles and therefore the property could readily be subdivided into a 12 lot rural residential subdivision. Our analysis of vacant land sales information would indicate that land areas for these lots may range in size between 5000m<sup>2</sup> and 4.5 hectares. Vacant lifestyle lot sales used for comparison include:

Address/Land Area	Date of Sale	Consideration
<b>118A Brecon Road, Stratford – 1.54 hectares</b>	November 2018	\$238,000
<b>103 Beaconsfield Road, Midhurst – 2.2357 hectares</b>	March 2019	\$240,000
<b>208 Brecon Road, Stratford - 9737m<sup>2</sup></b>	April 2019	\$240,000
<b>186 Warwick Road, Stratford - 8100m<sup>2</sup></b>	February 2020	\$170,000
<b>Lot 4, 263 Radnor Road, Midhurst - 4110m<sup>2</sup></b>	April 2020	\$170,000
<b>74 Flint Road West, Stratford - 6014m<sup>2</sup></b>	August 2020	\$210,000
<b>Lot 3, 54 Flint Road West, Stratford - 7920m<sup>2</sup></b>	August 2020	\$200,000

When analysing these sales the preferred approach is firstly to deduct any remnant structural improvements then establish a lump sum allowance for the preferred building site which for these sales, adopting a 4000m<sup>2</sup> site, a lump sum would range between \$100,000 and \$165,000. The residual land sale price is then divided by the residual land area to establish a rate per hectare noting that as the residual land area increases, the rates per hectare drop significantly to eventually be similar to levels as small rural dairy support properties.

Having considered this approach and applying this information to the subject land on the basis of a 12 lot subdivision, we calculate land values for such a subdivision to be as follows:

Four lots - 5000m<sup>2</sup> @ \$220,000  
 Four lots - 1 hectare @ \$280,000  
 Two lots - 2 hectares @ \$350,000  
 Two lots - 4.4 hectares @ \$450,000

**Gross realisation = \$3,600,000 (including GST)**

#### **Subdivision Budget**

Having established values for the individual lots to a hypothetical 12 lot subdivision, we have then made deductions, firstly for selling expenses, secondly for a margin for profit and risk before allowing for the estimated costs of subdivision which are difficult to accurately define until such a subdivision application is placed before Stratford District Council. Details of this approach are as follows:

**Subdivision Budget**  
**Property – 2-44 Flint Road East, Stratford**  
**Valuation Date 3 November 2020**

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Gross Realisation – 12 lots		\$3,600,000
Less GST		\$ 469,565
		<hr/>
<b>Gross Realisation excluding GST</b>		<b>\$3,130,435</b>
<b>Less selling expenses</b>		
Sales commission		- \$ 126,000
Legal fees of sale		- \$ 15,000
		<hr/>
Net realisation		\$2,989,435
Less allowance for Profit & Risk 20%		- \$ 498,200
		<hr/>
<b>Outlay</b>		<b>\$2,491,235</b>
<b>Less subdivision costs</b>		
Planning survey & titling	\$ 60,000	
Professional fees	\$ 20,000	
Resource consent & compliance	\$ 7,500	
Reserve Fund Contribution	\$ 0	
Earthworks, roading & vehicle crossings	\$ 200,000	
Berms & other earthworks	\$ 30,000	
Water reticulation	\$ 20,000	
Stormwater management	\$ 100,000	
Electricity	\$ 80,000	
Telephone	\$ 12,000	
		<hr/>
Total other subdivision costs	\$ 529,500	
Plus contingency sum	\$ 53,000	
		<hr/>
<b>Total subdivision costs</b>		<b>- \$ 582,500</b>
Holding costs over selling period – 3 years @ 5% x 50%		- \$ 186,830
Rates over development & selling period - 3 years @ \$4,500pa x 50%		- \$ 6,750
		<hr/>
Block Value (Land only)	\$1,715,155	say \$1,715,000
Existing structural improvements including dwelling		\$ 215,000
		<hr/>
<b>INDICATED VALUE BY THIS APPROACH</b>		<b>\$1,930,000</b>
		plus GST
		<hr/> <hr/>

**Correlation**

Considering the two valuation approaches, we acknowledge the diverse range of sales information used for the direct sales comparison approach but accept that most of these are in relatively close proximity to urban Stratford. We prefer this approach over the subdivision budget approach, however the latter approach does recognise the multiple titles to the subject property as well as the existing rural residential zoning. We therefore assess the market value for the subject land on the basis of the two valuation approaches at **\$1,750,000 (ONE MILLION SEVEN HUNDRED AND FIFTY THOUSAND DOLLARS)** plus GST, if any. This is apportioned as follows:

Improvements	\$ 200,000
Land value	\$1,550,000
	<hr/>
<b>MARKET VALUE</b>	<b>\$1,750,000</b> plus GST
	<hr/> <hr/>

*Market valuations are carried out in accordance with the Valuation Standards and Guidance Notes recommended by the New Zealand Institute of Valuers (NZIV) and the Property Institute of New Zealand (PINZ), where the definition of market Value is detailed as "the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing and acknowledging that the parties have each acted knowledgeably, prudently and without compulsion".*

**8.0 Special Conditions**

We emphasise that the subdivision approach is prepared on the basis of cost information researched from previous valuations completed by this approach. However, specific costings will not be available until such subdivision application is prepared and presented to Council for their conditions and requirements. We have assumed that no reserve fund contribution would be required in a rural/residential zoned area.

**9.0 Mortgage Recommendation**

Specific to our instructions, we have not been requested to provide a mortgage recommendation.

***Professional Indemnity Insurance***

*We have in force at the time of supplying the above valuation, current professional negligence insurance appropriate to the nature and level of our business activities. We confirm that the Registered Valuer signing this report is covered by the policy.*

Please do not hesitate to contact us if we can provide any further information.

Yours faithfully

**Roger Malthus & Associates (2008) Ltd**

**R M Malthus – FNZIV, FPINZ**  
Registered Valuer



**Appendix A**

**Property Photos**

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**Rolling contour to dwelling site**



**Undulating to Flint Road**



**Central terrace flats**



**Mature native bush**



**Eastern open drainage system**



**Flat land to southern boundary**

**Property Photos**



**Dwelling & surrounds**



**Haybarn / implement shed**



# Valuation Report



**For:**

**Stratford District Council  
Dairy Farm Support Property  
47 Flint Road East  
Stratford  
STRATFORD DISTRICT**

**By:**

**Roger Malthus & Associates (2008) Ltd**

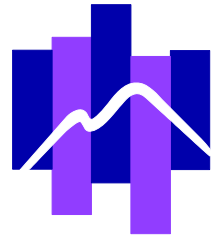
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**REGISTERED VALUERS AND PROPERTY ADVISORS**

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8 November 2020

The Director – Corporate Services  
Stratford District Council  
PO Box 320  
**STRATFORD 4352**

**Attention** Tiffany Radich

**DAIRY FARM SUPPORT PROPERTY – 47 FLINT ROAD EAST, STRATFORD**

**1.0 Executive Summary**

Property owners	B A Lilley, R A Lilley and R J Mills
Address	47 Flint Road East, Stratford
Date of inspection	5 November 2020
Effective date of valuation	5 November 2020
Purpose of valuation	Market value for mortgage security

**Brief Description**

44.8139 hectare dairy farm support property being rural and rural residentially zoned land, comprising four certificates of title and including a cottage and a Herringbone dairy shed. Situated to the northern side of Flint Road East, 500 metres east of the Flint Road East/State Highway 3 (Broadway) intersection and 2.1 kilometres northeast of the Stratford central business area in the Stratford District.

**Market Value**

**\$2,285,000 (TWO MILLION TWO HUNDRED AND EIGHTY FIVE THOUSAND DOLLARS)**

Unless otherwise stated all figures are plus GST.

**Special Conditions**

- Our valuation is assessed as at date of inspection and includes land, buildings, infrastructural improvements, dairy shed plant, water supply plant and household fixed chattels.
- We emphasise that this page is a valuation summary only and should be read in conjunction with the attached report which includes appropriate property physical details, market considerations and methodology to our valuation assessment.

**Roger M Malthus – FNZIV, FPINZ**  
Registered Valuer

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## 2.0 Scope of Work

### 2.1 The Valuer

- The property has been inspected and valued by Roger Malthus of Roger Malthus & Associates (2008) Limited.
- The valuer has satisfied professional educational requirements of the Property Institute of New Zealand (PINZ) and the New Zealand Institute of Valuers (NZIV).
- The valuer has more than 35 years of valuing rural dairy farm and dairy support properties throughout the Taranaki district.
- No one except those specified in this report have provided professional assistance in preparing this report.
- The valuer has no financial interest or otherwise in the property and no relationship with the property owners.
- The valuer signing this report holds a current Annual Practicing Certificate.

### 2.2 Our Client

The valuation is prepared specifically to meet the requirements of the Stratford District Council in association with instructions received from Director – Corporate Services, Tiffany Radich.

This valuation and all valuation services are provided by Roger Malthus & Associates (2008) Ltd solely for the use of the Client. Roger Malthus & Associates (2008) Ltd does not and shall not assume any responsibility to any person other than the Client for any reason whatsoever including breach of contract, negligence (including negligent mis-statement) or wilful act or default of itself or others by reasons of or arising out of the provision of this valuation or valuation services. Any person, other than the Client, who uses or relies on this valuation does so at their own risk.

**Purpose of Valuation**      Market value for mortgage security

**Asset being Valued**      A dairy farm support property of 44.8139 hectares situated at 47 Flint Road East, Stratford, Stratford District

#### **Basis of Valuation (Market Value)**

The value provided in this valuation report is our opinion of the lessee's interest being the current market value as at date of inspection on the basis of a willing buyer/willing seller negotiation. The value may change at a future date due to market conditions and changes to the state of the subject property.

#### **Specific Dates**

Valuation Date:              5 November 2020  
 Inspection Date:              5 November 2020

### 2.3 Extent of Investigations

We have undertaken both an internal and external inspection of all buildings valued as well as the subject land in association with an inspection with Brian Lilley, one of the property owners. We have not commissioned any structural or tested any of the services and are therefore unable to confirm that these are free from defect. We note further that we have not inspected unexposed or inaccessible portions of any building and are therefore unable to certify that these are free from defect. Any elements of deterioration apparent during our consideration of the general state of repair of building/s has been noted or reflected in our valuation. We are however, unable to give any warranty as to structural soundness, weatherproofness or durability of any building and have assumed in arriving at our valuation that there are no structural defects or the inclusion of unsatisfactory materials.

No responsibility is assumed for legal matters, questions of survey, opinions of title, hidden or unapparent conditions of the property, soil or sub-soil conditions, engineering or other technical matters, which might render the property more or less valuable than as stated herein. If, as the result of our investigation and analysis, it came to our attention that certain problems may exist, a cautionary note has been entered in the body of the report.

### 2.4 Good & Services Tax (GST)

Unless otherwise stated, all figures shown in this report are plus GST, if any.

When analysing the sales evidence relied upon for this valuation, it is noted that we have attempted to ascertain whether or not the sale price is inclusive or exclusive of Goods and Services Tax (GST). The national database of sales evidence does not currently identify whether or not the sale price is inclusive or exclusive of GST. Where we have not been able to verify the matter of GST, we have assumed that the national database record of sale price is plus GST (if any) or zero rated for GST. Should this not be the case for any particular sale used as evidence, we reserve the right to reconsider our assessment.

### 2.5 Valuation Standards

The valuation has been prepared in accordance with International Valuation Standards 31 January 2020 as well as the Australia and New Zealand Valuation Standards, Guidance Notes and Technical Information Papers including:

- IVS101 – scope of work;
- IVS102 – investigation and compliance;
- IVS103 – reporting;
- IVS104 – bases of value;
- ANZVTIP9 – market value of rural and agri business properties;
- ANZVTIP11 – valuation procedures real property;
- ANZVTIP12 – valuation for mortgage and loan security purposes.



### 3.0 Property Physical Details

#### 3.1 Legal Description

The property is registered as four separate but adjoining titles which have a composite land area of 44.8139 hectares more or less and are individually described as follows:

- (a) An estate in fee simple described in the Computer Register as Part Section 1 Block I Ngaere Survey District which contains a land area of 7.5879 hectares more or less. The title identifier is TNE4/1219 of the Land Registration District Taranaki.

Instruments registered to the title include declaration that State Highway 3 is a limited access road

- (b) An estate in fee simple described in the Computer Register as Lot 1 on Deposited Plan 1532 which contains a land area of 8.4149 hectares more or less. The title identifier is TNE4/1221 of the Land Registration District Taranaki.
- (c) An estate in fee simple described in the Computer Register as Section 7 Block I Ngaere Survey District which contains a land area of 13.7087 hectares more or less. The title identifier is TN109/232 of the Land Registration District Taranaki.
- (d) An estate in fee simple described in the Computer Register as Section 1 Block II Ngaere Survey District which contains a land area of 15.1024 hectares more or less. The title identifier is TNA3/518 of the Land Registration District Taranaki.

Instruments registered to this title include:

- Subject to Section 59 of the Land Act 1948;
- Subject to a right (in gross) to pump, move, convey and transport natural gas products and petroleum products as defined under the Petroleum Act 1937 and the Crown Minerals Act 1991 over part shown A on Deposited Plan 17953 in favour of (now) TWN Limited Partnership as in Transfer 421712.1 (Appendix C).

We attach search copies of the Register (Appendix B).

#### Special Notes

The above instruments relate primarily to a pipeline easement extending across the western part of this property for gas transmission. This pipeline has minimal impact on the existing dairy farm support land use but may have some impact should this title be developed as a separate title for rural lifestyle purposes at a future date.

We also note that heavy duty transmission lines and pylons extend across the central and eastern titles, be it that these are not registered as an easement. This could have a further future negative impact if these titles were used for more intensive rural or rural/residential development.

Please also refer to the Property Information Report appended, with reference to the Discharge Permit of the now obsolete oxidation pond and the testing site of the stream tributary to the western title and the neighbouring previous Tannery property, now a transport depot.



### **3.2 Resource Management Area & Local Authority**

The property has a mixed zoning with the northwestern rear title being zoned Rural, whereas the other three titles have Rural Residential zoning. The rural title allows for a diverse range of non-intensive land uses including the subject property's previous seasonal supply dairy farming operations and the current dairy farming support land use.

The Rural Residential zoning is an intermediary zoning between land zoned Rural and other land zoned Residential for more intensive residential purposes. Rural Residential zoning allows residential use for dwellings on the basis of one dwelling per title as a permitted use. Likewise, residential businesses, marae and non-intensive farm uses are permitted activities within this zoning environment. Further subdivision of the land under this use would require a resource consent.

### **3.3 Statutory Valuation & Charges**

#### **Rating Valuation as at 1 July 2020**

Capital value	\$1,900,000
Land value	\$1,730,000

#### **Rates Payable**

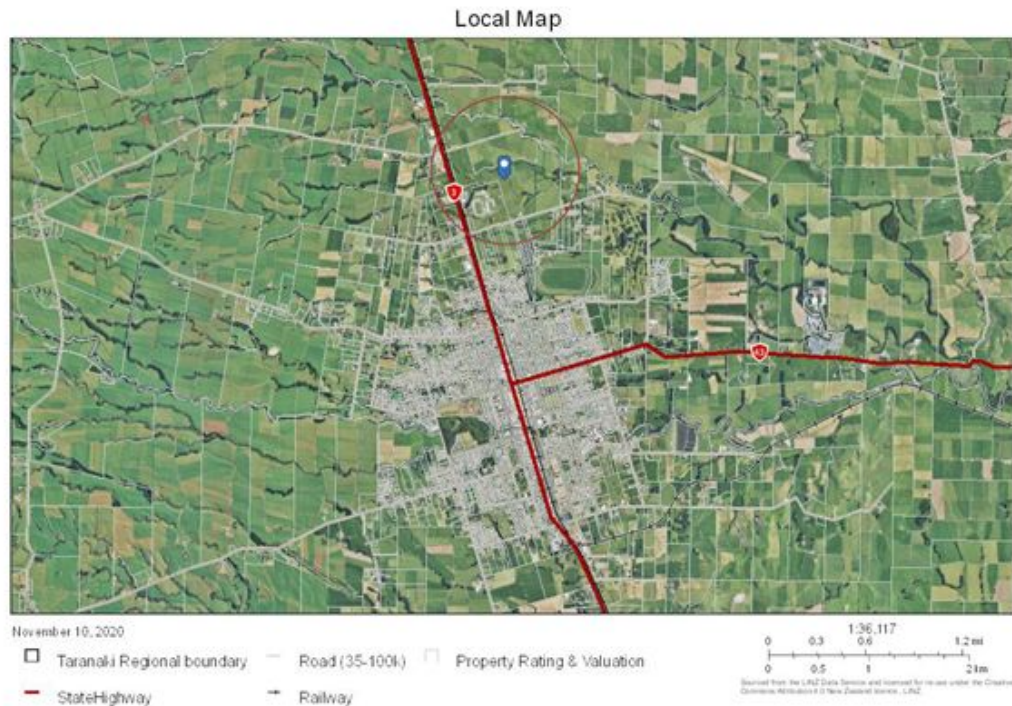
Local authority rates assessed for the 2020/21 rating year were set at \$6,796.31 inclusive of GST.

### **3.4 Climate & Altitude**

In this central Taranaki location, we would anticipate an annual rainfall in the range of 1600 to 1800mm. There is limited pastoral production over a 90 to 100 day winter period when there will be seasonal frosts and potentially a snowfall annually.

The property's altitude ranges between 300 and 320 metres above sea level.

### 3.5 Situation & Location



The property is accessed off the northern side of Flint Road East but also has frontage to a paper road being a Monmouth Road extension to the northern boundary. The Flint Road East frontage is some 500 metres east of Broadway (State Highway 3) and the Stratford central business area is 2.1 kilometres southwest via Broadway.

Stratford, being the main provincial centre for the Central Taranaki district, has a comprehensive range of urban community facilities. To the central business area there is a wide range of retail shops and a supermarket to its northern periphery with a further supermarket some 700 metres southwest off Broadway. The closest Stratford primary school is 2.6 kilometres southwest off Regan Street and Stratford High School is 3.5 kilometres south of Swansea Road. Historically, Stratford has been a rural service centre. It has a variety of rural-related businesses including stock and station agencies, veterinary services, machinery sales and services as well as professional businesses including banking, legal and accounting.

Neighbouring properties have a diverse range of land use with the Agricultural and Pastoral Association having their showgrounds and associated stockcar track adjacent and to the northern side of Flint Road East and the Hawera/New Plymouth railway line reserve. Land further south continues to be used for dairy farm support purposes in association with the subject farm. Land further to the southeast is owned by the Stratford Racing Club which occupies a large land area including the racecourse and training facilities.

The Hawera/New Plymouth railway line adjoined to the west, also runs parallel to State Highway 3 (Broadway) and beyond this land is developed for light industrial and rural lifestyle purposes. Historically, land in this location has had good saleability for traditional seasonal supply dairy farming and dairy farm support purposes but is also now proving popular as a location for development of rural lifestyle properties, acknowledging its close proximity to a wide range of urban community facilities in central Stratford.

**3.6 Land Description**



6

**General**

This dairy farm support property is irregular in shape and has a 520 metre frontage to the northern side of Flint Road East then extends for a depth of some 700 metres along the eastern boundary to the Kahouri Stream. The farm has a similar 400 metre western boundary with the Agricultural and Pastoral Association showgrounds beyond which there is a tributary of the Kahouri Stream. The northwestern title increases in width a further 200 metres then extends for 270 metres to a 190 metre frontage with the Monmouth Road extension being a paper road connecting to State Highway 3 but across the Hawera/New Plymouth railway line reserve. In general, aspect is southerly with a slight fall from the road frontage to the tributary of the Kahouri Stream which extends between the eastern boundary and the western boundary with the railway reserve.

**Contour & Cover**

From our inspection of the property and aerial photograph information downloaded from Taranaki Regional Council’s Regional Xplorer website, we calculate that the property’s contour and cover, although predominantly of flat to undulating, does include some areas retired from grazing and in riparian planting, bush or other exotic planting. The land area and cover is apportioned as follows:

Flat to undulating in fair to average pasture	38.00 hectares
Creeks, sidlings & areas retired from grazing	6.81 hectares
<b>Total</b>	<b>44.81 hectares</b>

**Soils**

The land has a soil description of Stratford fine sandy loam. These soils are of medium natural fertility and have an original cover of podocarp and broadleaf forest. These soils respond readily to applications of phosphate and potash.

**Fertiliser**

No specific details have been provided with regard to fertiliser applications but our understanding, from fertiliser applications to adjoining land farmed by the owners, is that in the vicinity of 200 to 400kg of potassic type super are applied annually to the land used for supplementary feed harvesting.

**Weeds & Pests**

The most significant weed problem to the property is giant buttercup which where possible is sprayed annually, whereas areas that are not accessible for spraying show considerable intensity of this invading weed. There is also likely to be small areas of blackberry and similar weeds to the creek and sidlings retired from grazing.

As the property has a significant proportion of land in riparian and exotic planting and other areas retired from grazing, an ongoing bio-security programme will be necessary for pest control.

**Stock & Production**

Historically, the subject property has been farmed with the adjoining dairy support property to the southern side of Flint Road East. From information provided by Brian Lilley, the two properties combined previously milked some 150 cows on the basis of grazing young stock off and production, we understand, was likely to be in the range of 50,000kg of milk solids on an all grass management system.

The farm in the previous two dairy seasons, has been retired from milking and managed as a dairy farm support property with very little, if any, stock being carried. The easy contoured land areas have been utilised for supplementary feed harvesting with one to two crops of pasture hay or silage harvested annually and sold.

**4.0 Improvements****4.1 Overview**

Having previously been farmed as a seasonal supply dairy farm in association with neighbouring land, the property still retains the seasonal supply dairy farm improvements including a farm cottage, a Herringbone dairy shed, a large older styled implement shed and a haybarn. There is also an extensive range of infrastructural improvements including access roading, fencing, hedging, water reticulation and the dairy shed's oxidation ponds.

**Dwelling/Cottage**

This bungalow type cottage is sited adjacent to the Flint Road frontage and has a floor area of 124m<sup>2</sup>. It appears to have been originally built in the 1910 – 1920 era but with 1960s lean-to addition. It is in relatively original condition apart from some kitchen upgrading and at present the cottage is tenanted.

Construction appears to be on original timber foundations (not able to be fully inspected) and is timber framed with rusticated weatherboard cladding, wooden casement window joinery and a multiple gabled corrugated steel roof. The interior is of three bedroom design with a separate lounge, a modernised kitchen, a basic bathroom plus laundry facilities. The dwelling exterior appears in fair to average condition. The interior has had some upgrading in recent years and continues to be suitable for rental purposes, particularly when acknowledging its location in relation to urban community facilities in central Stratford.

**Outbuildings**

To the dwelling site there is a single garage adjacent to the road frontage. This measures 19m<sup>2</sup> and is sheathed in weatherboard with a corrugated steel roof. It is in fair condition and is used to provide some basic storage.

**4.2 Farm Buildings****Herringbone Dairy Shed**

This shed is of 19 aside Herringbone design having been upgraded while the farm was used for seasonal supply dairy farming in recent years. As the farm use has reverted to dairy support land use, it is now obsolete. It is likely that if the farm was to be redeveloped for milking purposes, the shed would require major upgrading with reference to the gabled truss support roofing, the milk room area and modern day compliance in general for dairy sheds. However, there is also a circular yard area which could provide a hard stand area for storage of baled silage.

**Implement Shed**

This large building has been designed for a combination of uses including a previous two stand woolshed and machinery storage. It has a floor area of 185m<sup>2</sup>, is timber pole framed with timber foundations, corrugated steel sheathing and corrugated steel roofing. The building is in fair condition only and requires some roofing repairs if continued to be used for storage of farm machinery. What remains of the woolshed area is timber framed with grated flooring and, due to the present land use, this area has limited if any added value to the property.

**Haybarn**

Towards the rear northwestern corner and the northern title, there is a 60m<sup>2</sup> haybarn which is timber pole framed with corrugated steel sheathing and a lean-to steel roof. The building is in average condition and continues to be suitable for storage of supplementary feed.

**4.3 Other Improvements****Water Supply & Reticulation**

The farm's water supply is a dual system retaining two bores, one to the dairy shed and one to the northern boundary which was used on a standalone basis prior to the property being connected to the Stratford District Council's community water supply. This supply now reticulates to both the dwelling and dairy shed with the shed bore also supplementing the supply previously supplying the washdown and cooling facilities. We understand the reticulation is adequate for drystock management but has had some pressure limitations when dependent on the community supply alone.

**Fencing & Hedging**

From aerial photograph information and our inspection, we calculate that there are some 38 paddocks with fencing being mainly multi-wire electric and post, wire and batten supplemented by barberry hedging. There is also some multi-wire electric fencing separating the areas retired from grazing. Fencing is of an average standard, whereas hedges are due for cutting as they appear to be somewhat overgrown.

**Roading & Racing**

A metalled tanker track extends from the road frontage to the dairy shed and provides good vehicle turning. Likewise, a series of metal races extend towards the northeastern corner of the property and the northwestern title. These metal races have a partial concrete base in places and appear adequate for farm machinery, vehicles and stock.

**Site Landscaping**

To the cottage site there is basic site landscaping including a metal driveway, fair lawn areas and shelter hedging.

**Plantations**

The previous pine plantation to the central part of the property has been felled and parts used for fencing materials. The mature pine plantation, located to the eastern boundary, may have some trees suitable for timber harvesting.

**Effluent Dams**

Due to the change of land use from seasonal supply dairy farm to dairy farm support, the two oxidation ponds beyond the dairy shed are now obsolete be it that they still have effluent disposal permits in place which are due to expire in 2022.

**Chattels & Plant**

To the dwelling, fixed chattels include carpets, window dressings and light fittings. These are of a plain standard.

Dairy shed plant includes a basic 19 aside Herringbone configuration. We understand the previous vat has now been purchased by the owners and we also note there is a relatively modern milk cooling system to the dairy shed exterior. The vat and cooling system may have some value for sale as chattel items.

**5.0 Market Considerations**

Over the previous 10 years the economic environment throughout Taranaki has changed considerably. Specific to Central Taranaki and the Stratford district, there are two extremes to the land market. Firstly, the rural sector has seen considerable economic change having historically been reliant on dairy farming and sheep and beef farming for which Stratford is the prime urban centre. Secondly, the urban sector has seen trends in the opposite direction to the rural sector with substantial increase in the number of new buyers moving into Central Taranaki and as a result the demand for residential and rural lifestyle property has exceeded supply, particularly over the last three years.

**Rural Market Environment**

Traditionally, the dairy farming sector has been the main driver in the Central Taranaki rural environment, but over the previous five years this has been under considerable economic pressure particularly where the industry is faced with ever-increasing compliance requirements, specifically in relation to environmental issues including nutrient run-off and waste management. The market environment for dairy farm produce at international level has also been volatile resulting in major fluctuations of payout for dairy farm produce at farm gate level.

The sheep and beef sector of the rural economy is dominated by Central Taranaki, being inland Taranaki, where traditionally land has been used for breeding and finishing purposes. However, this sector is also under economic pressure with increased demand for productive sheep and beef land for redevelopment to forestry, carbon farming and manuka honey harvesting. These alternative land uses are also somewhat complimentary with the sheep and beef sector which has remained reasonably stable, be it that wool prices have declined rapidly whereas lamb and beef prices continued to remain reasonably stable.

The third sector of the rural economy which is significant, has been the oil and gas sector which over the last 40 years in Taranaki has been a major contributor to our economy. However, over the last three years there has been a major market change with central Government decisions to cease further licensing for offshore exploration and this has meant that the existing productive fields have been maintained or expanded where licensing allows. However, the central Government decisions indicate an economic change to a more sustainable energy supply such as wind farming and possibly hydrogen plants superseding the traditional gas-related energy industry.

The above factors accepted, value levels in the dairy farming sector have shown a steady decline over the previous three seasons reflecting significant economic uncertainty in this sector, be it that at time of reporting projected payout from Fonterra Co-operative Group is in the range of \$6.50 to \$7.50 per kilogram of milk solids, whereas in the sheep and beef sector value levels are more supported by competing land use such as forestry, carbon and manuka honey. The oil and gas sector has remained static and are only secondary to the primary produce sectors as outlined above.

### **Urban & Rural Lifestyle**

As outlined above, this area of the Central Taranaki economy has changed significantly. With a substantial increase in the number of new buyers relocating to Taranaki and seeking attractively priced housing for owner occupation and/or investment, Stratford seems an attractive option being centrally located and with a wide range of employment opportunities. New Plymouth and Hawera, being within easy commuting distance, also offer employment opportunities. As a result, there has been a substantial increase in new individuals and families relocating to Stratford and as a result what was a previous static property market has now become under-supplied in relation to the number of potential purchasers. This trend is particularly evident in the residential and rural lifestyle sectors. This market increase is not only for improved properties but also to a significant degree for vacant land as is noted in the number of section sales completed in the new Stratford District Council residential subdivision off Pembroke Road.

Value levels in this sector have shown a major improvement and at time of reporting the market again remained under-supplied in relation to the number of prospective purchasers as more people relocate to Central Taranaki. At the same time, ongoing record low mortgage interest rates have also proven a market stimulus.

## **6.0 Risk Assessment (SWOT Analysis)**

As the subject valuation is required for mortgage and loan security, we summarise the above property physical details and the market considerations as follows:

### **Strengths**

- Rural residential location
- Flat to undulating contour
- Ease of access from Flint Road East

### **Weaknesses**

- Wet areas requiring ongoing or further drainage
- Existing heavy duty transmission lines, gas pipeline easement and future development
- Ongoing rural spray requirements for giant buttercup

### **Opportunities**

- Adjacent to residential development land, continuing migration of population to Stratford and surrounding Central Taranaki district
- Proximity of urban community services including roading, sewer, water and electricity



**Risks**

- Compliance requirements for dairy farming sector
- Volatility of International product prices
- Viability of small dairy farms
- Environmental controls for rural land use.


**7.0 Valuation Methodology**

When considering the property land market matters and the subject property, we recognise its traditional land use for dairy farming and more recently dairy support purposes but also acknowledge the property’s mixed zoning including rural and rural/residential but in particular, its proximity to a diverse range of alternative land uses for both rural and urban purposes in the immediate location which is close to those community facilities available in Stratford.





When acknowledging the above market trends and considering the highest and best use for the subject land, we accept that there is a relatively static and somewhat declining demand for dairy support land or seasonal supply dairy farms. However, at the same time there is an increasing demand for rural lifestyle land as is noted with some recent residential subdivision and development of other traditional dairy support land for rural lifestyle purposes.



The above matters accepted, we consider the property’s highest and best use at time of reporting is to continue for dairy support purposes, be it that the multiple titles offer opportunities to develop the land in smaller parcels. We are also aware of the current public notification of a multi-sport land use for this and neighbouring land in association with the Stratford A&P showgrounds property directly east of the subject land. However, our valuation is assessed as at date of inspection and the proposed development proposal is at present in the process of calling for public submissions and is in only the early planning stages of potential development. We have therefore adopted a direct sales comparison approach comparing the subject land with a series of sales of some smaller seasonal supply dairy farms which have sold, as well as dairy farm support properties. However, when applying the resulting information to the subject property, further adjustments are made for its current zoning and multiple titles.

The following sales have been researched by us and used as a guide to making our assessment.

Address/Land Area	Contract Date & Sale Price	Photograph
<p><b>378 Upper Stuart Road, Eltham – Oliver – 94.4835 hectares</b></p> <p>Undulating contoured dairy farm with good dwelling and Herringbone dairy shed. Attractively presented property, more peripheral location. Land sale price per hectare \$42,865. Land sale price per effective hectare \$45,197.</p>	<p>November 2018 \$4,750,000</p>	



<p><b>529R Pembroke Road, Stratford – Thompson – 98.6725 hectares</b></p> <p>Undulating contoured seasonal supply dairy farm with two dwellings and Herringbone dairy shed. Close proximity to urban Stratford. Land sale price per hectare \$44,896. Land sale price per effective hectare \$51,312.</p>	<p>December 2018 \$5,050,000</p>	
<p><b>270 Cheal Road, Ngaere – Maryland Farms – 99.148 hectares</b></p> <p>Flat to undulating contoured seasonal supply dairy farm with two dwellings and Herringbone dairy shed. Well- presented property. High effective land area. Land sale price per hectare \$41,352. Land sale price per effective hectare \$41,694.</p>	<p>January 2019 \$5,550,000</p>	
<p><b>1986 Mountain Road, Norfolk – Hitchcock – 71.9818 hectares</b></p> <p>Small seasonal supply dairy farm with single dwelling and Herringbone dairy shed. Closer to Inglewood than Stratford. Land sale price per hectare \$38,899. Land sale price per effective hectare \$40,882.</p>	<p>January 2020 \$3,100,000</p>	
<p><b>172 Radnor Road, Midhirst – 56.6794 hectares</b></p> <p>Small seasonal supply dairy unit with single dwelling and Herringbone dairy shed. Undulating to rolling contour, medium altitude location. Land sale price per hectare \$37,933. Land sale price per effective hectare \$39,591.</p>	<p>April 2020 \$2,500,000</p>	

<p><b>220-268 Brookes Road, Stratford – Kroon – 17 hectares</b></p> <p>Dairy farm support property with two dwellings, undulating to rolling contour. Close proximity to urban Stratford. Land sale price per hectare \$42,844. Land sale price per effective hectare \$49,165.</p>	<p>July 2020 \$1,250,000</p>	
<p><b>361 Brookes Road, Stratford – Cooper – 66.9805 hectares</b></p> <p>Previous seasonal supply dairy farm with two dwellings and Herringbone dairy shed. Likely to be developed for more intensive farming. Similar semi-urban location. Land sale price per hectare \$35,085. Land sale price per effective hectare \$37,540.</p>	<p>September 2020 \$2,750,000</p>	

When analysing the above sales it is evident that there is a diverse range of buildings and infrastructural improvements to these properties and to achieve more conformity, we have made deductions for the buildings and infrastructural improvements to establish a land sale price which gives the above range of land sale prices per hectare of between \$35,000 and \$45,000 per hectare. However, these sales also indicate varying levels of non-productive land to the individual properties which once deducted at nominal rates of \$4,000 to \$5,000 per hectare establish the land sale price per effective hectare range which is between \$37,500 and \$51,300 per hectare.

When applying this information to the subject property, we acknowledge that the older sales used for comparison require some downward adjustment for market movement over the interim period. We have also made adjustments for contour, cover, location and fertility when considering the subject property. In addition, we recognise the multiple titles of the subject land and its mixed rural and rural/residential zoning, which we have allowed a premium for zoning and multiple titles when establishing a land value for the subject property.

Having made the above adjustments and applying this information to the subject land, and after deducting the adjusted land values in the range, the land value range for the subject property is between \$47,800 and \$59,000. We have adopted a rate of \$55,000 per hectare for the undulating contoured land in fair to average pasture and a more nominal rate of \$5,000 per hectare is applied to the areas retired from grazing in bush, exotic trees and riparian planting.

The resulting land sale price per hectare for the total area averages \$47,400 and fits comfortably in the land sale price range. However, the land sale price per effective hectare of \$55,000 is above the analysed range, acknowledging the multiple titles of the subject property and its mix of zoning between rural and rural/residential.

## 7.1 Valuation Details

Having considered the above sales information, as well as the mixed state of the rural and urban real estate markets at date of reporting, we assess a market value for the subject property as at date of inspection at **\$2,285,000 (TWO MILLION TWO HUNDRED AND EIGHTY FIVE THOUSAND DOLLARS)** plus GST. This is apportioned as follows:

<b>Improvements</b>		
Cottage		\$ 75,000
Garage		\$ 1,000
<b>Other Buildings</b>		
Obsolete dairy shed & yard	\$ 7,500	
Implement shed	\$ 10,000	
Haybarn	\$ 4,000	
	<hr/>	
<b>Total other buildings</b>		\$ 21,500
<b>Other Improvements</b>		
Water supply & reticulation	\$ 12,000	
Fencing & hedging	\$ 15,000	
Roading & racing	\$ 17,500	
Landscaping & services cottage	\$ 2,500	
Plantation	\$ 3,500	
Electricity	\$ 5,500	
Effluent dams	\$ 0	
	<hr/>	
<b>Total other improvements</b>		\$ 56,000
<b>Chattels, plant &amp; shares</b>		
Household fixed chattels	\$ 1,000	
Water supply plant	\$ 2,500	
Remnant dairy shed plant	\$ 3,000	
	<hr/>	
<b>Total chattels &amp; plant</b>		\$ 6,500
		<hr/>
<b>Total value of improvements</b>		\$ 160,000
<b>Land value</b>		
Flat to undulating in fair to average pasture 38 hectares @ \$55,000ph	\$2,090,000	
Creeks, bush & riparian planting 6.81 hectares @ \$5,000ph	\$ 34,050	
	<hr/>	
<b>Total land value</b>	\$2,124,050	say \$2,125,000
		<hr/>
<b>MARKET VALUE</b>		<b>\$2,285,000</b> plus GST
		<hr/> <hr/>

*Market valuations are carried out in accordance with the Valuation Standards and Guidance Notes recommended by the New Zealand Institute of Valuers (NZIV) and the Property Institute of New Zealand (PINZ), where the definition of market Value is detailed as “the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s length transaction after proper marketing and acknowledging that the parties have each acted knowledgeably, prudently and without compulsion”.*

## **8.0 Special Conditions**

We emphasise that our valuation is assessed for land, buildings, infrastructural improvements, remnant dairy shed plant, water supply plant and household fixed chattels.

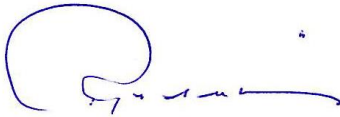
### ***Professional Indemnity Insurance***

*We have in force at the time of supplying the above valuation, current professional negligence insurance appropriate to the nature and level of our business activities. We confirm that the Registered Valuer signing this report is covered by the policy.*

Please do not hesitate to contact us if we can provide any further information.

Yours faithfully

**Roger Malthus & Associates (2008) Ltd**



**R M Malthus – FNZIV, FPINZ**  
Registered Valuer  
Email: [roger.malthus@xtra.co.nz](mailto:roger.malthus@xtra.co.nz)

**Appendix A**

**Property Photos**



**Terrace flats to eastern boundary**



**Pipeline easement to eastern Terraces**



**Terrace flats to northern boundary**



**Central terraces & planted sidlings**



**Creek & sidling to central title**



**Remnant oxidation ponds**



**Property Photos**



**Cottage & surrounds**



**Herringbone dairy shed**




**Implement / previous wool shed**





**Haybarn to northern title**

**Appendix B – Titles**

6



**RECORD OF TITLE  
UNDER LAND TRANSFER ACT 2017  
FREEHOLD  
Search Copy**

R. W. Muir  
Registrar-General  
of Land

**Identifier** TNE4/1219  
**Land Registration District** Taranaki  
**Date Issued** 13 December 1979

**Prior References**  
TN34/248

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<b>Estate</b>	Fee Simple
<b>Area</b>	7.5879 hectares more or less
<b>Legal Description</b>	Part Section 1 Block I Ngaere Survey District

**Registered Owners**  
Brian Andrew Lilley, Ross Arthur Lilley and Robert John Mills

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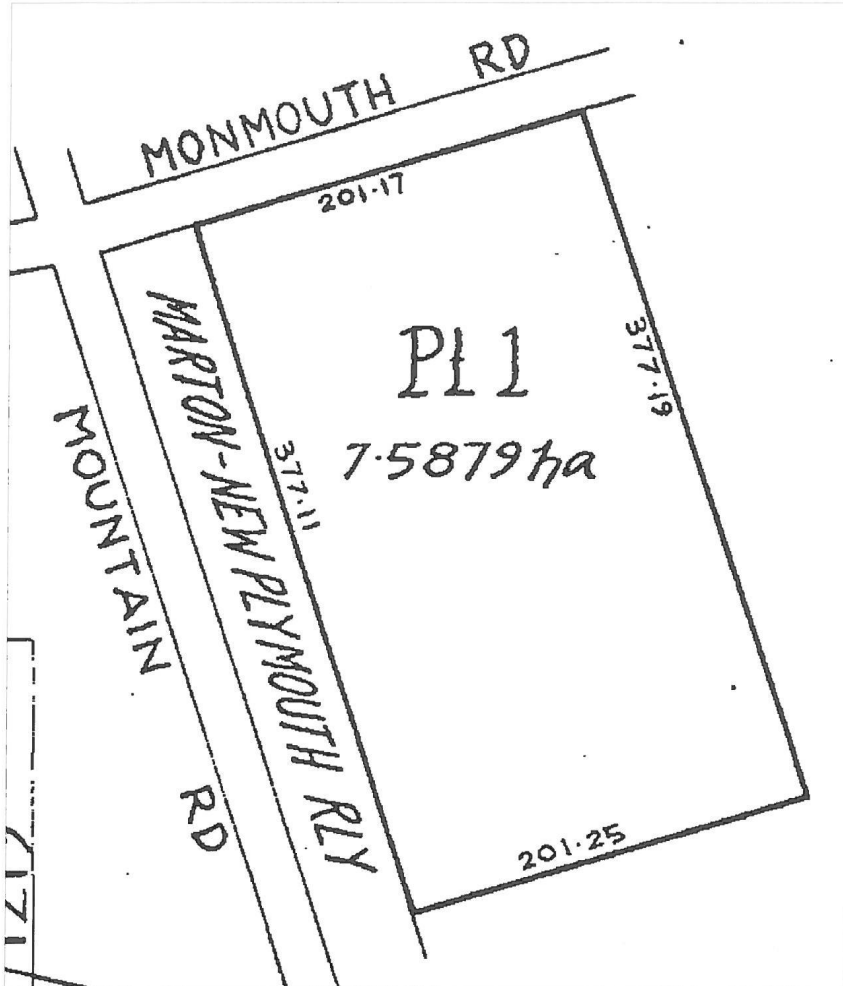
**Interests**

169897 Certificate declaring State Highway 3 adjoining the within land to be a limited access road - 28.7.1969 at 11.12 am

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*Transaction Id* *Search Copy Dated 9/11/20 10:46 am, Page 1 of 2*  
*Client Reference* sclarry001 *Register Only*


Identifier TNE4/1219




Transaction Id  
Client Reference sclarry001

Search Copy Dated 9/11/20 10:46 am, Page 2 of 2  
Register Only





**RECORD OF TITLE  
UNDER LAND TRANSFER ACT 2017  
FREEHOLD  
Search Copy**



R. W. Muir  
Registrar-General  
of Land

**Identifier** **TNE4/1221**  
**Land Registration District** **Taranaki**  
**Date Issued** 13 December 1979

**Prior References**  
TN43/31

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**Estate** Fee Simple  
**Area** 8.4149 hectares more or less  
**Legal Description** Lot 1 Deposited Plan 1532

**Registered Owners**  
Brian Andrew Lilley, Ross Arthur Lilley and Robert John Mills

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**Interests**

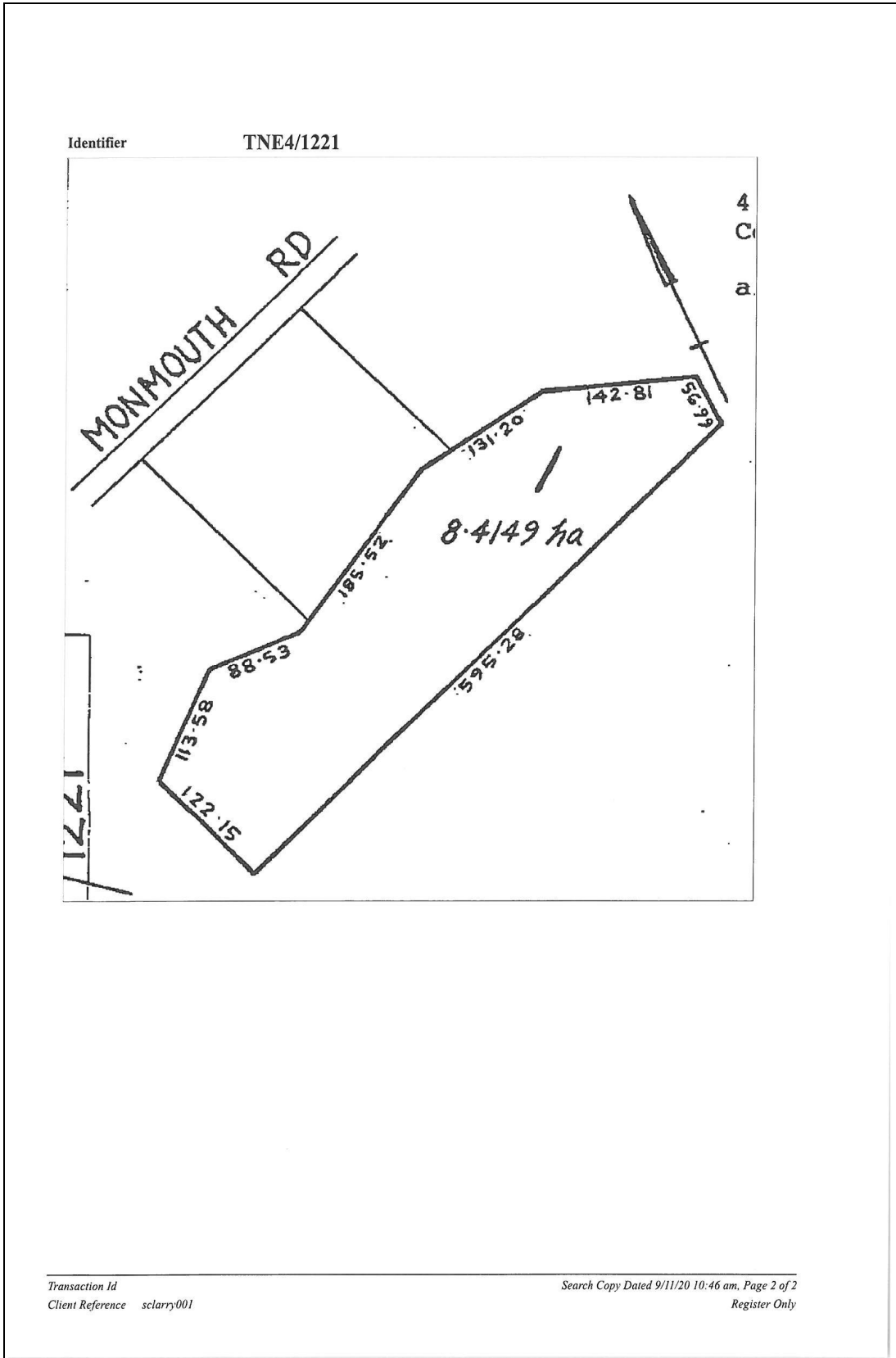
  


*Transaction Id*

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*Client Reference sclarry001*


*Register Only*





**RECORD OF TITLE**  
**UNDER LAND TRANSFER ACT 2017**  
**FREEHOLD**  
Search Copy





R. W. Muir  
Registrar-General  
of Land

**Identifier** **TN109/232**  
**Land Registration District** **Taranaki**  
**Date Issued** 19 September 1924

**Prior References**  
TN10/87

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**Estate** Fee Simple  
**Area** 13.7087 hectares more or less  
**Legal Description** Section 7 Block I Ngairu Survey District

**Registered Owners**  
Brian Andrew Lilley, Ross Arthur Lilley and Robert John Mills

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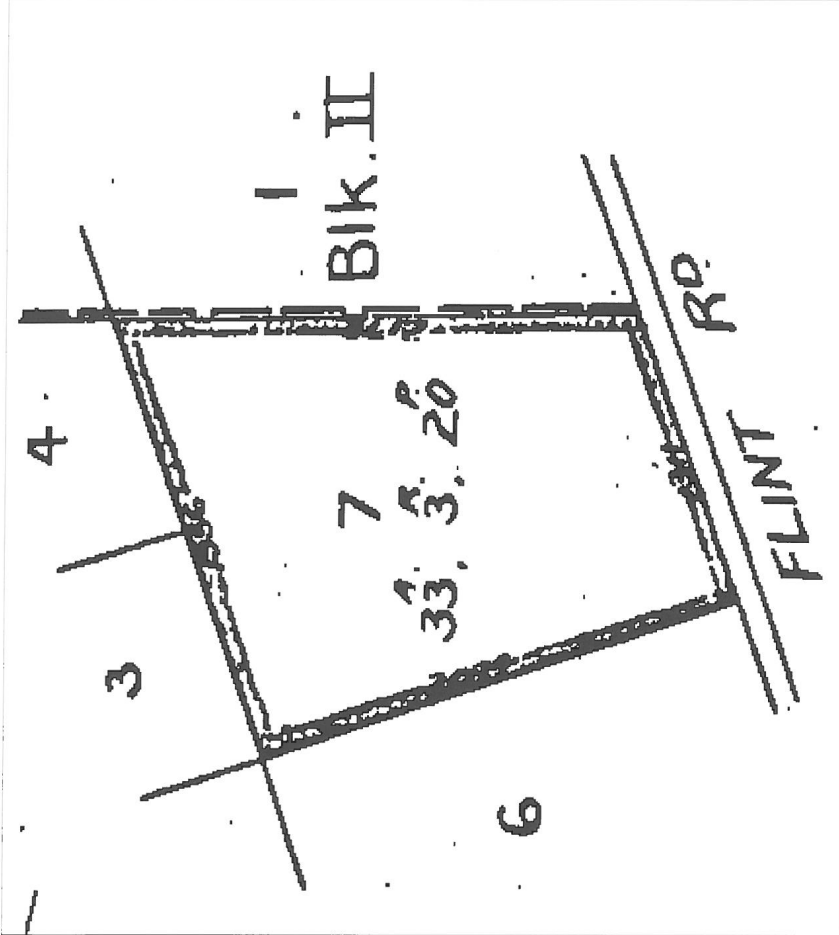
**Interests**

*Transaction Id*  
*Client Reference* sclarry001

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*Register Only*

Identifier TN109/232



Transaction Id  
Client Reference sclarry001

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Register Only



**RECORD OF TITLE  
UNDER LAND TRANSFER ACT 2017  
FREEHOLD  
Search Copy**



*R. W. Muir*  
Registrar-General  
of Land

**Identifier** TNA3/518  
**Land Registration District** Taranaki  
**Date Issued** 02 May 1966

**Prior References**  
TNPR20/135

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**Estate** Fee Simple  
**Area** 15.1024 hectares more or less  
**Legal Description** Section 1 Block II Ngaere Survey District

**Registered Owners**  
Brian Andrew Lilley, Ross Arthur Lilley and Robert John Mills

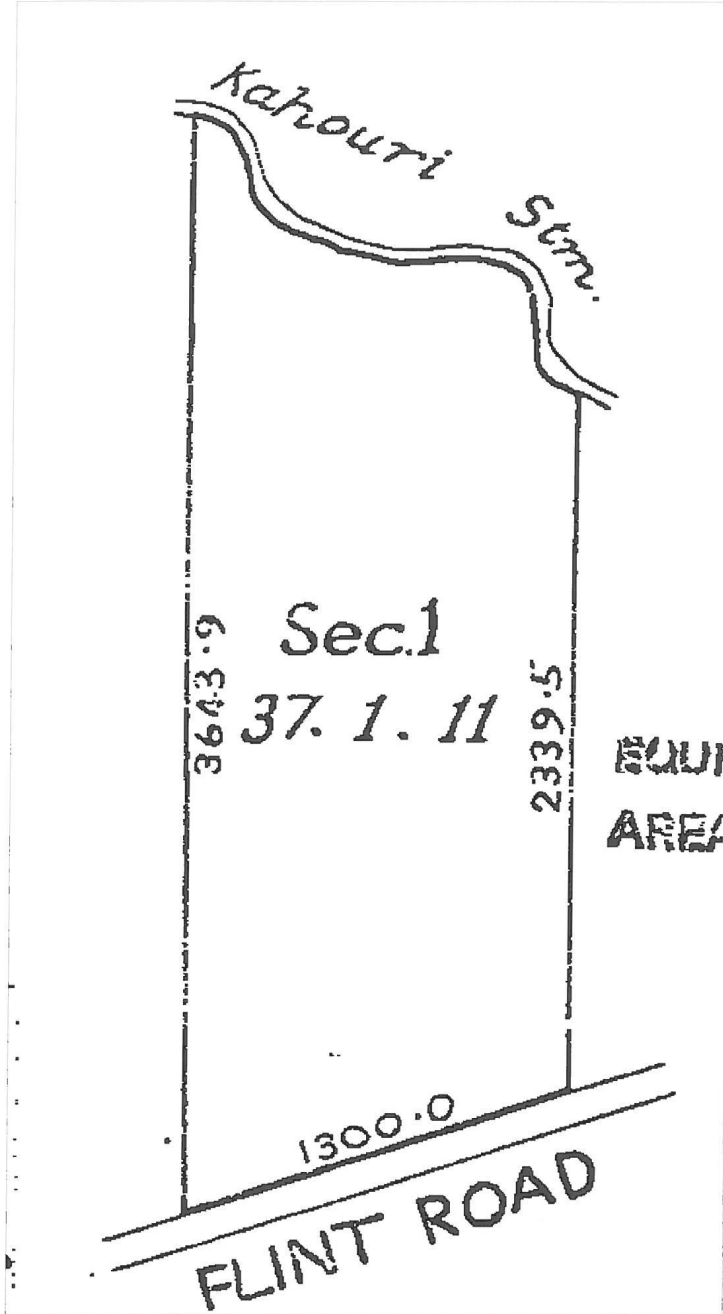
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**Interests**

Subject to Section 59 Land Act 1948

Subject to a right (in gross) to pump move convey and transport natural gas products and petroleum products as defined under the Petroleum Act 1937 and the Crown Minerals Act 1991 over part shown A on DP 17953 in favour of (now) TWN Limited Partnership created by Transfer 421712.1 - 6.6.1995 at 11.31 am

Identifier TNA3/518



Transaction Id  
Client Reference sclarry001

Search Copy Dated 9/11/20 10:45 am, Page 2 of 2  
Register Only

## Appendix C – Grant of Easement

**421712.1 TE**

(Approved by the Registrar-General of Land, Wellington – No. B249862.1/92)

**MEMORANDUM OF TRANSFER**  
(GRANT OF EASEMENT)

THE PUBLIC TRUSTEE

(hereinafter called "the Grantor") being registered as the proprietor

of an estate in fee simple

subject however to such encumbrances liens and interests as are notified by memorandum underwritten or endorsed herein in all that piece of land situated in the LAND REGISTRATION DISTRICT of TARANAKI

as is more particularly described in the Schedule attached hereto (hereinafter referred to as "the hereinafter described land").

IN CONSIDERATION of an Agreement for Entry and Grant of Pipeline Easement dated 14 / 9 / 91 between the Grantor and the Grantee and of the covenants hereinafter contained the Grantor DOTH HEREBY TRANSFER AND GRANT unto Petrocorp Exploration Limited a duly incorporated company having its registered office at New Plymouth (herein called "the Grantee") the following rights and interests as an easement in gross:

1. The right from time to time and at all times to lay construct operate inspect maintain repair renew change the size of and remove the pipeline and all appurtenances thereto (the pipeline and all appurtenances being together hereinafter except where the context requires a different construction referred to as "the said pipeline") in over or through those parts of the hereinafter described land marked ( A ) on Deposited Plan 17953 (which said parts marked ( A ) are hereinafter referred to as "the said strip of land") the said pipeline to remain the property of the Grantee and to pump move convey and transport through or within the said pipeline natural gas products, and petroleum products as defined under the Petroleum Act 1937 and the Crown Minerals Act 1991 (whichever is relevant).
2. The right within the boundaries of the said strip of land to remove all cultivated or natural vegetation including trees and shrubs.
3. The rights of ingress and egress together with its engineers surveyors workmen contractors with or without any vehicles implements tools pipes and materials of any kind in over and through the hereinafter described land for any and all purposes necessary or convenient to the exercise by the Grantee of its rights and interests herein granted, but causing the minimum of disturbance to the Grantor his land stock and other property in so doing.
4. The right within the boundaries of the said strip of land to construct operate inspect maintain repair renew change and remove such above ground devices or any one or more of them as the Grantee may consider necessary or convenient for the said pipeline. The expression "above ground devices" shall include (inter alia) valves surface marker posts test pipes and points aerial crossing bridges and bridge abutments metering devices booster station bridges and fences around these devices.

AND IT IS HEREBY COVENANTED AND AGREED by and between the parties hereto as follows:

- (a) The Grantor shall have the right to use the said strip of land except as such use may unreasonably interfere with the enjoyment of the rights and easements granted herein but shall not erect any building construction or fence or plant any tree or shrub within the boundaries thereof disturb the soil thereof below a depth of .4 metres from the surface or do anything thereon or therein which would or could damage or endanger the said pipeline without the written consent of the Grantee. Such consent shall not be unreasonably withheld, but may be given subject to reasonable conditions including the power to revoke with appropriate compensation if it is revoked.
- (b) The Grantee shall bury the said pipeline so that it will not interfere with the ordinary cultivation of the hereinafter described land and in so doing or in maintaining repairing renewing changing or removing the said pipeline shall cause as little damage as possible to the surface of the hereinafter described land.
- (c) The Grantee shall pay the costs of restoring all damaged fences and the said surface as nearly as possible to their former condition or state excluding any trees or shrubs removed so often as the same shall be necessary hereunder and in addition shall in accordance with the provisions of the Petroleum Act 1937 and its amendments pay to the Grantor compensation for all other loss injury or damage suffered by the Grantor in respect of the rights acquired by the Grantee under this easement.

In relation to compensation the Grantor and the Grantee may refer to the said Agreement For Entry and Grant of Pipeline Easement.

The Grantee may grant any license or right in respect of any estate or interest conferred by this Transfer and may assign any such estate or interest.

In this Transfer where the context so requires or admits the singular includes the plural and the masculine gender includes the other genders and vice versa and words importing persons include companies and vice versa.

This grant and the covenants and conditions herein set forth shall be binding upon the executors administrators successors and assigns of the parties hereto.

IN WITNESS WHEREOF this Transfer has been executed the

*27* day of *April* 19 *98*

on behalf of The Public Trustee as owner by the  
SIGNED ~~by the above named~~ District Public Trustee for Stratford  
as Grantor and sealed with the latter's seal  
in the presence of:



*[Handwritten signature]*  
Land Liaison Officer  
*[Handwritten signature]*  
Petroleum Exploration Ltd  
New Plymouth

THE COMMON SEAL OF  
PETROCORP EXPLORATION LIMITED )  
as Grantee )  
was hereunto affixed in the )  
presence of:



*[Handwritten signature]* ..... DIRECTOR/AUTHORISED OFFICER

*[Handwritten signature]* ..... SECRETARY/AUTHORISED OFFICER



## SCHEDULE

All that parcel of land containing 15.1024 HECTARES more or less being Sec 1 Blk II Ngaere Survey District and contained in Certificate of Title A3/518 (Taranaki Registry

SUBJECT TO the easements covenants and restrictions as set out on the said title

~~SUBJECT to Mortgage Number 263932-1 to The Public Trustee~~

Registered in ~~Impress~~

# TRANSFER OF

Grant of Easement

Correct for the purposes of the Land Transfer Act 1952.



Solicitor for Grantee

Situated in the Land Registration District of **TARANAKI**

THE PUBLIC TRUSTEE.....Grantor

PETROCORP EXPLORATION LIMITED

.....Grantee

Particulars entered in the Register on the date and at the time recorded below.

District/Assistant Land Registrar  
of the District of **TARANAKI**

①

Q.M. REID  
GENERAL COUNSEL  
PETROCORP EXPLORATION LIMITED  
PRIVATE BAG  
NEW PLYMOUTH



11.31 06.JUN95 421712 -1  
PARTICULARS ENTERED IN THE REGISTER  
LAND REGISTRY TARANAKI  
DIST. ASST. LAND REGISTRAR



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**MINUTES OF THE POLICY AND SERVICES COMMITTEE MEETING OF THE STRATFORD DISTRICT COUNCIL HELD IN THE COUNCIL CHAMBERS, STRATFORD DISTRICT COUNCIL, MIRANDA STREET, STRATFORD ON TUESDAY 17 NOVEMBER 2020 AT 9.00AM TO HEAR AND CONSIDER PUBLIC FEEDBACK ON THE A&P ASSOCIATION LOAN PROPOSAL**

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**PRESENT**

The Deputy Mayor A L Jamieson (the Chairman), the District Mayor N C Volzke, Councillors M McKay, V R Jones, R W Coplestone, P S Dalziel (*part meeting*), G W Boyde, W J Sandford, A K Harris, J M S Erwood and G M Webby.

**IN ATTENDANCE**

The Chief Executive – Mr S Hanne, the Director – Community Services – Ms K Whareaitu, the Director – Environmental Services – Mr B Sutherland, the Director – Corporate Services – Mrs T Radich, the Executive Administration Officer – Mrs E Bishop, the Communications and Administration Support Officer – Ms R Vanstone, 35 members of the public (throughout the day) and two members of the media (Stratford Press and Taranaki Daily News (*part meeting*)).

1. **WELCOME**

The Deputy Mayor welcomed the District Mayor, the Chief Executive, Councillors, staff, and the media. He read the full health and safety message to ensure members of the public were aware of procedures in the event of an emergency.

2. **APOLOGIES**

An apology for lateness was received from Councillor Peter Dalziel and an apology from Director – Assets – Mrs V Araba was noted. It was noted Mrs Araba would be attending via audio visual link throughout the day when she was able.

**RECOMMENDATION**

THAT the apologies be received.

BOYDE/WEBBY  
Carried  
P&S/20/174

3. **ANNOUNCEMENTS**

The Deputy Mayor reminded Councillors to ensure they used their microphones to ensure the members of the public in the gallery were able to hear clearly.

It was reinforced to Councillors that the purpose of this meeting was to receive public feedback on the A&P Association Loan Proposal.

Councillors are asked to hear submissions with an open mind and to restrict their questions to the submitters to points of clarification or issues pertaining to subject matter. Councillors are requested not to get into direct dialogue with the submitter as there is a tight timeframe scheduled for the day. Councillors may take notes whilst submitters are speaking.

It is noted that the decision of this Committee will be with regards to the level of support Council commits to the project and not the specific details within the association's project.

4. **DECLARATIONS OF MEMBERS INTEREST**

The Deputy Mayor requested Councillors to declare any real or perceived conflicts of interest relating to items on this agenda.

There were no declarations of interest.

5. **ATTENDANCE SCHEDULE**

The Attendance Schedule for Policy and Services Committee meetings was attached.

6. **ACKNOWLEDGEMENT OF FEEDBACK**

Pages 44-647

Attached were the 559 items of public feedback received.

**RECOMMENDATIONS**

1. THAT each of the 559 items of public feedback to the Council's proposal to lend \$7,180,000 to the Stratford Agricultural and Pastoral Association, be received.
2. THAT each submitter be individually advised of the outcome of the deliberations, and notified that the minutes of this Policy & Services Committee Meeting, and the subsequent Extraordinary Council meeting on Tuesday 24 November 2020, are available on Council's website.

McKAY/COPLESTONE  
Carried  
P&S/20/175

**Recommended Reason**

So that each items of feedback is formally acknowledged and the writer is provided with information on Council's decision making process.

7.1

**7. SPEAKERS TO COUNCIL**

D20/32360 Pages 7-10

61 members of the public requested to be heard in support of their feedback. It was noted that all comments supplied by submitters when withdrawing from speaking had been included in the agenda. An updated speaking schedule was tabled.

Sub No#	NAME
432 & 462	Michelle Mair
Points noted in discussion:	
<ul style="list-style-type: none"> <li>Michelle has been a council member, secretary and judge for royal agricultural society.</li> <li>She noted she was representing the Taranaki Horse and Pony All Breeds which was formed 17 years ago in an effort to promote different breeds and share the passion for the horses and ponies.</li> <li>Training days and shows are currently held at the A&amp;P Showgrounds with support coming from Taranaki, Hamilton, Wellington and Hastings.</li> <li>The group uses these days to promote businesses who provide equestrian services and receive huge support from equestrian people from Taranaki and further afield.</li> <li>The group supports Option 4 of this proposal as the project will be a major for everyone in Stratford and surrounding districts. It will provide jobs and business opportunities that will be awesome for the community.</li> <li>She acknowledged it was a short presentation but wanted to show support for the project.</li> </ul>	
453 & 548	Sharon Stevens
Points noted in discussion:	
<ul style="list-style-type: none"> <li>She noted her father in law was part of the group that walked into a paddock of scrub and had the vision to do something great which is now Pukeiti.</li> <li>She had been the PA to the General Manager in New Plymouth District Council at the time where walkways and the aquatic centre were developed. There had been some views that these were negatives but some people had the passion and vision to continue.</li> <li>This will make Stratford a destination. People will come here for the driver training, motor sport and equestrian facilities.</li> <li>The economic benefits for Stratford will be huge.</li> <li>There is huge positive feedback from the equestrian community.</li> <li>The indoor facility in Hawera is a great facility but it is not always available for bookings. An indoor arena is needed for rain but also for sun as shows are held over Summer. The arena cannot be used all through November because it is booked up.</li> <li>She noted a second arena will not detract from Hawera but compliment and benefit it.</li> <li>She congratulated Council for taking this proposal seriously and giving the project a chance to happen.</li> <li>She noted she was a member of the A&amp;P Association steering committee and that she had asked the hard questions. A lot of experts have been involved and the passion and the vision within the group adds belief that this can work. It is a great team.</li> <li>This will be great for Stratford, great for Taranaki and great for the relevant activities.</li> </ul>	
Questions/Points of Clarification:	
<ul style="list-style-type: none"> <li>It was noted the facility would be used every day. Weekdays would see pony club activities and fitness and training ability. Weekends would be shows. There were over 1000 horses in Taranaki that could potentially use the facility.</li> <li>She noted she was currently away every second weekend. This is an extremely popular sport. She has received a lot of positive feedback from people regarding the project and she acknowledged the struggles in booking the Hawera facility.</li> <li>She noted the Hawera facility was used for other purposes which required flooring to be changed and this did not suit the horses when the fresh flooring was laid.</li> </ul>	

- It was clarified that on a multiple day event attendees do camp so yards and stabling are important. There can be two people per horse so you do need the facilities to encourage those to stay. There are other events that are single day events.
- She confirmed she felt the motorsport being to the north of the property and equine being in the south there will be an appropriate amount of buffering. She noted the noise did not upset the horses at Hampton Downs and they were very close together.
- She noted the move to the north of the property would also assist with the residents issues with sound.
- She confirmed she saw a big opportunity for school programmes. Other schools were targeted by equine families for the ability to take their horses. There is a fabulous set up in Marton and Cambridge.
- She noted she did not know if horses will remain at the New Plymouth racecourse if the multi sports hub was created, however this was still up for debate and nothing had been confirmed. She did state that if this proposal went ahead it would give clubs and users security knowing it was owned by the A&P Association and would encourage the opportunity to put money into infrastructure.

546 & 428	Ian Oliver
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Points noted in discussion:

- Mr Oliver noted he had undertaken a lot of work in Feilding and worked very close to Mansfield and noted it was astounding how much it was used. There is always something happening particularly Thursday – Sunday. He thought this must be of huge benefit for the town.
- It would be fantastic to get this in Stratford.
- He noted his concern regarding increased traffic. He noted that it had been discussed years ago to extend Esk Road to Flint Road to use that for heavy traffic but had not proceeded as the intersection did not provide the distance for a truck between the intersection and the railway.
- He suggested the volume of traffic could warrant a road put through to Oberon or Ariel Street so traffic could go towards the round-a-bouts and then back onto the main road.
- Some motorsports can have 5000-6000 spectators in attendance. He noted stockcars being generally at night resulted in less traffic and no trains running. Trying to get onto the main road between 3pm and 5.30pm is very hard.
- He noted all other drag racing strips were miles away from towns, animals and everyone else. The noise produced is 3x that of stockcars and can be similar to a jet aeroplane. He did not think a resource consent for a drag strip would be obtained.
- He summarised that safety on the road, who would build a new road (Council or the association) and viability of the project if drag racing was omitted needs to be addressed.

423	Isaac Hayward
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Points noted in discussion:

- He noted he was providing perspective from a pony club outside of the District.
- The Eltham Pony Club would look at utilising the equine facilities right through winter. They are one of the largest pony clubs in Taranaki with 50 members having risen from 38 within two years.
- The project could be massive for equine users. He noted that a similar project had been attempted in Feilding but equine had lost out to the stockcars.
- He noted the Hawera arena was not as accessible as they would like and there are a lot of kids that need to do indoor as well as outdoor work.
- This group would look at utilising this area for Taranaki area rallies, coaching through the Stratford facility, and two or three other events per year.
- This proposal could put Stratford on the map.

Questions/Points of Clarification:

<ul style="list-style-type: none"> <li>• It was clarified the group did not use the Hawera facility at all as booking the facility was so difficult. He noted the issue with an indoor arena for multiple uses meant some top riders wouldn't bring their horses in there now the track had been misused.</li> <li>• This would allow the club to run 12 months of the year. Currently they are pushed for space at their current location and therefore would look at utilising Stratford more frequently.</li> <li>• He noted there were professional coaches in Taranaki that are used by the club as well as coaching being undertaken by volunteers who are trained coaches. Coaching clinics would utilise all of the area and being centrally located would enable people from all the pony clubs to attend and bring these clubs together.</li> <li>• It was clarified the Taranaki Area Pony Club was the main organisation with the individual groups working underneath this. The equestrian community work separately from each other and a lot of them are completely standalone. There are 12 different pony clubs in Taranaki.</li> </ul>	
411	Tony Uhlenberg
<p>Points noted in discussion:</p> <ul style="list-style-type: none"> <li>• He noted he was attending to promote the youth elements of speedway.</li> <li>• He noted his special needs son had inherited a car from his cousin which he then learned to drive in and ended up competing at speedway where he has progressed through the ranks.</li> <li>• Through this he gained his drivers license that then gained him employment. He felt a lot of kids in the community could benefit from better facilities. He emphasised the influence gaining his drivers license had on his son gaining employment.</li> </ul> <p>Questions/Points of Clarification:</p> <ul style="list-style-type: none"> <li>• He clarified there were other youth grades around but not in every province. There have been about 40 kids in the youth class year in year out with a lot that travel to Stratford from other provinces. Every year there are 10-12 that move into the next avenue of the sport.</li> </ul>	
501	John Rae
<p>Points noted in discussion:</p> <ul style="list-style-type: none"> <li>• The work undertaken by the A&amp;P Association is visionary and by supporting the project Council is visionary as well.</li> <li>• AmeriCARna is now iconic with Taranaki and over four days \$2.2 - \$2.5 million is generated for the region. He noted his appreciation that Stratford hosts one of those visits.</li> <li>• He had initially thought Cromwell was an odd choice for a motorsport venue but the infrastructure that has come with the facility is nothing short of incredible. Accommodation, workshops etc. It clearly shows if you have the vision you can achieve these things.</li> <li>• He noted that 20 years ago one would not have needed a license for driving a forklift or helmets on quad bikes. The driver training will allow all levels of training. He noted he had sent his daughters out of the region for proper driving school.</li> <li>• This opportunity will create something unique in this country. It won't be easy and funding will be hard to acquire but day one is secure the land.</li> <li>• He noted the business model shows the association can service the loan through farming the land. The support from Council for the loan will mean planning can start.</li> <li>• He noted the concerns raised regarding noise from drag racing can be mitigated with good plantings and the drag strip will be able to be used for a number of things. He suggested it could be used for parking horse floats or providing the pistol club a new location and that a second jet sprint track could be build.</li> </ul>	

<ul style="list-style-type: none"> <li>• He noted speedway would need to come first given its strong connection to Stratford but the next step would be what to build that could generate revenue and he noted the options were endless.</li> </ul> <p>Questions/Points of Clarification:</p> <ul style="list-style-type: none"> <li>• It was noted the drag racing is over very quickly but Mr Rae could not confirm the decibel rating.</li> </ul>	
504, 540, 203	Jonothan Keegan
<p>Points noted in discussion:</p> <ul style="list-style-type: none"> <li>• It was noted he had missed the public meeting but felt there seemed to be a few gaps in the proposal. After loaning the money for the Lilley block where would the remainder come for the Gilbert block?</li> <li>• He noted he had had a lot of involvement with stock cars and was in full support that this was a good move for them and would allow for more meetings in a year. He noted he currently holds a steward license for ATV racing and that his two sons were currently top of ATV racing in New Zealand. So he supported motor sports.</li> <li>• As the boundary will back onto his farm he was concerned about the noise. During the fireworks night heifers grazing crashed through fences. He was about to go help another neighbour with a bull who had gotten injured due to the fireworks. He questioned how the noise from a drag strip would be mitigated.</li> <li>• He clarified that as dairy heifers these changed every year and therefore it was not a case of getting stock used to the noise.</li> <li>• He questioned the 220KV power line that goes straight through where the drag strip is proposed. He noted a plane would not be able to land through these either if the strip doubled as an airstrip.</li> <li>• Mr Rae clarified that in Indianapolis trees dulled the noise dramatically from the drag strip.</li> </ul> <p>Questions/Points of Clarification:</p> <ul style="list-style-type: none"> <li>• It was noted that the power lines were quite low at some points. If the dirt track was created, jumping motorbikes could be an issue under these.</li> <li>• It was noted that the plans were just a concept at this point.</li> </ul>	
221	Mike and Helen Cameron
<p>Points noted in discussion:</p> <ul style="list-style-type: none"> <li>• Mr and Mrs Cameron are gravel rally drivers.</li> <li>• Mr Cameron thanked Council for the opportunity to speak and saw the whole plan as a very forward venture. There is not more land being created and this gives the opportunity to have a venue in the heart of Taranaki that will be very well used.</li> <li>• He noted the 559 submissions shows there is a bit of passion for this.</li> <li>• He noted he had been part of the starting committee for the Stratford Sprints which had just completed 30 years of racing in Stratford. This shows the council is proactive and knows what the people want.</li> <li>• He noted there were so many variations of motorsport but he noted he supported the youth driving facility as the main point. He noted Mansfield would operate seven days a week with this if they could. There is nothing available between Hampton Downs and Feilding. There are a lot of young people to come through and the death notices in the newspaper from road accidents show you need skill and the only way to get this is by learning. This would also allow for forklifts and tractors as they are starting to be required now.</li> <li>• Mrs Cameron noted the planned layout was much better than Mansfield. She noted she was part of Women in Motorsport NZ and a Motorsport NZ volunteer which meant she</li> </ul>	



was often travelling to Manawatu for events and having to stay there, this would mean people would come here to our motels instead. She noted it takes 150 people to run an event in Mansfield.

- Being in the heart of Taranaki and with a blank canvas gives such an opportunity to create and ensure all facets are conducive and are happy with where they are placed. She noted the covered horse stadium is too close at Mansfield and already this proposal has had the forethought to have them on the road side and the motorsport further to the north. She noted stone bruises create many weeks of downtime and horrendous costs for horse owners and that a special facility for the horses was the way to go given the land would be available.
- She noted that the power lines questioned by the previous submitter can be buried.

Questions/Points of Clarification:

- It was noted they did not think this proposal would become a threat to Mansfield. It was noted that they had said if Taranaki could take 3 days of driver training off them it would significantly help them.
- It was clarified it was approximately 350m between the horse facility and motorsport at Mansfield. The vision is to move further away than that and it gives the opportunity for tree planting with a blank canvas.
- They noted most of the motorsports were around 95 decibels and that their farm was on the railway line and stock do get used to the noise.
- They noted this could be the last chance to get something like this with the land available where it is.
- The District Mayor noted the Stratford Street Sprints were very popular. He noted he had looked at Mansfield's website and there were events every weekend in November, December and January. It was clarified that these events ranged in scale and required volunteers. A day event compared to an international race meeting which required being away for five days with travel, training, test runs and the competitive racing. It was noted the cart event (2k Cup) gave the opportunity to win to buy a cheap vehicle and was a cheap entry level event. There was the opportunity to do this here and would mean accommodation would be required to man these events as well as competitors.
- She noted last month Mansfield hosted Truck Racing for the first time in 12 years and the crowds were bigger than for international racing with people coming from all over New Zealand. Entry was only \$10 which meant families could attend with high prices people shy away. It was also noted there were 5000 people that attended the Auckland event this past weekend.

*The meeting was adjourned at 9.55am and reconvened at 10.25am.*

269	Mark Masters
<p>Points noted in discussion:</p> <ul style="list-style-type: none"> <li>• This project is the shot in the arm that Stratford is in need of as it is stagnated and has seen a demise in industry over time and lags behind other towns of similar size for its GDP.</li> <li>• He felt there was very little reason for school leavers to stay here.</li> <li>• He noted he had been impressed with the previous speakers, in particular the race track organisers.</li> <li>• He noted he had been hesitant in the involvement of Stratford District Council in this project which was outside of its core business. But noted Council would not own the land and would not be involved – and agreed it shouldn't be.</li> <li>• As a facilitator for funding at a very low interest rate Council would make sure this proposal gets past the starting gate. Without this help a once in a lifetime opportunity of purchasing adjoining land would be lost. The association has assured us that the loan can be serviced and with an all time low interest rate environment it should be a simple task.</li> <li>• All the assets plus land as security against the loan means minimal risk for Council and the opportunity has to be seized for the community's future.</li> </ul>	
261	Kim Sharpe, Chris Uhlenberg & Peter Kuriger
<p>Points noted in discussion:</p> <p>Peter Kuriger:</p> <ul style="list-style-type: none"> <li>• Has been involved with speedway for most of his life and Taranaki stock cars was one of his babies. His goal is that speedway will be here for his grandchildren and a part of this proposal will mean this will be the case.</li> <li>• Taranaki Stock Car Club has a good relationship with the A&amp;P Association for in excess of 50 years.</li> <li>• The stock car club took a venue that was a show ground and turned it into a fully fledged speedway arena. There have been ups and downs with the association but both clubs have always been able to work forward through problems which has allowed them to create the venue that is there.</li> <li>• One of the issues with speedway is it keeps growing nationally and regionally. Last year it grew nationally by 11% and this year it is anticipated that growth here is way in excess of that going by the first two meetings. We are fortunate to be one of the largest competitor bases in the country second only to Palmerston North.</li> <li>• The sport is family orientated and they have done a good job creating the youth sections and sections for younger children as well to be a part of the club. The youth section was created by this club and is now nationwide.</li> <li>• Stratford Speedway is an advancing organisation and is always looking to the future but are struggling with ageing infrastructure and having outgrown the club rooms.</li> <li>• He questioned where else in New Zealand could you find 100ha of land north of the town which is basically just incumbent with farm buildings. You would not find a piece of land that big to develop into the facilities required. Our goal is to support their venture to achieve this with the proposal making the future very promising. The land would also retain the buffer between the club and the town.</li> <li>• He noted the club was the first one to do electronic lap scoring and the first in New Zealand for TV compatible lighting.</li> <li>• He noted he believed the A&amp;P Association had the ability to do this project.</li> </ul> <p>Kim Sharpe</p> <ul style="list-style-type: none"> <li>• The A&amp;P Association and the Taranaki Stock Car Club have a really strong solid relationship.</li> <li>• It is a family sport and has families that have been involved for generations. History is just as important as the future.</li> </ul>	

- The club has the second highest membership in New Zealand and the better facilities will make it the highest. The club is strong but it will allow it to be the strongest.
- Currently it is not suitable to meet spectators needs. The ability to presell tickets will mean people don't have to sit for hours to secure the best seats. The clubrooms are not very inviting and the social aspect of the club has been impacted due to this.
- She noted spectators were up 25.5% from last season. This is the best regularly run event in Taranaki and the track and summer brings a huge amount of people – the improvements would see spectators and visitors grow and give the ability to run different events.
- Council has a vision and is future thinking. If the vote is yes for the loan then the stock car club will work positively with the A&P Association and other motor sport codes to make the project a huge success for all involved.
- Noise is an issue and garages will be provided to get those working on cars out of the township.

Chris Uhlenberg

- Has been involved with the club as a volunteer race car driver from 1985-2008, has had two stints on the committee and is the current vice president.
- He noted the proposal is valuable to the community and to the province and is viable.
- It is time for the track to be upgraded and moving the noise away from town to reduce the effect it has on residents. The land option to the north is the logical place and would not impose on anyone in the area.
- Up to three generations have come through the track through the youth class.
- Last few years it has seen the highest number of competitors and that only counts the participants and not the club members.
- It is a viable project for the whole of Taranaki.

Questions/Points of Clarification:

- It was noted the current facilities did not allow for garages, however it was identified by the club that there was a need for this now due to residents submissions through this proposal. They are now discussion what can be done to address this to alleviate the problem for residents. The new facility will allow for this easily.
- It was noted that there was no official economic impact provided from speedway although they had been in communication with key companies in the past to try and get that information. They are now back in contact with Venture Taranaki to work towards getting that information.
- It was noted that the next step following the purchase of the land would be provisional plans, drawings and then an application for a resource consent. There have not been discussions with the Association yet if the club would continue to lease the land or become part owners as the key emphasis at the moment is to get the land so the work can be done in the future. They noted there is a lot of resources within the club both financially and for resources and there would be no problem creating the new venue.

530	Dana Haszard
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Points noted in discussion:

- It was noted Ms Haszard had had a lifetime involvement with equestrian through pony clubs, instructor, parent, Riding for the Disabled, Taranaki Hunt, Trekking and has focussed on dressage and race horses in the later times. This gave her a reasonable idea of the expanse of the equestrian movement.
- She noted a trend observed with over four decades in the sport was clubs having to vacate their grounds and move. This causes a flow on effect on membership, activities and morale.
- The Stratford Park project is unprecedented – a centrally located farm park that will allow to meet, run rallies, provide a safe place to ride – this is exciting for equestrian and will cause a sigh of relief that at last someone is taking the steps to address

equestrian needs. There will be much shared grounds in terms of needs from various groups ranging through competitions, recreational use and training needs and a widespread need for an indoor arena and grassed area.

- Work is being completed on creating a network of facilities (bridle tracks) and this is welcomed but only addresses a small part of identified needs. Existing pony clubs need to be recognised that these facilities could be used for training needs and this project offers an exciting and practical opportunity being centrally located and with the ability to grow and expand the vision for the future. This is exciting for the individuals, competitors, trainers and educators. It will bring people together and establish seven day use of the park.
- Equestrian encroachment of urban land discourages infrastructure and alternative venues are required to be hired or numbers of events run are restricted. This has Taranaki wide potential to ensure the viability of equestrian in the future.
- There are three major disciplines here for eventing – show jumping, show hunting and dressage. Adult riding clubs are becoming increasingly popular and there are seven pony clubs – some with branches within the clubs, western riding, hunt and trek, working groups, breed societies and specialised in show. To accommodate these groups makes economic and practical sense providing opportunities and support for both young and old. People will be attracted to come to a multi equestrian park.
- She thanked Council for looking at what is possible for equestrian and noted the Stratford community deserved every advantage it received.

#### Questions/Points of Clarification:

- It was clarified that she did use the Hawera indoor arena for dressage and they are run as two day championship nationals. In winter because of the ground surface every event is run over two days as there are eight different to run and are split between high and low grades. If there was an all weather surface this could be used and the event could be run over one day – in spite of rain. There have been talks about this happening but nothing has developed. It has become the hub for dressage but it wasn't the case a few years ago when the Waitara pony club was used more often.
- It was clarified that if this development proceeded dressage would still go ahead in Hawera but that this project was beyond anything she could imagine going on the Hawera property and would ask why stop all the other advantages that can improve facilities and address the needs of the population where the majority of the horses are. This would be for both general and competition use.

552	Bryce Barnett	10.45am
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#### Points noted in discussion:

- He congratulated the senior executives and the Councillors for taking a lead role and being brave in putting such a recommendation together. He fully supported the proposal.
- He noted he was involved in property development and investment in both New Zealand and Australia and problems he often sees is how to keep small cities alive and Stratford is doing it!
- Growth is not offering free car parking it is being big and brave and going outside of the comfort zone.
- Cromwell Park was a big vision.
- He noted the trustees behind this have the ability and despite the reputational risk they want to back this project!
- He has looked at the economics and does see the project progressing nicely.
- He noted the presentations from the groups had been excellent.
- He noted Council would not be able to please everyone but the fact they had had the courage to make the recommendation needed to be acknowledged.
- All the groups that could participate to make it successful need to be well thought out and each group may need to compromise to make this work.

- He noted that Hawera as the equestrian hub was not different to Taranaki having 18 golf courses and questioned if in 10 years they will still exist? They all suffer because they think they are more important than the others.
- It is very important the Association is looking at the multi-generational approach. He noted his appointment as the chair of the Te Karaka Trust and that the change in focus will be multi-generational. We need to retain the people we have here, bring back the ones that have left and attract those who will think it is a great place to live.
- Corporate functions will be possible with this complex and will bring groups from Auckland and Wellington to participate in these.
- The vibrancy of the CBD will completely change and the local community will see new motels built followed by a resurgence in the town.
- He noted his support and stated King Lear could not shake a spear at this one!

*Councillor Dalziel joined the meeting at 11.00am.*

Questions/Points of Clarification:

- It was clarified that further opportunities for Stratford could include truck driver training to give those businesses within Taranaki an opportunity to have their driver training here rather than sending away – he noted Symmonds, Hookers, Fonterra as examples. The facilities would bring other businesses with it – auto electricians, mechanics etc. More accommodation would be absolutely essential and the big influence on food would see existing businesses afford to do their buildings up. The recent success of the subdivision show Council are leaders for a small town and this will just lead to more opportunities. Success breeds success. Capital always follows a good project. It won't happen overnight but it will happen.
- It was noted private investment would be required but felt that those people who will operate from there will put the capital there. Got to start with the right base of infrastructure with no one being more important than the other. Everyone will have a role to play to all compliment each other. Big capital will mean some sort of entertainment centre will be required. This is the beginning of the journey and he reemphasised capital will always follow a good project, with something like this equity funding does follow.
- It was clarified that Mr Barnett did think Council should not be part of the governance team but believes there is a more active role to play to help with conflicts and compromises and Council will have to play this role for the long game.

543	Craig Nielsen
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Points noted in discussion:

- Is a proud and passionate supporter of community opportunity and cars and motorsports have been a big part of his life.
- He noted he was raised in a ball sport family and felt this was well catered for in Taranaki. He had always wanted to participate in motorsport for which there are lots of participants but no locations other than speedway, go karting and motorcross. The majority of motorsport is undertaken on closed roads which is becoming increasingly harder with increased safety requirements.
- Racers travel to Masterton or Auckland. What a commercial opportunity for Council to welcome national and international visitors while providing a place to learn to drive, drag race and circuit race. Surely this will help with road safety as well.
- He noted this offered the potential to grow and foster future New Zealand level drivers.
- The local mechanics will have work from this.
- The vision is bold and a once in the lifetime and could be the most significant development in Stratford and Taranaki.
- There has been talk about realising some sort of motorsport facility in the region before but the possibility to combine sports is innovative.
- He noted the events and tourism potential and stated Make Stratford Great.

- He encouraged Council to press on and support the purchase of the first parcel of land.

*The meeting was adjourned at 11.14am and reconvened at 11.40am.*

146	John Lincoln
<p>Points noted in discussion:</p> <ul style="list-style-type: none"> <li>• Has lived in Taranaki for 10 years and has come from Tikorangi from work to speak today.</li> <li>• He noted that any time investment is made in land can't be wrong and should be an underlying thought for this decision. He did not know of anyone who has brought land or a house and lost money.</li> <li>• By investing in his project the mana of Stratford will be raised and will be a major showground in an area dominated by New Plymouth bringing with it investment from outside areas such as an equestrian medical centre for horses because it is a long way away at the moment.</li> <li>• Any sort of motor sport brings in extra investment, jobs, opportunities, people staying and yes heightened traffic but Stratford is on a state highway.</li> <li>• He noted the railway was noisy but it was possible to sort these things out one way or another.</li> <li>• He noted the District signage stating Stratford is in the heart of Taranaki and felt this gave the opportunity to be at the heart of Taranaki.</li> <li>• He felt the drag strip would compliment the AmeriCARna event and would give another reason to stay in the area.</li> <li>• Classic motorcycle racing would be very well supported with a lot of racers in Taranaki and the Central North Island who would travel.</li> <li>• There would be lots of opportunity to make money out of accommodation, food and drink and would raise the game creating a place to go to instead of to go through.</li> </ul>	
186	Philip Macey
<p>Points noted in discussion:</p> <ul style="list-style-type: none"> <li>• He noted the project was significant, ballsy and visionary and would be multigenerational.</li> <li>• He noted his horse racing and motorsport background and is an accountant.</li> <li>• He noted it would be important to minimise the risk by good management involving a lot of people along the way and likened it to buying a yearling race horse supported by vets, trainers and a good jockey to fulfil its potential.</li> <li>• There is a core group of people involved in his project but a professional project planner would be used when the spade went in the ground. The first step would be buy the land. They know what they are going to build.</li> <li>• He noted the reputational risk involved in putting themselves on the line. The numbers involved have included advice from independent consultants and farmers and has put his name to the budget to show his belief and confidence that this will work.</li> <li>• There is a big job in sourcing funding for the infrastructure but there is a good team to help achieve this. This team has grown significantly and did include the Council who if it lends the money becomes involved in the project.</li> <li>• He noted he had been involved in the proposal in the North of Taranaki and there had been no Council support, no land and nothing to line up to give the assurance it could work. With Council support the first step can be taken which is the riskiest but the most important step.</li> </ul> <p>Questions/Points of Clarification:</p> <ul style="list-style-type: none"> <li>• The budget to fund the infrastructure while repaying clumps of the loan was questioned. He noted there were numerous options for funding of the racetrack/circuit but it was</li> </ul>	

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tricky to put a 20 year budget and he could not predict how the whole project will be funded however there is a lot of interest and government grants available. He noted the key point was it needed to get started somewhere. There were a lot of people within speedway that have experience and the business to provide a collaborative effort to raise the money. What could generate revenue had been looked into and as farmland it will be able to. No soil has been turned so each step needs to be taken as it comes and make sure that step is sustainable at that point, it doesn't matter if speedway is done first and the rest takes five years as long as it is sustainable. This project gives the ability to spread out as much as is needed or to bring forward if able.

- It was felt that a 30 year plan put the project at risk and felt it needed to happen within 5-10 years so people can see what is going on and get invested financially and emotionally. Mr Macey noted this comment and stated that was why the work undertaken over the past two years is only now being released to the public as they were careful not to do so too soon. He noted they wanted to get the speedway through as fast as possible but he emphasised the need to ensure it was sustainable. This was about creating something that can fund itself.

*The meeting was adjourned at 11.53am and reconvened at 12.30pm.*



534	Mike Procter
<p>Points noted in discussion:</p> <ul style="list-style-type: none"> <li>• Mr Procter noted he had not affiliation with equestrian or motorsport. He was a resident and a ratepayer in Stratford.</li> <li>• He noted Stratford needed to diversify and expand its population and the proposal presented had the potential for that.</li> <li>• He noted he had not seen presented in the public domain how these benefits claim to produce 200 jobs and the associated financial benefits. He hoped the business plan contained an economic report.</li> <li>• He noted over 500 submissions were received with 400 in favour and noted it was good to see people were interested. He hoped Council would ask how many of these had come from ratepayers and residents from Stratford as it was noted they had come from all over New Zealand with a large proportion being from the motorsport community.</li> <li>• He noted it was good to hear from equestrian representatives earlier today as none had spoken at the public presentation and felt it was disappointing no one from the A&amp;P Association had spoken.</li> <li>• He felt it was clear that from the speakers and submissions the project is first and foremost about motorsport – not the A&amp;P Association or equestrian.</li> <li>• He questioned what had happened to the Future of Broadway project? And noted the development of Prospero Place had been put on hold indefinitely after Council had devoted itself to those developers in assuring the ANZ building would be demolished. He note that development had been funded by a private developer and the Stratford Park is funded by volunteers who are passionate but it is only a sideline to their livelihood. He noted his concern that Council would have to pick up the pieces to carry it through for the next 10-20 years.</li> <li>• He noted the loan repayment would be over a 40-45 year term which was a very long period of time and any adverse effects could happen during it.</li> <li>• The A&amp;P Association has one three day event annually and nothing stated in the presentation that this could change. Motorsport could put on 100 events a year as opposed to its current 17-18 but that would mean two a week with the noise that was experienced this past Saturday with the last race at 10.45pm.</li> <li>• He noted his awareness of burning fossil fuels and the impact on health and the health of the planet and felt it was astonishing that people would continue to promote anything that uses fossil fuels. Motorsport burning of fossil fuels is as an indulgence and not a necessity.</li> <li>• He felt the decision was being rushed and queried the urgency for the vendor to sell the land.</li> <li>• At the moment he did not support the project and option 4.</li> </ul> <p>Questions/Points of Clarification:</p> <ul style="list-style-type: none"> <li>• It was clarified the additional information he felt should be public included how much income Council gets from the A&amp;P Association or speedway and noted his concern speedway was unable to answer how much revenue it brings to Stratford. They should have some idea how much is being put into the community or paying every year to Council. If it all turns to custard then it can be turned back to farming, if it's a good deal then yes agree with that purchase but where is it going to be funded from and are ratepayers going to have to pick this up. He noted with the changes proposed with the 3 waters Council would be getting smaller and smaller. He noted the points in his submission regarding fossil fuels and combustion engines coming to an end and in 10-20 years they will disappear. Electric vehicles are the future and noted that the noise would disappear with these. He noted the noise issues would be dealt with at the resource consent time. He clarified his two objections were the very little financial information provided to the public and the noise and pollution issues.</li> </ul>	



With speakers to submissions failing to attend Councillors were given the opportunity to discuss specific submissions heard so far.

Points noted in discussion:

- The Director – Environmental Services noted that the noise would unlikely comply with the District Plan noise provision and would be addressed as part of any application for a resource consent along with measures that can be taken to mitigate that noise. It is unknown what form the process for this consent would take but it was likely there would be public participation, affected party engagement and an environmental commissioner for the decision.
- Mr Sutherland noted it was almost certain it would require a consent if it was to be built in its current location and whether it would be granted or not would come down to how much noise was produced and what mitigations were able to be put in place. There were predictive computer models that take the noise generating components of an activity and compare it to the topography and weather in the area.
- Councillor Erwood noted at Western Springs in Auckland it was 85 decibels at the fence. Most stockcars are limited to 95 decibels. Drag strips are 141 decibels and top cars are estimated at 150 decibels. Damage to ears occurs at 140 decibels.
- It was noted the Power Station was an obvious comparison for high decibel readings. The off road track is not covered in the District Plan but does have a resource consent. It was clarified that noise from aircraft and flights are not controlled by the District Plan – they are for taxiing but not flying.
- It was noted there had been very minimal complaints received about the noise from stock cars with the exception of the fireworks evening as they are just generally accepted by Stratford. This could change with new residents.
- It was clarified that the additional information requested by the Audit and Risk committee would be circulated to Councillors as soon as it was available. This would be included in the Extraordinary Agenda for receipt by Council and it was at that point Council would be required to decide if the information is satisfactory to proceed. That will then be followed by receipt and adoption of the resolutions within the minutes from this hearing. The Full Council would then have the ability to amend or discard any recommendation made by the Policy and Services Committee if the information raised concerns. It was noted a deputation had been received by members of the A&P Association to formally speak to Council prior to receipt of the requested information. This would allow the opportunity for questions to be asked regarding this.
- It was noted there had been an absence of equestrian comments prior to the submission process and there are now a number of codes specifically endorsing this proposal which has been reinforced by verbal submissions today. The common issue is access to the existing indoor arena and the view today there is ample room for further equestrian facilities within the region.
- It was clarified the Taranaki Regional Sports Facility Strategy was established three to four years ago as there was a desire by a funder to avoid duplication throughout the region and at what level services were provided for locally. It was an attempt to coordinate what was built and where. Centres of excellences were developed to avoid duplication and ensure grass roots facilities were everywhere. The minority of funders take guidance from this, but all of them look at it. Stratford is meant to be the centre of hockey but is currently watching hockey go to New Plymouth. Stratford is looking to become stronger in equestrian services so it is a similar process. In principle it is worthwhile.
- Equestrian submitters had all stated their facilities were not up to scratch and this was holding the sport back. It was noted that Hawera was noted within the strategy as the hub but that there was allowance for a multilevel equestrian park was to be created north of the region closer to the population base. The District Mayor noted that Stratford was further north than Hawera with 69% of the horses based in the northern part of the region.
- It was noted that electric cars were the way of the future which would be quieter and faster. There is starting to be an electric class for the circuit and rally cars.

- It was noted it was impressive how many submissions had been received from young people who were really concerned around the future of this project.
- It was noted that driver training was an important part of this project and this had been emphasised during the submissions. The AA is very keen to see a facility developed in this area and made their support known verbally. Road safety would improve with better drivers, the ability to upskill young people and encourage professional driving would be a bonus. Future compliance for other motor vehicles could be covered here as well.
- The concerns raised regarding the intersection at Flint Road were noted. Changes to the roading structure could be included as part of a resource consent process with the cost falling on the applicant or it could be a NZTA cost or Council cost. The racecourse was actively used on the show weekend and could provide an opportunity to formalise ownership and maintenance of that road. There could be a number of opportunities to facilitate multiple access points. It was noted that the Flint Road intersection has been highlighted in the safety study done by NZTA between Hawera and New Plymouth as a dangerous intersection. Any increase in traffic would accelerate the need to improve this piece of road where there has been a number of accidents. It was noted for major events the organisers do use traffic management which works well.
- It was noted there were 40 competitors in the youth class for stockcars. Stock cars does offer a lot and does a lot for Stratford and is not a club that comes to ask for things.
- Concern was noted that the business case and financial plan would not be revealing as far as the open financial viability of this project. The final decision will be taken with a huge leap of faith. The Director – Corporate services noted she had received a draft last week and made suggestions based on her knowledge of what Council had requested to see. It needs to be clear, transparent and make sense with supporting numbers behind it. There will be a further risk analysis within the cover report.

468	Diana Wynyard	1.25pm
<p>Points noted in discussion:</p> <ul style="list-style-type: none"> <li>• Her strong connection with Stratford was noted, her husband is Richard Masters and the Masters family has been involved with the Stratford community for 2 centuries.</li> <li>• She noted she was very interested in this proposal and when walking her Labradors she had noted the privilege in having green space available but questioned how long it would be available. She noted the green space was the heart of New York with Central Park and in New Plymouth with Pukekura Park.</li> <li>• The vision of people like Council who allow these things to happen is important to ensure we retain them.</li> <li>• She noted the New Plymouth and Districts Riding Club had been set up for those interested in riding and low level competition and gives the chance to have a go at different things. The philosophy of the riding clubs is involvement and they are very community based.</li> <li>• Every year the New Zealand Riding Club have a competition where teams of six come from all over the North Island and participate in a range of riding activities. Teams work together and the criteria for success is helping and supporting your team. The new equestrian proposal would be ideal for a competition like this as currently in Taranaki equestrian is squashed and restricted to a couple of locations. Activities include cross country, showing, fun activities and a lot of socialisation which puts money into the community.</li> <li>• She noted her support for the development of the equestrian facility and the preservation of green space which is more valuable and the most important thing a community can have. She noted it was amazing one of the smallest Councils in New Zealand was taking on such a fantastic project.</li> </ul> <p>Questions/Points of Clarification:</p> <ul style="list-style-type: none"> <li>• It was clarified the group had about 90 members and the cost was \$20 per year which made it very affordable to join.</li> </ul>		

The meeting was adjourned at 1.33pm and reconvened at 2.10pm.

51	Callum Neeson
<p>Points noted in discussion:</p> <ul style="list-style-type: none"> <li>• It was noted Mr Neeson lived in Stratford and competed in the New Zealand drift series.</li> <li>• He is heavily involved in motorsports and organises drift events in Taupo.</li> <li>• He noted he has seen what these events can do for towns – bringing 500-1000 people in for test days and thousands of people in for competition days. It is the fastest growing sports at the moment but he has to travel three hours to make them happen.</li> <li>• He noted these events encouraged people not to do these things on the road which is a benefit.</li> </ul> <p>Questions/Points of Clarification:</p> <ul style="list-style-type: none"> <li>• It was clarified there were only three tracks for test days. There were approximately 40-50 participants for test days, driver training and competitions. A three day event brings a lot of people.</li> <li>• It was clarified the track would support all sorts of motorsport events and wouldn't require a different track for different disciplines.</li> <li>• It was noted that there was work being undertaken on electric drift cars however further work was required around the batteries being a contact sport and needing them to be safely contained.</li> <li>• It was noted Taupo Motor Sport Park had strict rules and regulations around noise and 90 decibels was what it ran out at the moment and this is tested.</li> </ul>	
46	Kirsten Hopkins
<p>Points noted in discussion:</p> <ul style="list-style-type: none"> <li>• She noted she was an adult member of the Eltham Pony Club.</li> <li>• She noted there was an estimated 80,000 horses in New Zealand and an estimated 40,000 race horses.</li> <li>• This would be an excellent proposal for the Stratford District and noted that she believed the jobs that would be created would be more than anticipated and have a knock over effect into hospitality and accommodation.</li> <li>• This could become the national equine facility and could host Horse of the Year competitions and bring massive income to the area.</li> <li>• She noted the sport horse industry contributed \$1 billion to the economy.</li> <li>• She noted she had a business idea she was looking to begin in Stratford that would definitely be benefited by this. This was an equine related business.</li> <li>• It would be supported by local horse owners who would be grateful for these types of facilities.</li> </ul>	
531	Ross Soffe
<p>Points noted in discussion:</p> <ul style="list-style-type: none"> <li>• He noted he had been a member of the A&amp;P Association for 25 years and a ratepayer in the Stratford District for eight years.</li> <li>• He noted it was great being able to contemplate this project that was much bigger than any of them had imagined.</li> <li>• The A&amp;P Show has continued to grow including the demand for parking. If access wasn't supplied by neighbours it would be a major issue.</li> <li>• More and more businesses want to be involved and they are bursting at the seams.</li> <li>• The event is very expensive to run and more room is required to bring more income stream in from others using the facilities.</li> <li>• Through endless meetings, studies and a good steering committee this idea has grown and he thanked Council and the Mayor for the support and ongoing encouragement</li> </ul>	

they have given. He thanked Neil McDonald, the steering committee and the consultants who have gotten them to this stage and continue to help grow the concept.

- He understood it was a huge leap of faith to lend money. The A&P had the most to lose but felt it would be good gains for everyone.
- The A&P has run this way for over 100 years and the stock cars for over 50 years.
- There will be endless opportunities for business, accommodation, equine and employment opportunities and as a last resort it will provide a subdivision option.
- This is a great opportunity but can only go ahead if the land is secured.

Questions/Points of Clarification:

- It was noted Mr Soffe saw the benefits to the A&P Association would be the ability to run the show bigger and better. There were also additional ideas that existing land could be used for that would be related to the show including expansion of the campervan area as users were complimentary of the facilities. They saw the ability to improve other organisations with equine activities which would help with income stream.

481	Allan Chesswas
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Points noted in discussion:

- Mr Chesswas noted he had worked with the Stratford District Council in the past as the Environmental Planner and managed the process for the 2006-2008 District Plan.
- He was encouraged by the proposal and thought it was a fantastic opportunity for this town it complimented Council's track record for being visionary and positive.
- The project was a good fit with the priorities around economic development and identity.
- He noted land was excellent security but it should be considered how it feeds into the town centre and the way it operates in relation to traffic.
- The bypass issue has been raised before with differing ideas. He thought an arterial highway would benefit the town in the long term. The topography and landscape of the town would mean the town centre will always be where it is but the extended flow of traffic will continue to become more and more of an issue.
- An arterial road needs to be considered in terms of this land. He suggested coming over the bridge into town and heading down to golf course and coming out at sale yards and continuing out of town past the High School could be an attractive option for those not wanting to stop in town but being longer would still offer incentive to continue and stop in town.
- As the land is acquired and transacted these issues should be flagged and thought about including part Council ownership of the land to form a partnership for future subdivision or development of roads. Given the 40-50 year time frame plans for an arterial road should be put in place now.

*The meeting adjourned at 2.33pm and reconvened at 3.17pm.*

*The Taranaki Daily News reporter joined the meeting at 3.17pm.*

556	Jeff Dobson
<p>Points noted in discussion:</p> <ul style="list-style-type: none"> <li>• He noted he expressed his support that of his business, and outlined his involvement and commitment to training and apprenticeships, mentoring and having been involved in all facets of motorsport from 6 year old karting to chairman of the kart sports New Zealand and the success of the speedway.</li> <li>• Sponsorship and marketing and involvement in all facets and what it brings back to the community is hard to quantify. Having been involved and knowing we are going to have a facility like this means generations can be involved.</li> <li>• He noted use of the term motor sport but clarified that this did not exclude non-motor sport people – any one can grab a warranted car and a helmet and do laps or have lessons. Anyone who holds a simple license can be involved and that is very positive.</li> </ul>	
539	South Taranaki District Mayor Phil Nixon & Marianne Archibald
<p>Points noted in discussion:</p> <ul style="list-style-type: none"> <li>• South Taranaki District Council see the proposal to lend money to the A&amp;P Association to allow for expansion is a great idea.</li> <li>• They are supportive and excited for most of the proposal and the motorsport centre will be an asset for Stratford and all of the region.</li> <li>• They are very much against any form of equine centre to be here in Stratford. There is an inside arena at the Egmont A&amp;P grounds which was identified under the Taranaki Regional Sports Facility Strategy as the equestrian hub for Taranaki. It can house 200 horses under cover and another 100 outside of that with a further 100 if the indoor arena is not being used.</li> <li>• We are small districts in New Zealand and are used to fighting for what we can get but its important to recognise existing regional strategies that were adopted by Council and note that together we are Taranaki – like no other.</li> </ul> <p>Questions/Points of Clarification:</p> <ul style="list-style-type: none"> <li>• It was noted that the strategy provided for local equestrian facilities. The submitters felt what was proposed was more than that and with the bones of a really good facility in South Taranaki this development would be detrimental. They would not want a competing regional facility.</li> <li>• It was questioned if there could be two complimentary facilities? The submitters noted that this would require a lot of consultation with South Taranaki to ensure the facilities were not competing. It was noted the Districts needed to work together to support each other in specific areas, and the region. They confirmed there was potential to work together but it would also need to be done closely with the facility.</li> <li>• It was noted there had been several equine related submissions heard by the committee today and questioned if there was room for expansion in South Taranaki. It was confirmed a proposal was drawn up in 2015 to expand to an outdoor weather arena but was pushed aside in 2018 due to dust issues. A material has since been used in Taupo which does not create dust and could be a solution to the halted expansion. There were a lot of organisations being turned away due to the bookings in the indoor facility.</li> <li>• It was noted that any form of cooperation would need to be talked through with the equestrian people. From South Taranaki District Council and the Egmont A&amp;P Association’s view they would like to see all facilities retained in South Taranaki with the expansion being able to accommodate the requested usage. There were quite a number of national and international events that the expansion would give the capacity to host.</li> <li>• It was noted submitters today had highlighted the difficulty of booking and able to get into the facility as it was well utilised and their areas suffered because of that. It was clarified a time frame for the expansion could not be given as it was the Egmont A&amp;P Association rather than the South Taranaki District Council, but discussions had been held with them and they were not turned away when requesting funding. That facility</li> </ul>	

and the showgrounds return a lot to the South Taranaki District. It would be their call at the end of the day.

- It was noted that many equestrian people were at a show in Taupo today so were unable to attend this hearing.
- It was noted there seemed to be an issue with bookings and sharing the bookings for use outside of equestrian. It was felt if it was a regional hub then it should be specific to equestrian. The submitters noted that there was an interest to help the A&P Association with the number of bookings but noted that they travelled here for their motorsports but this was also available to South Taranaki residents in Whanganui.
- It was clarified that a lot of South Taranaki residents used the equestrian facility but there was also a number came from the north for events. There are all sorts of equine events run through the arena and horses from all over.
- The District Mayor noted the provision in the Regional Sports Facility Strategy for a second equine facility in the region nearing the larger population base but non specific which indicates there was the opportunity for two facilities in the region. He did not feel that being North or Centrally located made much difference. He saw it as a smaller facility for every use and weekend events that would compliment the equine hub in South Taranaki. It was clarified that the second equine facility allowed for was of local level and not a regional level.
- The submitter questioned the accuracy of the numbers of horses within the proposal noting it stated there was one horse in Whanganui.

554	Mike Carr & Zanta Jones
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Points noted in discussion:

- It was noted this submission was provided on behalf of Sport Taranaki in its role implementing the regional strategy.
- They noted it was difficult to separate the specifics of the projects from deciding if Council will fund the loan. It was felt the acquisition of the land is very much driven by the specifics and Council should very much be involved.
- Support was given for Option 4 giving the opportunity for the loan to be at a much lower interest rate than the association could achieve on its own and it would have no impact on ratepayers.
- It was felt that the most important parcel of land for purchase is the area along SH3 between the showgrounds and the township to protect the barrier.
- High consideration needs to be given to protect the future of speedway in Stratford and Sport Taranaki can provide support and resources to the project and to help with governance models and collaboration. It can help provide input into the refinement of the master plan and a detailed design in terms of functionality and multi use that will be responsive to the needs and future needs.
- The level of involvement in such a significant project is to ensure no long term impact on rate payers.
- He complimented Neil McDonald and the committee for their vision and to Council for supporting its progression.
- Flint Road can be a hub or a community and sporting facility.

Questions/Points of Clarification:

- It was clarified that the Taranaki Regional Council was still not a member of the Regional Sports Facility Strategy.
- It was noted the strategy was about the facilities and not the events and has as much teeth as the stakeholders are willing to put in being the three District Councils, Venture Taranaki, Funders and Sport Taranaki.
- The submitters noted they supported Hawera in being the identified regional hub of equestrian and that the needs for facilities and a training facility would be in North Taranaki where the majority of the riders are situated and that their evidence shows the majority of riders are in New Plymouth. Ms Jones noted they were working with

equestrian networks on a facilities network plan for the region to understand what there is in public facilities and private, how they are spread, who utilises them and where the gaps are. This will identify where the priorities are.

- It was noted there was a body of work undertaken to complete the strategy undertaken with 36 different sporting codes to ascertain what currently exists and what has support from national bodies. Ms Jones did not support a second regional facility noting it would cause white elephants and taking events away from neighbouring facilities rendering them not fit for purpose. The key aspects of the strategy was to identify needs and not wants.
- It was noted that submitters during the day had stated the Hawera facility was not available when needed and used for other purposes not equine related. Ms Jones confirmed there were some operational concerns around access and safety and that Sport Taranaki would be keen to support some improvements to ensure it can be used as a regional hub. She noted Council needed to be realistic about the level of use stating there was a total of 61 events with many of those having under 30 participants which questions the scale that is needed to the majority of these facilities. The current master plan is around every sport or user group having their own space with the next phase being more emphasis on shared activity and more hubbing happening as this is where the real value can be seen.
- It was questioned if a second facility would be detrimental or positive? Ms Jones clarified it was about finding the right fit for the community – entry level training facility is what is currently there and could be improved but a regional or national facility would struggle with evidence to support that. The needs of the equestrian community need to be drilled down and work out what is feasible for this community. She noted if the proposal thought a regional level facility would benefit North Taranaki it needed to be realistic about how many would drive 40 minutes with a trailer on. There are many benefits for equestrian with hubbing and we are already seeing those through shared facilities on sites and these facilities can be improved without taking it to a regional facility level.
- It was noted Stratford had been deemed as the regional facility for hockey but Sport Taranaki are promoting New Plymouth for the second turf. Ms Jones noted this was because of the need and growth in New Plymouth. It was noted that this had been the same argument heard by Council from equestrian representatives today as well as noting support for a central location.
- Concern was noted by the submitters that they did not want to see a regional facility that is being handed back to Council in 20 years as it is not being utilised.
- It was noted that the notion equestrians would not travel 40 minutes to Stratford was debatable if they were expected to travel further to Hawera. Stratford is seen as central and accessible for North, South, East and West. This was supported by attendance at the Dave Dobbyn concert filling three nights and people from all over Taranaki.
- Ms Jones noted that travel to a regional level hub would not be undertaken weekly – this is for regional events. They don't travel to Hawera for weekly training and felt that what is currently there could be complimented to fill the gaps identified. Mr Carr noted he was there to support and wanting to ensure that 'fit for scale and purpose' was at the forefront of the decision making to ensure it is a thriving community appropriately sized for its purpose.
- Ms Jones noted they may not support a regional facility for equestrian but they did really support the motorsport regional centre being here and appreciate this would take off across the region.
- It was noted that Sport Taranaki should want to foster and grow all sports – particularly participation and Councillors felt a proposal for a multi facet facility would do this.
- It was clarified Sport Taranaki did not support declining the loan proposal based on the equestrian plans. They support option 4 and there are great merits with this project. They suggest Council gets more involved with the planning for this project so it is as good as it can be in terms of funding and implementation.



302	Renee Berger
<p>Points noted in discussion:</p> <ul style="list-style-type: none"> <li>• She noted she was attending in support of the proposal.</li> <li>• It was noted she had recently started the Taranaki Equestrian Working group which was European form of equestrian that combined dressage with cowboy style challenges.</li> <li>• She noted one thing that hinders this is having a place that the group can base itself to represent Taranaki. There was an international competition proposed to be brought over from Australia but had been postponed due to COVID-19.</li> <li>• She noted she lived in Stratford but members were from all over Taranaki. Stratford is found to be the most central location with Hawera not being central for those in Eltham, Urenui or Oakura who find it too far to travel to.</li> </ul> <p>Questions/Points of Clarification:</p> <ul style="list-style-type: none"> <li>• It was noted that the group had tried to use Hawera but the availability made it difficult.</li> <li>• It was clarified the group occupancy for a facility would be dependent as it is seasonal but an indoor arena would change that. They currently use her paddocks but have had to stop as it was turning into a pond. They are currently only working as groups of three due to COVID-19 and to be able to manage the floats and trucks on the lifestyle block. They meet every couple of weeks and bring trainers over as well.</li> </ul>	



8. **DECISION REPORT – HEARING, CONSIDERATION AND DELIBERATION OF FEEDBACK TO A&P ASSOCIATION LOAN PROPOSAL**

D20/31704 Pages 11-647

Discussion

Council needs to consider public feedback to the A&P Association Loan Proposal as part of the community engagement process.

7.1

**RECOMMENDATIONS**

1. THAT the report be received.

BOYDE/McKAY  
Carried  
P&S/20/176

2. THAT, in alignment with **Option 4**, the Council’s proposal to lend \$7,180,000 to the Stratford Agricultural and Pastoral Association be approved, subject to the following conditions:

- i. Receipt of a ~~satisfactory~~ business case by the A&P Association to the satisfaction of Elected Members,
- ii. Receipt of an ~~satisfactory~~ independent market valuations,
- iii. ~~Any other information as required by this Committee.~~

Such information, as deemed necessary for the above decision, shall be provided within the agenda for the extraordinary Council meeting to be held on 24 November 2020.

SANDFORD/JONES  
*Division*  
*For 10*  
*Against 1*  
Carried  
P&S/20/177

*OR*

~~THAT the Council does not proceed with the proposal to lend \$7,180,000 to the Stratford Agricultural and Pastoral Association (“A&P Association”), and instead withdraws full Council support for the project, or alternatively offers support for the project in some other way.~~

**Recommended Reason**

For the Committee to gain an understanding of the public opinion regarding the proposal and subsequently decide whether to make a recommendation to Council to proceed with the loan of \$7,180,000 to the A&P Association.

## Points noted in discussion:

- Councillor Dalziel noted his surprise that a decision would be made today. He thought no decision would be made until the business case and second valuation had been received as requested. He felt the community feedback could be taken on board. It was noted that this was formality that the Policy and Services Committee was delegated the authority to hear community feedback and recommend a decision to the full Council meeting which had been scheduled as an Extraordinary on Tuesday 24 November. At that meeting the additional information would be received by Council and it would be at that point they would deem if the information was satisfactory prior to adopting the resolutions put forward by this Committee. The concerns and requests made by the Audit and Risk Committee have been summarised within the resolution put to this Committee today. Through the amalgamation of the additional information supplied and the public feedback Council could then make an informed decision before adopting the resolutions as recommended by the Policy and Services Committee.
- The District Mayor noted the need for a debate and giving recognition to the 600 people who had submitted to the proposal. Will Council support this project and if so is it willing to borrow almost \$7.2 million. Why did the association not go through a normal lending process via a bank? He noted Council's role in this was the accessibility to access substantially less interest rates and onlend the funds to give the project much more credibility and opportunity to succeed which was reiterated to him by the submissions received. The submitters have said if Council doesn't provide the loan then it would be much harder for the project to proceed and an opportunity may have been lost. The benefits include job creation which is extremely important to Council, economic growth and development, the identity it would give Stratford and Taranaki, the enablement of future developments, the sporting component and the driver training component were all important points to note. These were all factors a bank wouldn't consider as they would simply look at security and the ability to repay. Council does have a role to play and has gone through the process with community engagement, a public meeting and receiving a large amount of supportive feedback. A lot of codes are affected by this. He was willing to support this going to the next stage but particularly noting the receipt of a business case being to the satisfaction of Elected Members.
- Councillor Sandford noted there was still a lot of think about and information still to come. He felt the debate would occur at the next meeting. He could not believe the amount of feedback received and felt this was the most exciting item over the Council table in his 25 years.
- Councillor Boyde agreed and noted the job was to decide if Council would or would not lend the money and he felt he was still waiting on two fundamental items being the business case and the valuation. He would hold his debate until these items were received.
- Councillor Coplestone agreed the business ratification was needed but noted that should the project not proceed then Council would then have the land and there are other options that could be done with that if failure did occur. He noted the amount of young people that had responded with feedback and felt as they would take over the reins soon it was a good show of enthusiasm that would continue in the future. He had also received a lot of feedback from farmers in support of the project.
- Councillor Dalziel agreed that it was a fantastic opportunity but moved an amendment to the resolution to state "endorse" rather than "approve". He stated a bank would not lend without the satisfactory information and as Council as not a bank it should be more prudent and cautious.

**RECOMMENDATION**

THAT the word "approved" be amended to "endorse" in the resolution.

DALZIEL/ERWOOD  
Withdrawn

- The amendment was withdrawn with further clarification given that the full Council meeting could overturn the decision recommended by this committee. A recommendation by this Committee was required for Council to adopt. Alternatively a different type of report would be required for the Council meeting if there was no recommendation from this Committee. It was noted that Stratford was in a unique situation that its full Council sat on the Policy and Services Committee. The approval was condition upon the additional information being received and being deemed satisfactory by Council.
- Councillor Erwood noted he supported what was in front of them and what other Councillors had said. He felt it was fantastic that 84.98% were in support of Option 4. Words he felt were highlighted by the speakers today were innovative and futuristic. Negative words were that this town needs reinvigorating. This will create jobs and economic development for the area and if it does fail there are other options for the land. He supported lending the funds.
- Councillor McKay noted her enjoyment through this process. She had been inspired by the speakers today and felt uplifted by the energy in the room. She noted one point that had been clear was generations older than her talking about the importance for our youth of our region through driver training and getting jobs and she had taken this really seriously that this is not a short term view but a really long term one – multigenerational. She wants to see the business case but supported this recommendation going to Council.

*A division was called:*

*Those voting for the motion were Councillors: Boyde, Coplestone, Erwood, Harris, Jones, McKay, Sandford, Webby, the Deputy Mayor and the District Mayor.*

*Councillor Dalziel voted against the motion.*

*The meeting closed at 4.31pm.*

A L Jamieson  
**CHAIRMAN**

Confirmed this 24<sup>th</sup> day of November 2020.

N C Volzke  
**DISTRICT MAYOR**