

# 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**

---

*"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."*

---

*- Vicki Wickham*



# COMMUNITY FEEDBACK

*Bringing people to Stratford.*

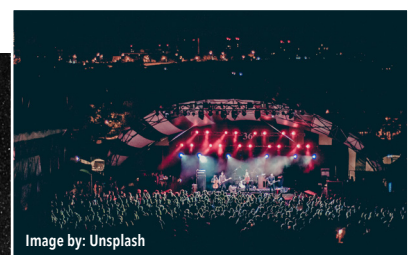
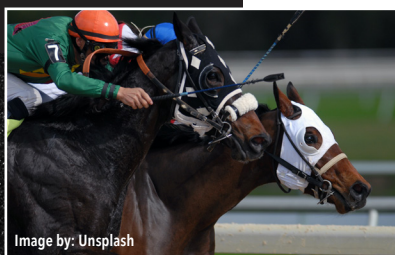
*"What an opportunity for not only Taranaki Equestrian and Taranaki Motorsport but also an amazing opportunity for New Zealand. This will put Stratford seriously on the MAP"*

Wayne Bloor



*"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

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

Jarrold 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.

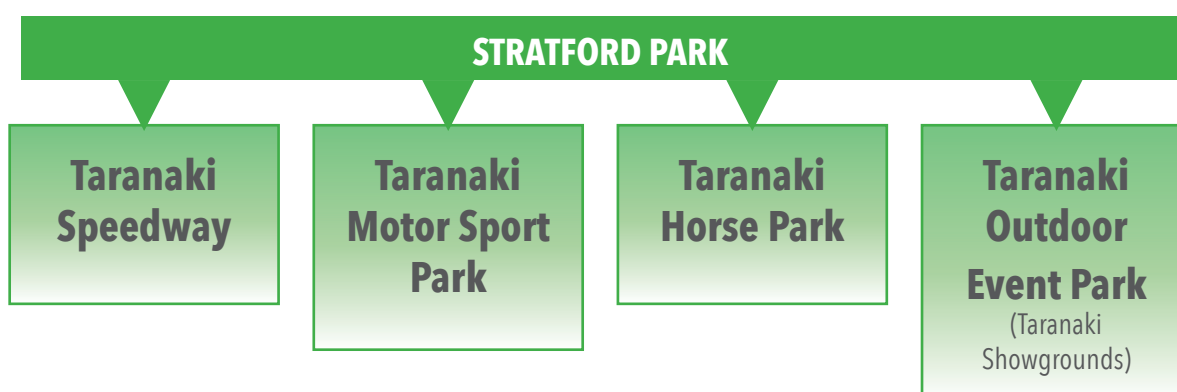
It is envisaged that a dedicated board suitably appointed or elected will oversee the governance of the Stratford Park entity.

## ▷ 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

## 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.



# 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





# 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

# 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





# TRANSPORT & MOTOR CENTRE

## FACILITIES

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

## EDUCATION

DRIVER TRAINING  
(Heavy Licence, Truck Control Training, Farm Vehicle & Machinery Training, Off - Road Training, Digger Training, Police Pursuit, Virtual Reality Driver Training, School Training, Skill Development, Youth Licences  
CAREER  
(Engineering, Mechanics, R & D, Energy Transition)  
PUBLIC SERVICE  
(Military Training, Civil Defence Training, Emergency Services Training.)

## 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)

## 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

## BUSINESSES

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

---

*"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



# 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

EQUINE 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

## 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.

# TARANAKI EVENT PARK (Showground)

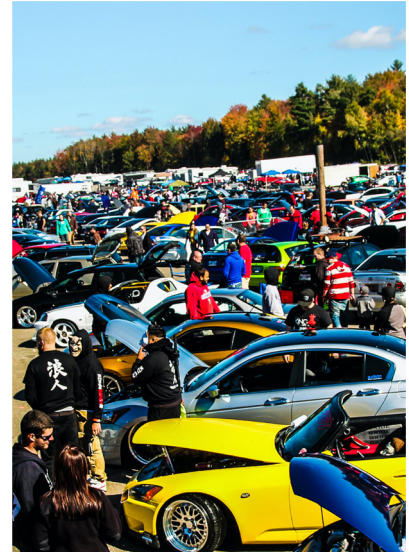


Image by: Unsplash



Image by: Unsplash



# 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



# 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 Lilly 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.