New Capital Project – Business Case

Date:	19th November 2019
Project Name:	Expansion of the Adams Centre for High Performance
Project Estimate:	$5,351,412
Author:	Justine Brennan

Executive Summary

This proposal seeks to expand the University of Waikato Adams Centre for High Performance (the Adams Centre) by creating a new purpose-built gym adjacent to the Centre and repurposing the existing gym into office space. This proposal represents the culmination of planning for the future expansion of the Centre which began in 2016 when the neighbouring property (50 Miro Street) was purchased as a strategic holding. Over the last 3 years BVL have been testing and refining the options for future expansion to ensure that the final proposal represents the optimal outcome for the Centre and the City by being the best possible use of the additional land purchased in 2016.

The Adams Centre which opened in January 2016, resulting from the extensive renovation of the original Cosmopolitan Club, and has been a success for both BVL and the City, putting Tauranga on the map as a centre of excellence for high performance sport and reaching capacity earlier than initially anticipated. In 2017 the success of the facility was consolidated with the decision by NZ Rugby to centralise their programme here, relocating their entire Rugby Sevens programme including 60 full-time staff and athletes to Mount Maunganui and making Tauranga the official 'Home of Sevens'. The Centre now has close to 50 Olympic athletes training at the Centre on a daily basis, putting us on par with other national high performance centres such as the Avantidrome in Cambridge.

In addition to the growth at the elite athlete level, we have also experienced exponential growth of our local aspiring athlete development programme – the Adams Academy which has grown to 85 members in the space of one year and is nearing full capacity. Through the Adams Academy programme we are able to provide the same level of support to young Tauranga based athletes as athletes in larger Cities received though High Performance Sport NZ (HPSNZ) centres such as the Millennium Institute and the Avantidrome. A naming rights sponsorship deal enables us to heavily subsidise the cost of this programme meaning that this high quality support programme is significantly more accessible for our young local athletes.

Because of this success the Centre is now at full capacity and expansion is required to accommodate the current and future needs of existing tenants and to grow our ability to cater for aspiring young athletes from within our local community.

This proposal will solve the immediate and urgent issues around capacity by providing 638m2 of additional office space including two additional large meeting rooms within the existing Centre. Two of our four permanent tenants (NZ Rugby and UoW) are currently in located in substandard office environments with a lack of natural light and staff numbers in excess of desired floor area ratios. Expansion of staff numbers to enable the growth of their organisations is not currently possible for these tenants. Both organisations have communicated their concerns about the current working arrangements for their staff/students and their desire to take more space in the centre should it

become available. In the case of NZ Rugby the concern about current space restrictions will factor heavily into their decision to recommit to the centre following the Tokyo Olympics.

As well as creating additional office space this proposal envisions a new purpose-built gym of 1258m2 to be developed on the northern boundary of the property. This will provide double the floor area of the existing gym enabling us to expand our Adams Academy programme for developing community athletes and build our training camp offering.

Building a new gym also has the advantage of being more cost effective way of achieving the expansion objectives than developing a new office building. It also ensures the Centre has a gym with a higher level of functionality than the current space which has been retrofitted from an old building. From a financial perspective the total cost of the development is estimated at $5.3m with a potential return of 7.52%, (which improves to 8.36% adjusting for the cost of land which was purchased in 2017). Advice from Veros Property Partners suggests that this level of return is comparable and favourable in the current market and that the project is worthy (from a financial perspective) of proceeding to a more detailed design to identify opportunities for savings to be value engineered through a design-build procurement process.

The proposal also has significant non-financial returns. The vision of BVL is to enrich Tauranga for everyone. We do this by caring for and optimising community facilities to create value for Tauranga City and enhance the quality of life of its people.

The Adams Centre has enriched our City and enhanced the quality of life for many – not only the 85 local emerging athletes training with the Adams Academy 3 times every week but also indirectly, through the benefits to the City associated with the 47 Olympic athletes training at the Centre daily. The presence of this high performance level of sport has major positive benefits for a range of other people in the community from the young kids inspired to pick up sport to the community pride felt when the teams perform on the international stage.

Our most successful athletes act as role models and their performances add fuel to the dreams of others. They also inspire other New Zealanders to be successful, whether this is in sport or other endeavours. The Adams Centre has created an environment where young local emerging athletes from our community can literally rub shoulders with Olympic medallists and World Champions – this proposal will enable us to significantly expand the positive contribution the Centre has made to the wellbeing of our community.

In summary, this proposal represents the optimal development option from all perspectives:

- It is the most financially feasible development option and maximises the available development footprint
- It enables the Centre to grow the commercial aspects of our operation through tenancy revenue and training camps
- It enables the Centre to triple the capacity of the Adams Academy, a subsidised community athlete development programme which provides essential support services for aspiring young local athletes to develop their potential and compete on the national and international stage
- It mitigates the weaknesses of the current facility including the capacity issues currently faced by existing users, functionality issues in the current gym and the risk of losing NZ Rugby as a key tenant
- It will provide flexibility to attract new tenants to contribute to further revenue generation and enhance Tauranga's reputation as a centre of excellence for high performance sport

- It aligns well with (and also stands independently of) Bay of Plenty Rugby's development aspirations for their property at 48 Miro Street, which is to be developed for the purposes of sporting accommodation.

Background

The Adams Centre is the result of innovative thinking and collaboration between Bay Venues, Tauranga City Council and the University of Waikato. It provides an example of BVLs ability take an innovate approach to an old building and develop a new facility which benefits the city and the BVL network.

In 2016, the Adams Centre was opened primarily as a skeleton operation with the intention that it would ratchet up over time to a full operation model. Two years later the Adams Centre was fully operational and operating at maximum capacity. This rapid success is due to:

i) The attraction of anchor tenants (UoW, NZ Rugby, BOP Rugby and Body in Motion) who are each growing their own organisations from inside the centre
ii) The growth of the Adams Academy – Strength and Conditioning programme for aspiring local athletes to develop their potential
iii) The reputation and credibility we have established which has seen demand from other organisations wanting to be associated with the Centre.

A major contributing factor to this rapid growth was the centralisation of the NZ Rugby Sevens programmes to Mount Maunganui. This has seen 60 highly skilled staff and athletes with significant international profiles relocate to Tauranga to base themselves at the Adams Centre.

The Centre is also home to the Bay of Plenty Steamers and BOP Rugby who have 25 staff in the building and up to 80 athletes using the centre on a regular basis.

Body in Motion provide sports medicine services and have increased their number of staff with the addition of new treatment rooms and a specialist sports physician now working from their premises which also provides podiatry, sports massage and physiotherapy services.

The University of Waikato are not only an anchor tenant but a strategic partner in the Centre. They have positioned the Centre as leading provider of testing and research into sport science and human performance. The UoW commitment has grown exponentially and they now have four full time Senior Research Fellows and 10 PhD students based at the centre undertaking and publishing research nationally and internationally.

The Centre also enjoys a range of external users from a variety of sports including rugby league, cricket, netball, hockey, volleyball and basketball. The first year of operation saw the following teams utilising the facility for multi-day training camps – Junior All Blacks, Maori All Blacks, Chiefs, Blacksticks (Men's and Women's teams), St Kilda AFL, Southern Stars (Australian Women's Cricket), White Ferns, Surf Lifesaving, Surfing NZ, Auckland Aces Cricket, Northern District Cricket, Fever Netball Team, Magic Netball Team. Most of these teams bring a large number of people (athletes, management and support staff) and base themselves in Tauranga for multiple days either for tournaments or training camps, resulting in significant beneficial impacts for our hospitality providers.

Whilst the Centre has certainly grown a reputation as a Centre of Excellence for high performance sport, one of our biggest success stories has been the Adams Academy programme. The Adams Academy offers a subsidised strength and conditioning programme for aspiring local athletes with high performance potential. Since its inception in July 2018, this programme has grown to 85 members

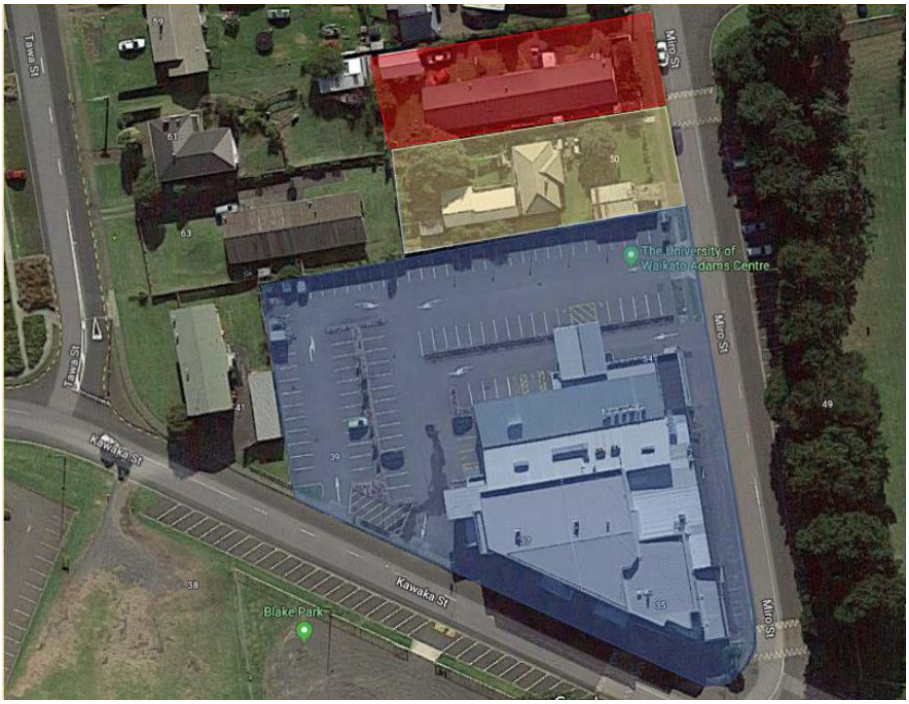
representing a wide range of sporting codes from traditional and emerging sports including synchronised swimming, underwater hockey, rowing, basketball, netball, rockclimbing, athletics, cricket, football, surf-lifesaving, weightlifting, equestrian and judo. At the Bay of Plenty sports awards in 2018, 80% of the award finalists were members of the Adams Academy or training at the Centre. We expect that number will increase at this year's awards.

As a result of this growth, and the retrofitted nature of some aspects of the building, we now have significant capacity restrictions that are impacting on current tenants and Adams Academy members not only hindering the ability to grow but making existing staffing levels difficult to maintain. This has put pressure on available gym space, office and meeting room space. As the facility is essentially retrofitted an existing building, the gym does not have the full range of facilities and spaces that would be expected for high performance training.

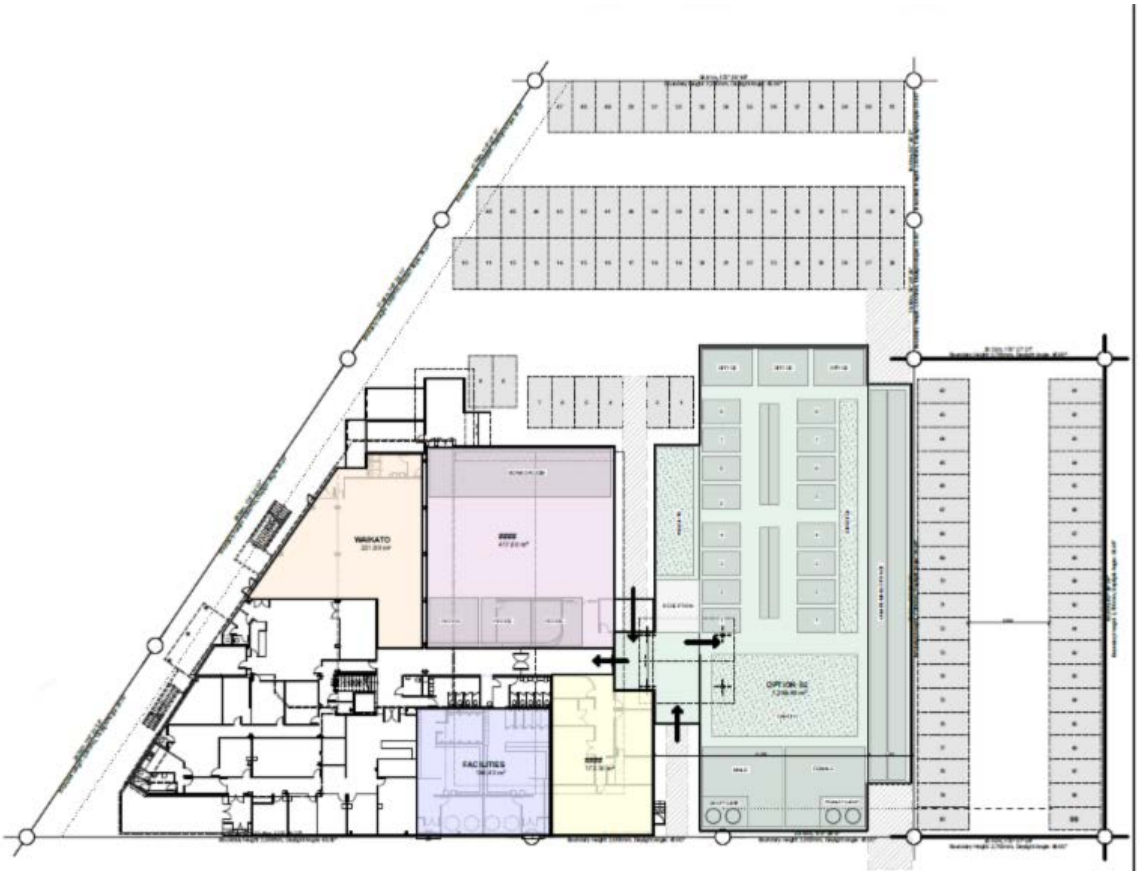
In short, the current capacity issues and major limitations around future growth potential are creating a risk that existing key anchor tenants no longer feel the environment is suitable to their needs.

Proposal

The Adams Centre (blue below) is situated at 52-54 Miro Street, on the corner of Miro and Kawaka Streets adjacent to Blake Park, Mount Maunganui. The adjacent property at 50 Miro Street (yellow) is a strategic holding purchased by BVL in 2016 for the future expansion of the Centre. BOP Rugby own the property at 48 Miro St (red) and are currently in the process of developing this property for the purpose of athlete/sport team accommodation.



The project involves development of a new 1258m^2 gym building (shown in green below) on the existing carpark off Miro Street. The neighbouring 50 Miro Street property will be developed into carparking.



This will provide:

- a larger purpose built gymnasium (to replace the existing one)
- two separate weights areas which can operate independently thus accommodating two teams at once
- a 40m three lane running track with a safe external run-out area
- flat floor space for warming up and stretching
- additional changing rooms and recovery pools.

The existing gym will be converted into two separate office spaces which will be available for lease by two existing tenants (UoW and NZ Rugby). Two additional meeting rooms will be developed within the NZ Rugby leased area taking pressure off the single large meeting room in the Centre. The existing changing rooms and recovery pools will be leased by NZ Rugby to provide for exclusive and permanent use by their athletes. New changing rooms will be developed within the new gym for use by non-NZ Rugby athletes.

The new building will be connected to the existing building through a reconfiguration to the entrance and lobby area. This will also improve security for the gym which does not currently have restricted access control.

The preferred site layout option ties the two buildings together with the entranceway, ensures access to carparking can continue from Miro Street and provides sufficient size for expansion of the gymnasium space. It also minimises any issues with the interface between the Bay of Plenty Rugby's accommodation plans for the future development of their property at 48 Miro Street, as carparking is planned adjacent to the property boundary.

Work required has been estimated at $5.3m which includes:

- Re-purposing the existing gym area into office space.
- Building a new fit for purpose gymnasium facility on the existing carpark.
- Removal of the residential house at 50 Miro Street and development of carparks.
- Creating a new reception and entrance area that connects the two buildings.

The proposal is described in more detail in the Property Business Case and Feasibility Study completed by Veros and attached as appendix A.

Strategic Context

The proposal has strong alignment with the three key strategies that the Adams Centre operates within.

The Bay Venues Strategy

The overarching purpose of BVL is to care for and optimise our facilities to create value for Tauranga City and enhance the quality of life for its people now and into the future.

In terms of optimising our facilities, this proposal seeks to further optimise the existing facility which has already been subject of extensive renovation to breathe new life into the old, vacant Cosmopolitan Club which had become a liability to Council, transforming it into a high performance sports hub which has helped to put Tauranga on the map as an emerging Centre of Excellence for high performance sport.

The Adams Centre has also enhanced the quality of life for many in the City – not only the 85 local emerging athletes training with the Adams Academy 3 times every week but also indirectly, through the benefits to the City associated with the 45 Olympic athletes training at the Centre daily. The presence of this level of sport has major positive benefits for a range of other people in the community from the young kids inspired to pick up sport to the community pride felt when the teams perform on the international stage. Whilst indirect, these benefits are well established as articulated by the Minister for Sport and Recreation "when we see New Zealanders competing and winning on the world stage it unites us as a nation and inspires youngsters to get out and participate in sport". Central Government invests in high performance sport for the many benefits it brings to the whole country, including national pride we feel when we see New Zealanders standing on the podium. Our most successful athletes act as role models and their performances add fuel to the dreams of others. They also inspire other New Zealanders to be successful, whether this is in sport or other endeavours. Having New Zealanders winning on the world stage builds identity and promotes New Zealand as a successful nation internationally.

The Adams Centre Strategic Framework

Due to the unique and specialised nature of this BVL facility, the Adams Centre also has its own strategic framework which sets the objectives and direction of the Centre at a more granular level. The strategy has four key pillars that will drive the centre forward and guide future development. These pillars focus on supporting what is already in place to reach its full potential and continue to grow.

1. Support the University of Waikato to grow their profile as a world leader in sports science research from their Adams Centre base.
2. Continue to develop the Centre and the wider Blake Park environment to ensure the facilities are fit for high performance.
3. Support local athletes, coaches and management to develop their potential by providing support with the full spectrum of an athlete's development.
4. Grow national and regional profile and credibility as a High Performance Sports Centre.

This proposal is a facility response to achieving each of these objectives by ensuring that the spaces provided within the Adams Centre can continue to meet the current and future needs of the existing tenants and the Centre continues to grow and build on its reputation and grow momentum as a centre of excellence for high performance sport. It will enable our strategic partners, the University of Waikato, to continue to grow their profile and work they do, and to continue our relationships with New Zealand Rugby and Bay of Plenty Rugby Union recognising the role they have played in the success of the facility to date.

The proposal is particularly aligned with the third pillar – supporting local athletes to develop their potential. Through the Adams Academy we have developed a highly successful programme which enables local athletes from a variety of sports to have access to the full suite of performance support services provided by HPSNZ to Olympic athletes in Government funded Centres like the Millennium Institute and Avantidrome. As members of this programme our athletes receive sports specific strength and conditioning programmes and supervised delivery, regular fitness testing and reporting as well as access to physiotherapy, nutrition and psychology specialist services at subsidised rates.

Cost is a significant barrier for athletes to gain access to this type of support. In addition, many sports clubs are run by volunteers who do not have the skills, experience or time to deliver this type of specialist support.

At a national level, Government (through High Performance Sport NZ) provides access to these services to our tier 1 Olympic athletes (with a much lower support package available to tier 2 athletes). BVL are incredibly proud that in Tauranga, all our local aspiring athletes who are competing at a regional level have access to a similar level of support as a tier 1 Olympic athlete at through the Adams Academy. We are able to subsidise the cost of the programme through a naming rights sponsorship agreement, thus ensuring accessibility for many of our local athletes.

The proposal also aligns well with the momentum being generated across the wider Blake Park precinct as a centre of excellence for high performance sport. Both Bay Oval Trust and BOP Rugby have future development plans to leverage on this success with initiatives that support further development of sporting infrastructure. BVL suggest that Council consider developing a high performance sport strategy and masterplan to ensure that these initiatives are:

a) aligned to a wider direction for the City and therefore considered in a well-planned, strategic manner; and
b) we have a planned for the required infrastructure improvements to support the direction.

This strategy should also identify ways to improve the utilisation of the fields at Blake Park. Whilst the use of the fields associated with Adams Centre tenants is not generally within the same time periods as other users, the total number of hours the fields can be used each week is restricted. BVL and other key stakeholders are of the view that better turf management at Blake Park would enable greater utilisation of the fields and improve the level of service provided to the whole community.

The Revenue Strategy

Tenancy revenue is the main revenue source of revenue for the Centre and the key vehicle by which we achieve the strategic direction of the Adams Centre. This focuses on attracting and retaining regional and national sporting organisations who pay to rent commercial office space within the centre **and also** pay for their athletes to access the gym. Establishing the tenancy strategy has enabled BVL to filter a variety of opportunities and prioritise development options which both:

1. provide for the needs of existing and future tenants and result in lengthened lease agreements for existing tenants and additional space for new tenants; and
2. ensure that any functional and space weaknesses in the current Centre are mitigated.

This approach has also enabled us to rule out other development options including the development of athlete accommodation and the development of a stand-alone commercial building.

This proposal will significantly improve our offer and retain key revenue streams as well as provide the ability to grow further. It provides the opportunity to best realise the potential of Bay Venues strategic land purchase and address operational issues associated with the existing facility while at the same time growing revenue from both tenancies and gym membership. As outlined in the financial section, this proposal grows all existing revenue streams - Adams Academy, tenancies and training camps.

Business Issue

There are three main business issues driving this proposal;

Existing Tenancy Issues

Two of our four permanent tenants (NZ Rugby and UoW) are currently in located in substandard office environments with a lack of natural light and staff numbers in excess of desired floor area ratios. Both organisations have communicated their concerns about the current working arrangements for their staff/students and their desire to take more space in the Centre should it become available.

New Zealand Rugby have advised that the premises are not suitable for them in the long term. They have a number of staff crammed into office spaces, a shortage of the large meeting room spaces (to accommodate groups of 50-60 people) and they lack dedicated changing facilities for both teams. As an example the office space previously used by the BVL COO is now accommodating 5 NZ Rugby staff. The concern about current space restrictions will factor heavily into their decision to recommit to the centre following the Tokyo Olympics thus this proposal mitigates the risk of losing NZ Rugby as a key tenant. This is a significant risk as they are currently the only National level sporting organisation associated with the Centre.

The University of Waikato currently have 10 PhD students in a space with no natural light. As a strategic partner they have made a long-term commitment to the Adams Centre and to the city so it is important that they can continue to grow their operations, recognising the significant benefits they bring to the city and region.

The challenge for the Adams Centre is to retain existing relationships and tenancies and continue to drive growth, profile and reputation of the facility. This is important from a tenancy and revenue perspective, as well as the ability to achieve strategic direction in place. In its current form the Adams Centre is limited in its ability to do this primarily due to lack of suitable spaces.

Enabling future growth of the Centre

In addition to providing more office space for existing tenants the proposal also frees up space for the attraction of new tenants which would add to the number of regional and potentially national high performance organisations located at the Centre. The number of RSOs and NSOs associated with the Centre is a key indicator of success in the Adams Centre strategic plan. We have had strong interest from local, regional and national cricketing bodies to take additional space in the Centre if it becomes available. This aligns well with the neighbouring Bay Oval and importantly places no additional pressure on Blake Park.

Functionality and Capacity of the Gym

The third business issue facing the centre is the capacity and functionality of the gym. This proposal will create a much larger, purpose built, high performance gym which will provide the ability for two teams to be training at once and increase the capacity for growth of the Adams Academy – a significant revenue stream for the Centre. It will also enable us to take more training camp bookings. Due to the current inability to have 2 teams training at one time, we have not been able to accommodate external training camp enquiries as our existing tenants have priority over gym bookings.

As the current gym was retrofitted from the previous Cosmopolitan Club, it lacks the functionality required in a high performance gym including in-built force plates for weight training, a 40m running track with a run out area, flat floor space for stretching and warming up. Currently there is only one weight training area meaning that only one team can train at any time which creates scheduling issues and restricts revenue streams. Whilst we have strong working relationships and other controls in place to minimise these issues, the ability to grow the Adams Academy by offering morning sessions is restricted by the size of the current gym as is the ability to accept training camp bookings from external users.

Community Outputs

Since its establishment in 2016, the Centre has strongly contributed towards attracting businesses, people and visitors and creating a vibrant and healthy city.

Attracting businesses, people and visitors

The development of the Adams Centre has been directly responsible for the creation of approximately 80 jobs in Tauranga that did not exist here prior.

Organisation	Additional Full time staff	Additional Part time staff/full time students
BVL	3	5
UoW	4	10 (PhD students)
NZ Rugby	60 (athletes and management)	
BOP Rugby	Pre-existing jobs	
Body in Motion	4	
Total additional staff	**67**	**13**

These positions are highly skilled, full time jobs that did not exist beforehand in the fields of sports management, athlete development, sports science and research, facility management including 45 full time World Champion Olympic athletes with significant international profiles capable of promoting our city to thousands of fans and social media followers across the world. In addition there are another 10 full time PhD students living, working and publishing research here and lifting the collective profile and intellectual property of the city. In combination with the development of the Bay Oval, the impact of the high performance sport to Mount Maunganui has been significant boost to the City as evidenced in Council's 2019 pre-election report which states that "these developments showcase the city's commitment to high performance sport and cement Tauranga's international reputation as a major sporting event destination".

An inclusive safe, resilient and heathy city

The Centre is contributing significantly to the aspiration of Tauranga to be a healthy city. Through the Adams Academy programme we provide strength and conditioning training to over 85 young aspiring athletes from within this community. In addition to the physical fitness benefits, this programme also includes nutrition, rehabilitation and mental skills training which contribute significantly to the mental health and wellbeing of these developing athletes.

On top of these direct benefits, the Centre has also played a role in boosting City pride and providing role models for our youth to aim higher.

Options Considered

Extensive option assessment was undertaken to determine the best way to accommodate additional space requirements across both 52 and 50 Miro Street properties. From the 13 bulk and location options prepared, two options were identified for further analysis. This review was completed against key criteria and assessed on a risk matrix. Concept plans were developed for the two options to enable further testing and confirmation of spatial requirements before agreeing on a preferred option. The second option considered but discounted, utilised most of the existing carpark and the adjacent 50 Miro Street property for a new gymnasium building. The preferred option (as outlined in this paper) was chosen as it provides a larger gym space, more carparks and continues to provide vehicle access to the facility from Miro Street.

Separate to building a new gym, we have also considered the option of building a new commercial office building on the 50 Miro St property. This option has been discounted due to the height restriction imposed in the residential zone and the restrictions placed on the title when we purchased the property from TCC which relate to ensuring a sporting use.

The status quo option (not proceeding with the proposal) has also been considered. As outlined in this paper this scenario risks not only restricting future growth but losing our anchor tenant and only National Sporting Organisation – NZ Rugby.

BayVenues

Financial Considerations

Statement of Financial Performance - High Performance Centre Expansion																				
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Income																				
Tenancies	236,400	286,289	291,156	296,105	301,139	306,259	311,465	316,760	322,145	327,621	333,191	338,855	344,616	350,474	356,432	362,491	368,654	374,921	381,295	387,777
Academy Memberships	126,609	193,142	261,900	266,352	270,880	275,485	280,168	284,931	289,775	294,701	299,711	304,806	309,988	315,258	320,617	326,068	331,611	337,248	342,981	348,812
Training Camps	21,000	24,917	25,340	29,452	29,953	30,462	30,980	31,507	32,042	32,587	33,141	33,705	34,278	34,860	35,453	36,056	36,669	37,292	37,926	38,571
50 Miro Street	(28,600)	(29,086)	(29,581)	(30,084)	(30,595)	(31,115)	(31,644)	(32,182)	(32,729)	(33,285)	(33,851)	(34,427)	(35,012)	(35,607)	(36,213)	(36,828)	(37,454)	(38,091)	(38,739)	(39,397)
Total Income	**355,409**	**475,261**	**548,815**	**561,826**	**571,378**	**581,091**	**590,970**	**601,016**	**611,233**	**621,624**	**632,192**	**642,939**	**653,869**	**664,985**	**676,290**	**687,787**	**699,479**	**711,370**	**723,463**	**735,762**
Expenditure																				
Staff Expenses	60,000	120,000	122,040	124,115	126,225	128,370	130,553	132,772	135,029	137,325	139,659	142,033	144,448	146,904	149,401	151,941	154,524	157,151	159,822	162,539
Utilities	19,021	19,344	19,673	20,007	20,348	20,694	21,045	21,403	21,767	22,137	22,513	22,896	23,285	23,681	24,084	24,493	24,909	25,333	25,764	26,202
Repairs and Maintenance	8,250	8,390	8,533	8,678	8,825	8,976	9,128	9,283	9,441	9,602	9,765	9,931	10,100	10,271	10,446	10,624	10,804	10,988	11,175	11,365
General Opex	2,979	3,030	3,081	3,134	3,187	3,241	3,296	3,352	3,409	3,467	3,526	3,586	3,647	3,709	3,772	3,836	3,901	3,968	4,035	4,104
Total Expenditure	**90,250**	**150,764**	**153,327**	**155,934**	**158,585**	**161,281**	**164,022**	**166,811**	**169,647**	**172,531**	**175,464**	**178,446**	**181,480**	**184,565**	**187,703**	**190,894**	**194,139**	**197,439**	**200,796**	**204,209**
EBITDA	**265,159**	**324,496**	**395,488**	**405,893**	**412,793**	**419,810**	**426,947**	**434,205**	**441,587**	**449,094**	**456,728**	**464,493**	**472,389**	**480,420**	**488,587**	**496,893**	**505,340**	**513,931**	**522,668**	**531,553**
Depreciation on facility	107,028	107,028	107,028	107,028	107,028	107,028	107,028	107,028	107,028	107,028	107,028	107,028	107,028	107,028	107,028	107,028	107,028	107,028	107,028	107,028
EBIT	**158,130**	**217,468**	**288,460**	**298,864**	**305,765**	**312,782**	**319,919**	**327,177**	**334,558**	**342,065**	**349,700**	**357,464**	**365,361**	**373,391**	**381,559**	**389,865**	**398,312**	**406,902**	**415,639**	**424,525**
Interest	267,571	267,571	267,571	267,571	267,571	267,571	267,571	267,571	267,571	267,571	267,571	267,571	267,571	267,571	267,571	267,571	267,571	267,571	267,571	267,571
NBPT	**(109,440)**	**(50,102)**	**20,889**	**31,294**	**38,194**	**45,212**	**52,348**	**59,606**	**66,988**	**74,495**	**82,129**	**89,894**	**97,790**	**105,821**	**113,988**	**122,294**	**130,741**	**139,332**	**148,069**	**156,954**

Net Present Value (NPV)	(11,916)
Internal Rate of Return (IRR)	5.0%
Payback Period	13 Years

Assumptions

Revenue

- Tenancies include additional space for NZ Rugby ($180,900) and University of Waikato ($55,500). We have also assumed an increase in BOPR rental at year 2 to bring them in line with market (dependant on signing variation to the lease).
- Academy Memberships: Building to reach capacity of 240 athletes (additional 160) over 3 years. Annual membership fee is $1820 or $35/week (incl. GST).
- Assumed training camps build to eight camps p.a in year 4. Average fee is $3500 (excl GST - based on current fee).
- Removed current rental received for 50 Miro Street (capital value has not been included in capital cost).

Expenditure

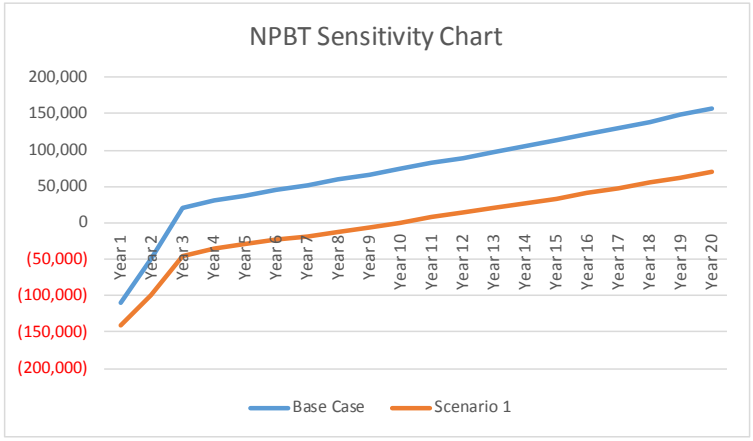
- Staff cost includes two additonal full time strength and conditioning coaches (1 in year 1).
- Operating costs for new building are split between non-recoverable (incurred by BVL - 46%) and recoverable (on charged to tenants).

Capital & Financing

- Capital cost of new project is $5,351,412. This is based on the Veros property business case, less 50 Miro Street cost ($538k).
- Depreciated over 50 years on straight line basis.
- Interest rate and WACC is 5% (agreed with TCC finance)
- The High Performance Centre is part of the non-funded network therefore we are requesting loan funding from TCC for this project.

Sensitivity Analysis

- Opex is fixed, therefore unlikely to impact sensitivity analysis
- Base case net profit before tax (NPBT) starts at -$109k in year 1 and becomes breakeven in year 3
- Biggest risk is around volume assumptions for Adams academy. Scenario 1 assumes academy achieves 75% of growth predictions. NPBT is breakeven in year 10.



Financial Commentary

The feasibility study shows the project has an IRR of 5% which critically is higher than the current cost of borrowing of 3.7% (FY21). Analysing over a 20 year period gives a negative NPV with a payback period of 13 years. The Adams Centre is part of the non-funded network and therefore it is expected that any new capital will make a net profit after depreciation and debt servicing. This project is expected to achieve that target by year 3 when it returns a net profit (after interest and depreciation) of $20k. From a cashflow perspective, the project shows a strong contribution to the EBITDA targets of the BVL network from Year 1 (starting at $265k in year 1 and increasing to $395k in year 3). The assumptions behind the revenue are considered to be conservative and are based on current membership and rental rates;

1. Adams Academy members increase from 85 to capacity of 240. This is considered to be a conservative target given the rapid growth of the programme in a short time it has been operating.
2. UoW take an additional 222 m2 of office space. UoW have confirmed verbally that they will lease this space.
3. NZ Rugby take additional 417m2 of office space and lease the current changing rooms. NZ Rugby have confirmed verbally and in writing that they need more space. These negotiations will be confirmed following their upcoming review of the Sevens programme which will set the requirement and budgets for their programme over the next 4 year Olympic cycle.
4. Training camps increase from 1 per year to 8 per year. This is considered a conservative target given the number of enquiries we are unable to accommodate at present.

Whilst it's not a particularly strong financial return it is financially viable therefore should be considered in conjunction with the strong non-financial benefits. It is important to note that the Adams Centre was not initially approved by Council on the basis of its financial merits but more for the return on investment to the community and the City. That said, the Centre quickly exceeded initial financial expectations and has become a solid contributor to the EBITDA targets of the BVL network which have grown from $158k in FY16 to $284k in FY20. This compares to the projected year 1 EBITDA of $38,808 which was the basis upon which the Centre was approved in 2015. The Centre is outperforming the predictions in the initial financial model and all of the projected non-financial benefits have been realised.

Veros have completed a Property Business Case and Feasibility Study (attached as appendix A) which indicates the potential financial return on the project would be 7.52% (including the cost of the strategic land purchase) and would improve to 8.36% adjusting for the sunk land investment. Veros consider this level of return to be comparative and favourable to the current market purely on the basis of projected financial return. Veros also consider there to be an opportunity to make savings in the capital cost of this project using a design and build procurement process.

Impact on the Total Entity

- Impact on existing facility during construction. The new gym would need to be operational prior to work beginning on the renovating the existing gym into office spaces.
- Once building work is complete there would be no negative impact on the existing Centre or the wider BVL network.
- Replacing the adjacent dilapidated residential house with carparking and a new building will upgrade the amenity of the site significantly.
- The overall design will need to be within keeping of the overall look and feel of the facility and this would need to be a major consideration throughout the design process.
- Resolves operational issues and aligns well to strategic framework through optimising existing facility, looking after existing relationships and providing for future growth.

Supporting Information

- Indicative Feasibility Review – Veros Property Services (Appendix A)

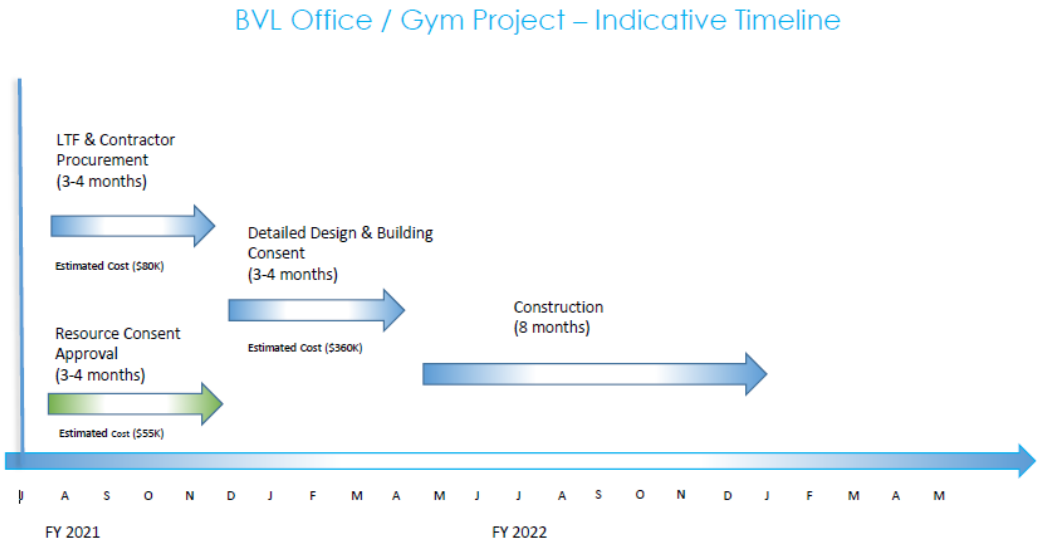
Risks

- The project ends up costing more than budgeted to complete. Project contingencies are included in the preliminary feasibility budget.
- Financial return on cost - Feasibility currently reflects a modest return with adequate contingency, though perceived as low under a typical market investment model.
- Future proofing – if the development concept does not proceed and Bay Venues have approved the Bay of Plenty Rugby development, limitations are placed on future development of 50 Miro Street which will also impact land value.
- Tenant retention in the medium to long term. This is viewed of more of a risk if the project does not proceed.

Implementation

The project can be broken down into the following stage as indicated in the diagram below:

1. Bay Venues Board approval
2. Tauranga City Council approval and inclusion in 2020/2021 Annual Plan
3. Consenting
4. Detailed design
5. Construction



Qualitative Considerations

The ability to take on the new opportunity without losing focus

- This construction phase of the project will impact on day to day operations within the Adams Centre for the areas that are to be repurposed. Once the build is complete, the Adams Centre will have a fit for purpose gym, sufficient office and meeting room space for existing tenancies and be much better placed to accommodate further growth.

Health and safety improvements

- The project will not pose any new significant hazards or risk that the Adams Centre are not already dealing with. It will improve the working environment for existing tenancies by increasing the amount of office and meeting room space available.

The likelihood of success given market conditions

- The need for the project has been clearly identified by existing tenants and has a strong alignment with the strategic objectives for the Adams Centre. Agreements to lease additional space would be locked in with tenants before the project proceeds.

An increase in customer/tenant goodwill

- We will be providing a larger fit for purpose gym and more offices/meeting rooms for our existing tenants who have identified demand for this. This will also reduce potential for user conflict within the existing Centre.

Overall Summary

The main benefits are;

The key benefit is that this project positions the Adams Centre for continued growth and supports retention of existing tenancies. Enhancing our product offer creates stability for the future and responding to customer demand enables the centre to implement a number of identified strategic objectives which focus on supporting and growing our profile and reputation.

1. Supporting our existing tenancies to achieve their objectives and grow their profile through creating a more efficient and fit for purpose working environment.
2. Enabling future growth of the Centre and the organisations within it. Future proofing the Adam Centre offer and enhancing our position in the market place with a more complete offer. This is particularly relevant for the development of a larger purpose built gym with additional functionality and capacity.
3. Continue to grow national and regional profile and credibility as a High Performance Sports Centre.

In summary, considering the clear demand for this project from existing tenants whom we already have strong relationships with, it is likely we will succeed. The proposal caters for our existing need and enables us to future proof.

Manager's Name:	Justine Brennan	**Manager's Signature:**	
Approved by Finance Name:	Adam Ellmers	**Finance Signature:**	
Divisional Manager's Name:	Justine Brennan	**Divisional Manager's Signature:**	

SLT approved: Y / N (*circle one*)		**Date approved:**	19th November 2019
Board approved: Y / N (*circle one*)		**Date approved:**	

Veros

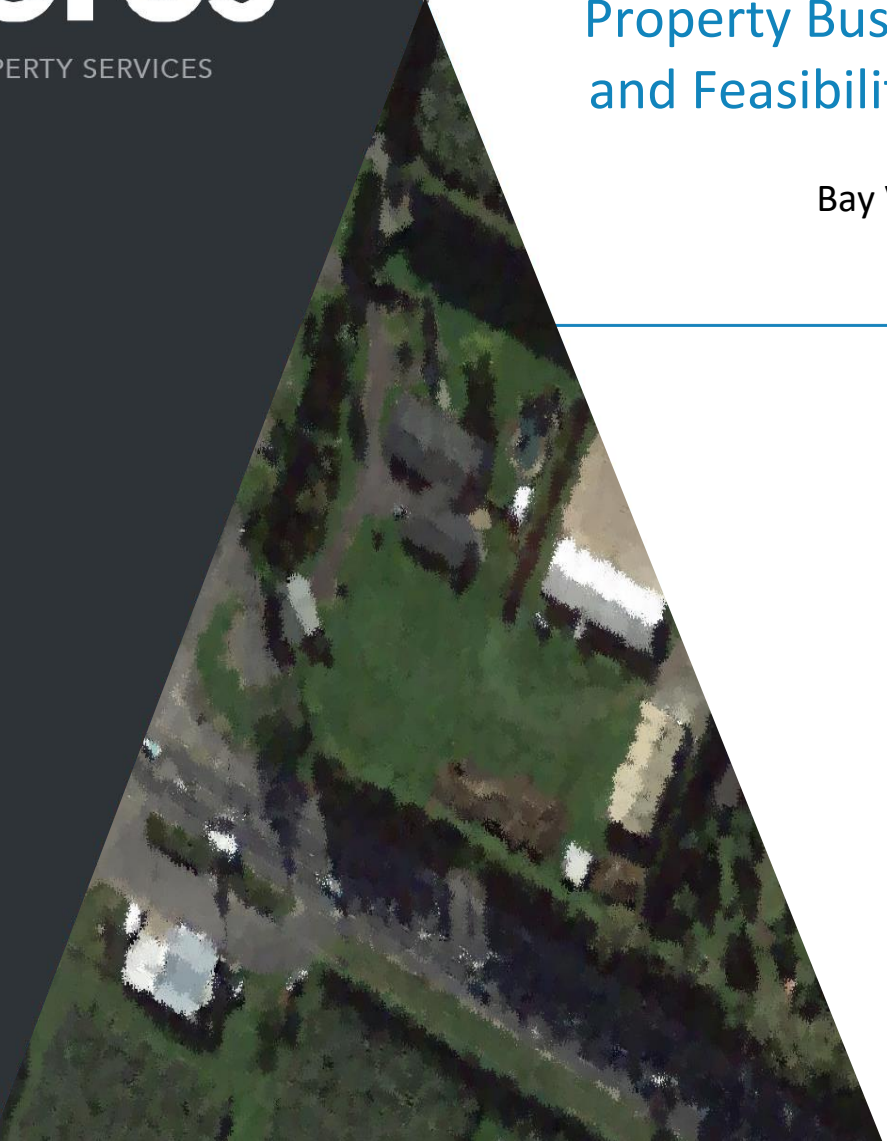
PROPERTY SERVICES

50-54 MIRO STREET, MOUNT MAUNUGANUI

Property Business Case and Feasibility Analysis

Bay Venues Limited

October 2019



STATEMENT OF LIMITATION

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Veros Property Services Limited are suitably qualified, knowledgeable and experienced in property related fields and have prepared business cases for similar projects. The business case is intended as an aid to clients, and they accept the information contained within the report on the condition they make their own enquiries and obtain independent advice in order to verify the accuracy, correctness or completeness of the information presented.

PREPARED FOR:

PREPARED BY:

DOCUMENT ACCEPTANCE:

Action	Name	Signed	Date
Prepared by:	Craig McCormick		October 2019
Final approved for issue:	Peter Williams		October 2019

EXECUTIVE SUMMARY

Bay Venues Limited (BVL) have engaged Veros Property Services (Veros) to prepare and complete a Property Business Case for 50-54 Miro Street, Mount Maunganui. The subject property is the existing Adams High Performance Sport Centre (AHSPC) and adjoining residential site.

Veros have previously completed a Property and Feasibility Report to consider development options at 50 Miro Street and the impact of the Bay of Plenty Rugby Union (BOPRU) development proposal at 48 Miro Street. It was concluded, AHSPC would support the BOPRU proposal to the extent that the medium to long term development potential at 50 Miro Street would not be compromised.

In consultation with BVL Management, Veros were directed to investigate the redevelopment of the AHSPC property creating new offices in the existing gym area and building a new gymnasium facility on the carpark, with potential for expansion if the site permits. This sought to establish if 50 Miro Street could to be developed in isolation or it will be used for car parking. If the latter, then the concept would complement BOPRU's development proposal, but it not, BVL will consider the impact of BOPRU's development proposal on future activities at 50 Miro Street.

Accordingly, Veros have been asked to submit a Property Business Case (PBC). The focus of this report will be on the conversion of the existing gym facility into office accommodation and construction of a new gym facility on the existing AHPSC car park.

An Interim Property Report was prepared and issued (22 August 2019). The Interim Report outlined initial concept plans completed on layout options of the new Gym facility. An Interim Feasibility Report was completed (14 October 2019) to provide a review of the indicative feasibility study based on the preferred location for the proposed facility based on the initial concept plans completed on the Gym facility. This work informed the basis to support the final Business Case.

From this initial investigation of probable solutions, a final bulk and location for the proposed building (gross floor area) of approximately 1,258.60m² was determined to meet the current and future accommodation requirements of BVL and AHSPC. A building concept was prepared, including specification imagery and commentary to enable a contractor to clearly interpret the intent of the design and price the construction of the building appropriately.

Veros were also requested to consider how to accommodate the space requirements for an indoor cricket facility. This brief was considered in conjunction with the original brief. However, following detail review of B & L option studies this was removed as part of the final concept design. This relating to issues around matching requirements of the brief, planning considerations, traffic and overall impact to the site.

In addition to the above, further thinking was adopted to the overall impact of the site and potential impact of any future development on 48 Miro Street (BOPRU). Veros have sought to a full understanding of this to ensure the future rights for BVL is maximised in relation to future resource consenting considerations and development opportunities of 50 Miro Street.

Critically, the concept optimizes 50 Miro street for car parking and thus limits the potential development impact on the current BOPRU proposal. However, this is still (as is BVL concept) in early phases and final design is still subject to consent and final approvals. Veros recommend that any final approval is provided on a conditional basis subject to final confirmation of design from BOPRU and BVL concept has obtained required consent and Board approvals.

Civil engineering advice was sought to determine the civil infrastructure requirements of the development concept, outlining the required stormwater management devices, water, power and firefighting connections, and wastewater management devices.

Preliminary planning advice has been sought to determine consenting frameworks based on existing and proposed works. The site works within the existing environment, however, is being used for a non-residential use, albeit it strongly aligns with Blake Park Reserve and associated codes.

Layout and design of buildings have been adopted to address overshadowing and separation from adjoining sites and the road frontage. The concept addresses the envelopes and setbacks for maintenance and public/private amenity, along with best use of the site with the building located closer to the existing HPSC building. A resource consent application would need to consider traffic generation, parking locations, displacement, design and manoeuvring.

Notwithstanding the above, the concept does have wide risks of being notified. The City Plan zoned the site for development of high density residential. The scale and location of the building addition, carpark capacity and layout, would require consideration of adjoining neighbours and public/private interface.

Carparking requirements for the project will be critical. Currently the view is that there will be an undersupply of carparking for the proposed use. To meet the required number of car parks consideration will need to be given to adjoining uses and the ability to allow for overflow at complementary times. A detailed traffic assessment is recommended to be completed prior to lodgment of Resource consent. This report along with a better understanding of final occupiers will likely identify a reduction in the final car park numbers required.

Market evidence for rentals from recently constructed and modern developments within central Tauranga and Mount Manganui suggest a fair market rental range for office accommodation at the subject property to be between $275 to $350/m². Having considered the likely attributes of the redevelopment concepts and market evidence, we believe a fair asking net rental to be $250/m²-300/m² (low & High Stud) and a yield range between 4.5% to 5.5% on a fully occupied basis.

Market demand to support the above will be created within by existing occupiers. BVL have reported that existing tenants have highlighted the requirement for additional space. Initial terms and discussions have been undertaken by BVL Management direct with Tenants and initial terms of engagement have been issued.

Veros prepared a feasibility for the development concept, including an assessment of market rents and commissioning of a preliminary construction estimate for the proposed works. In summary, the total cost of the development is estimated to be $6.12m with a potential return of 7.52%, based on a notional market rental revenue of $459,933 plus GST for the additional office area and gym facility. Excluding the cost of land at 50 Miro Street the adjusted rate of return is 8.36%

The report includes critical assumptions and details potential risks to the development. Risks associated with Planning, Geotechnical, Contamination, Civil Infrastructure, Programme and Build costs which are capable of being managed through more detailed design.

The finding of the preliminary feasibility study indicates that the project is worthy of further interrogation, and this level of potential return is comparative and favorable to the current market and more specifically a market investment model. At levels above 5.0% this would be worth consideration on the basis of a development model. Moreover, these are preliminary construction estimates and there could be opportunities to value engineer savings during detailed design and the use of a “Look Touch Function” (LTF) design-build procurement process.

To this end, Veros recommend proceeding to develop a more detailed design through an LTF design-build procurement process, providing Marra an opportunity to develop a more robust construction price that can be locked into a design build contract. If there is any uncertainty regarding the construction price presented by Marra Construction, we would recommend a market procurement process is undertaken.

Veros can assist in the next stages of design, representing BVL as a Client's Representative. This will ensure design principles are upheld, contract procurement is undertaken to a satisfactory level and value engineering is undertaken to ensure contract price is fair and reasonable.

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1.0 INTRODUCTION

This project provides the possibility for a significant undertaking for Bay Venues Limited in terms of capital resources and time, as a consequence this project will require an experienced property hand that can guide the development process, to start how you want to finish with a clear direction of travel.

Veros provide development management and property advisory services from conception of a project to completion. We have a proven track record negotiating with affected parties to achieve our client's business, financial and community aspirations. We confirm we have the requisite experience and project team to add value to your new head office project.

Veros understand the development process from conception to completion and disposal. We don't just manage a process, we have an intimate understanding of what the critical success factors are for a project from the start. An implicit understanding of the market, tenants, community interests, resource consent, construction and finance etc., consequently we ensure highest and best use and a clear direction of travel are maintained through the course of the project.

Our directors and staff have experience across most sectors of the market, our team comprise development managers with experience in surveying, urban design, planning, civil management, project management, valuation, regulatory management and asset management.

We will ensure Bay Venues Limited requirements and financial objectives are a priority. Importantly we will transfer project and capital risk to other parties at the appropriate time to ensure Bay Venues exposure to risk is limited. Subsequently, BVL engaged Veros Property Services (Veros) to prepare a Preliminary Property and Feasibility Analysis, refining a new conceptual gym concept to align to the current and future accommodation requirements of BVL.

1.1 SCOPE

In order to accurately address the redevelopment opportunity Veros have been commissioned to complete a property business case and feasibility analysis focusing on the following key tasks:

- Desktop demand study
- High level Design and Concept
- Concept Design cost analysis
- Feasibility Analysis
- Report

Based on the above scope, there are other aspects of the development that will need to be investigated in order to be fully informed of the risks of the development. This Property Business Case outlines the additional considerations to provide final recommendations for BVL.

In addition to the approved scope of service, Veros have subsequently been asked to comment on the Bay of Plenty Rugby Union development proposal at 48 Miro Street.

1.2 THE BRIEF

Broadly the objectives of the brief are detailed below:

- Refurbish the existing AHSPC gym into office space and include meeting rooms
- Construct a new gymnasium on the AHSPC property and consider other users
- Include a new reception / entrance for Body in Motion so that their clients can come directly from Miro St (and not walk through the Centre)
- Use preliminary benchmark rates to cost project(s)
- Having taken into consideration the opportunities and constraints of the development, confirm if 50 Miro Street is required as car parking
- If 50 Miro Street is not required for parking, consider the impact / benefit of the BOPRU's development proposal against any future development potential at 50 Miro Street
- If the gym is located on the AHSPC property, ensure there is connectivity with the main building
- The new gym to have changing facilities for men and women
- With Justine Brennan as lead, Veros will work collaboratively to establish a strategic case to establish demand for the preferred development. This will reflect conversations with existing and potential tenants include UoW, NZ Rugby, BOP Cricket but not limited to.

Consideration has been given to:

- Current rentals being paid by existing tenants on the basis that they are relocated
- Minimum return of investment of 3% above normal bank trading rates
- Doubling the size of both NZRFU and the University of Waikato tenancies
- Consider the potential to create 2 storey office space in the existing gym recognising a detailed design and engineering determination is not part of this offer
- Indoor cricket wicket facility (3-4 lanes)

In summary there is the need to provide for a modern functional facility, enabled by quality of improvements aligned to high-performance athletes and that allow for teams and individuals to use the facility jointly. This is to be in conjunction with a high-quality functional office space that enabled associated administration teams to be accommodated with the larger facility.

These works have also been undertaken with consideration of the principals identified in the "Adams Centre Strategy 2017 – 2019' paper. Importantly it says the purpose of the Centre is to provide a 'high performance sports training and research hub providing an integrated suite of support services'

This ultimately culminates in providing space that accommodated onsite, an ability to extend the footprint of the building to accommodate future growth whilst not impacting on the overall development potential of the site considering the proposed development at 48 Miro Street.

2.0 SITE DESCRIPTION

2.1 LOCATION

The site at 52-54 Miro Street was originally developed in the 1960s as the Mount Maunganui Cosmopolitan Club, with a building in the southern corner (two storey clubrooms, bar, restaurant) and parking. Subsequent building works saw the gradual extension of the building and in later years the neighbouring property was purchased for additional parking (and the sites amalgamated)

The subject site purchased by Council was initially included as an activity under Blake Parks comprehensive resource consent. 52 - 54 Miro Street is owned by Tauranga City Council and is leased to Bay Venues. Bay Venues have developed the improvements on the property and is now known as the Adams High Performance Centre.

50 Miro Street is located on Miro Street, overlooking Blake Park. The adjoining uses to the north and west are mixed residential including detached houses and terraced housing. To the south is the Adams High Performance Centre. The wider surrounding area includes Blake Park and its facilities and the Mount Greens croquet and bowls club. The site is approximately 1km from the Mt Maunganui centre and 4km from the Tauranga CBD.

Overall the combined sites are 5,296m² (52-54 Miro) & 1,012m² (50 Miro) totaling a site area of 6,308m². Surrounded by Blake Park (a Major Active Open Space Zone) to the east, south and west. The northern and western boundaries of the site adjoin residential neighbours in a mix of single- and two-level dwellings and attached flats. Beyond that are smaller pockets of light industrial, commercial uses and to the west is land associated with the Port.

The topography of the site is generally flat as is typical with the surrounding area.

2.2 EXISTING BUILDINGS AND ACTIVITIES

The site defines the end of the southern HDUR zone that runs from the northern corner of Manganui Road and Tawa south to Blake Park. This high-density residential zone is bordered by commercial land to the east (along Maunganui Road) and a block of Industrial zoned land to west (fronting Totara Street). The subject site is surrounded by Blake Park (a Major Active Open Space Zone) to the east, south and west. The northern and western boundaries of the site adjoin residential neighbours in a mix of single level dwelling and two-level attached flats.

52-54 Miro Street

The site is relatively flat and is improved with the University of Waikato Adams Centre for High Performance. The Centre is a two-level building and contains a full gymnasium and associated offices, medical rooms and research space along with breakout areas and staff kitchen area. The remainder of the site being carpark/access.

50 Miro Street

The existing buildings comprise and brick and tile dwelling with a concrete hard stand to store vehicles. The house is currently being leased for residential purposes. The site was purchased by Bay Venues Limited in 2016 as a strategic hold. We note we have not undertaken an assessment of these improvements and cannot comment on the possible presence of contamination or asbestos materials.

Figure One: Aerial Photograph of 52-54, 50 & 48 Miro Street. *Google Maps: 2019*

2.3 CERTIFICATE OF TITLE

The land at 52-54 Miro Street, Mt Maunganui, more particularly described as follows:

- Lot 2 Deposited Plan South Auckland 12829 contained in certificate of title SA10C/503
- Lot 3 Deposited Plan South Auckland 12829 contained in certificate of title SA10C/1474
- Section 18-20 Block IV Town of Moturiki contained in certificate of title SA16C/1451
- Section 21 Block IV Moturiki Township contained in certificate of title SA745/237

The land parcels are owned by Tauranga City Council and is leased to BVL. BVL have developed the improvements on the property and is now known as the Adams High Performance Centre.

The Lease is for a term of 33 years and includes a right of renewal of an additional 33 years. In our view this lease structure does not prohibit further redevelopment opportunities on site.

The land at 50 Miro Street, Mt Maunganui, more particularly described as follows:

- Lot 2 Deposited Plan South Auckland 12829 contained in certificate of title SA658/155

50 Miro Street comprises a single fee simple title with a total area of 1,012m². The title has a caveat in favour of Tauranga City Council (Ref: 10661446.2) which essentially seeks to control ownership and use. The property is

currently leased for a residential household on a short-term rolling lease. The tenancy may be terminated with 90 days' notice.

Figure Two: Subject Site. *Source: Property Guru*

2.4 PLANNING

The site is located within Residential H Zone under the Tauranga City Plan. The zone typically provides for a range of medium density residential activity located to compliment surrounding activities and amenity, with proximity to shopping areas, the beach, harbour and recreational activities. A range of complementary non-residential uses are envisaged; however, the intent of the zone is to provide for residential developments.

Address	**52 - 54 Miro Street** (Cnr Miro Street and Kawaka Street)
Legal Description	Sections 18 to 21 of Block IV Moturiki TNSP; Lot 2 and Lot 3 DPS 12829
Zoning	High Density Urban Residential (HDUR)
Tertiary Education Premises & Associated Administration	Discretionary (Rules 14E.1 and 14E.6)
Standalone Office	Non-Complying (Rules 14E.1 and 14E.7)
Building Height	9m
Building Setback	1.5m from neighbouring sites (except with written approvals) 3m road frontage
Overshadowing	2.7m at boundary with 45° plane, 55° plane north
Noise	Daytime (7am – 10pm) 50dBA L_{eq} Night-time (10pm – 7am) 40dBA L_{eq} and 70 dBA L_{max}
Parking[1]	Tertiary - 1 space/5 students and 1 space/ FTE staff (and loading spaces) Office - 2.5 spaces/100m² of gross floor area (and loading)

Figure Three: Subject Site *Source: TCC Mapi*

Figure Four: District Plan Map L9 – annotated to identify the subject site: *Source Tauranga Planning*

CURRENT RESOURCE CONSENT

The existing resource consent for the High-Performance Sports Centre (HPSC) authorises:

- A tertiary education premises, "land and /or buildings used to provide … sport training establishments and ancillary administrative, cultural, recreational or communal facilities2".
- A health centre in conjunction with the tertiary education premises and for general public upon appointment.
- Carpark for 98 car parks and loading areas. The consent approved a shortfall of 2 carparks, satisfied that they can be provided for on the street; and approved the traffic generation for an activity providing more than 25 car parks.
- Building signage (being more than 1 sign up to 2m2)
- Buses confirmed to be able to use the Miro Street sealed area adjacent to the building.
- Condition requiring the retention of the existing fence along the northern and western boundaries.

The resource consent confirmed that the NES, National Environmental Standard for Assessing and Managing Contaminants in Soil to Protect Human Health Regulations 2011, does not apply. Specifically, that a HAIL activity is not likely to have been undertaken on the site, and therefore the regulations are not relevant.

The application specifically assessed effects on the immediately adjoining neighbours at 41 Kawaka Street, 63 Tawa Street and 50 Miro Street (BVL ownership). Overall the consent concludes that the sports related use of the building and site complements the sporting activities being undertaken on Blake Park.

Analysis

City Plan Zone

The site is located within Residential H Zone under the Tauranga City Plan. The zone typically provides for a range of medium density residential activity located to compliment surrounding activities and amenity, with proximity to shopping areas, the beach, harbour and recreational activities. A range of complementary non-residential uses are envisaged; however, the intent of the zone is to provide for residential developments.

Activities

Tertiary education facilities are Discretionary, and office and café/restaurant activities are Non-complying activities with resource consent required to consider wide effects and consistency with the zones objectives and policies. Particular consideration would be needed in respect to any cumulative effects of the further use of the High Density Residential zone for commercial activities. Assessment would consider the location of the site on the periphery of High Density Residential, proximity to surrounding business activities and high intense active indoor and outside sports, in a high use road corridor and environment containing extensive landscaping and greenspace. Consideration would also be given to the development being an expansion of the existing approved HPSC use already established.

Bulk and location

While developments are encouraged to maximise building bulk and scale, in keeping with higher density environments, the layout and design of buildings are required to address overshadowing envelopes, and separation from adjoining sites of 1.5m and the road frontage of 3m. The intent of these envelopes and setbacks is for maintenance and amenity, both of which are able to be addressed by design, consideration of building location and uses on adjoining sites, and provision of a high level of amenity at the public/private interface. A building showing set back from the properties to the north and west is encouraged, with best use of the site supporting the building located closer to the existing HPSC building.

Building height above the permitted 9m would need to consider a View Shaft Protection Area identified in the City Plan (protecting views to the Mount), and assessed with consideration of the surrounding environment, built form, ground conditions and building design elements, particularity the treatment on the road frontage and adjoining sites to the west and north.

Parking and traffic

Parking requirements are listed in the City Plan with minimum provisions specific to proposed activities. Any development with more than **25 car parks requires resource consent and provision of a Traffic Assessment**. The Traffic Assessment would provide appropriate consideration of any actual parking needs. The current resource

consent notes that any changes to the footprint of the building will require a review of the number of car parks provided.

Provision of on-street parking has been recognised in the current resource consent for overflowing parking and buses. This arrangement and designated parking areas along Miro Street has been explored with Council at a high level and potential to formalize through a license to occupy. Discussion around this will require supporting Resource Consent and a detailed traffic assessment outlined carparking requirements.

Potential Implications

A resource consent application would need to consider traffic generation, parking locations, displacement, design and manoeuvring.

Notwithstanding the above, the concept does have wide risks of being notified. The City Plan zoned the site for development of high density residential. The scale and location of the building addition, carpark capacity and layout, would require consideration of adjoining neighbours and public/private interface.

2.5 TRAFFIC

The site is residential and comprises several regular cross over and driveway access points on Miro Street and Kawaka Street leading to a formed asphalt car parking area adjacent to the main facility.

The surrounding road network is typically low volume, with the volumes and congestion increasing significantly on Blake Park event days such as one day cricket international games or the AIMS Games. Three bus routes are located on Mount Manganui Road with 250m walking distance from the subject property.

Car Park Investigations

To understand current and future car parking requirements for the facility Veros in conjunction with BVL have undertaken a high-level traffic survey based on the existing improvements to establish a current baseline regarding required number of parks. This data was then used to inform initial discussions on car parking requirements for the proposed concept design.

We outline below the initial data set obtained from the survey.

Traffic Survey Data

Time	5/08/2019	14/08/2019	23/08/2019
	Mon	Wed	Fri
7:00am	15	20	10
8:00am	20	58	23
9:00am	40	69	68
10:00am	40	73	83
11:00am	52	73	80
12:00pm	59	62	50
1:00pm	58	57	43
2:00pm	62	65	68
3:00pm	65	69	79
4:00pm	52	72	86
5:00pm	32	54	n/r

Figure Five – Traffic Survey Data

This confirmed a maximum occupancy of the existing car park recorded at 86. The current parking supply is 98 car parks. An assessment from the existing Traffic Assessment report confirmed that the existing provision was satisfactory, and an oversupply of parking was provided. This assessment was done on proposed occupier numbers and was not tested against actual data. Final consent approval identified and allowed for a shortfall of two car parks. This was on the basis that additional requirements would be provided for on street.

Based on the proposed development in our view there will be an undersupply of parking. We recommend that once occupiers and their operating structure is confirmed that a Traffic Assessment is undertaken to establish actual parking requirements. A Traffic Assessment will be required as part of any Resource Consent application.

An initial desktop assessment undertaken by Aurecon based on the new proposed areas and data obtained from the onsite survey placed the car parking requirement at c. 140 car parks. This is a shortfall of c. 41 spaces based on the current development proposal. Aurecon have indicated that this number can be refined, and the shortfall likely reduced, as details around the breakdown of the space and potential occupiers is known. However, Aurecon have confirmed that based on the expansion, and the current level of carpark use (86 occupied – max recorded) that the site will have an undersupply of parking.

As above it has been recommended that a detail car park assessment be prepared as part of any new Resource Consent Application. This will need to be done in conjunction with occupiers and related uses to ensure that any application realistically reflects actual uses on site.

As part of any new Resource Consent offsite parking will need to be considered. This will need to be at complementary times to requirements of AHPSC and close enough for people to want to use it and walk.

Revised consent will also need to again address the high number of users that arrive by bus and drop off.

Outside of this there is also the potential to acquire a license agreement for spaces on Miro Street to accommodate any additional overflow. Council have indicated that they would potentially consider this, however any application will need to be supported by appropriate traffic assessment and resource consent application.

2.6 ECOLOGICAL AND CULTURAL

No independent review has been undertaken. Any potential risk to a new development within a new subdivision is considered to be low as this is typically addressed at subdivision stage.

2.7 ENGINEERING AND INFASTRUCTURE SERVICES

A preliminary civil engineering (desktop) assessment was prepared by Lysaght Consultants.

A desktop review of the development concept was also carried out by Lysaght to determine the civil engineering requirements. This review can be found in **Appendix Five: Preliminary Civil Engineering Review.**

Wastewater

In summary, Lysaght's were comfortable with that the existing wastewater; (mains located on the northern side of Kawaka Street and Western side of Miro Street) provisions and connections would be satisfactory for the proposed

development. Lysaght's recommended that final calculations will be required to determine peak flow rates once the final proposal was completed.

Water

Water supply is to be serviced by 100mm dia watermains on Miro and Kawaka St. Lysaghts have confirmed that existing provisions will be satisfactory for the proposed development.

Stormwater

Lysaghts have noted that rainfall runoff from the car park and part of the building roof are directed to soak holes located around the building perimeter and throughout the car park. Part of the building roof catchment it also directed to the existing SW pipe network in Miro St. No soak hole information was found for the car park at 52 Miro St but is assumed to be present.

Any proposed alterations will require:

- Site investigation of the existing soak holes to assess effectiveness.
- Possible clean out of existing soak holes.
- Possible relocation of soak holes depending on new building footprint.
- If it is determined from site investigations that new soak holes are required, testing of soakage rates will then also be required.
- Capacity checks can also be carried out of the existing SW Main in Miro St.

As the last building alterations were carried out in 2015, there is likely to be an increase in runoff storage requirements for the 10% AEP rainfall event. This is due to updated rainfall figures as a result of climate change.

Flooding

According to Tauranga City Council's (TCC) MAPI GIS system, the site contains two floodable areas. One area is internal and covers approximately 325m², the second area is overflow from the road corridor from Miro Street with an area of approximately 230m².

TCC have confirmed a flood level of RL 4.39m.

As mentioned above, it can be seen from Figure 1 that there is localised ponding on site, and overflow from Miro St. According to the TCC Infrastructure Development Code Design, it must be demonstrated that the 2% AEP event (50-year storm) runoff will not adversely affect adjacent property. Lygsaghts have confirmed that as most of this site is already impervious, it could be argued that there will be little to no increase in runoff for the larger storm event.

The figure below shows an internal ponding area during the 1% AEP storm event to a level of RL 4.39m. Proposed building pad levels will need to have 0.3m freeboard above this level. Any alterations will require detailed site investigations to understand existing soak holes and their effectiveness.

Figure 6: Flood Maps - TCC

Power

Lysaghts engaged with Powerco to comment on the proposal. It was confirmed that any new development would require upgrade of the existing 11kV Network Transformer. This would ideally be an on-site transformer to supply the required load. Costs relating to this work have been adopted in final feasibility costs.

Any location for the proposed transformer was advised to keep clear of the existing flooded area.

2.8 Fire

An assessment of the existing facility has not been undertaken by a Fire Engineer. It has been assumed the existing building is currently to a level that meets or exceeds code requirements.

We highlighted fire requirements as per advice from Architect and Marra Construction specifically to the refurbishment and new gym facility within the construction section of this report. Though any final design will need to include reference to a final fire design assessment.

In addition to the above we have highlighted a section relating to fire issues pertaining to the impact any new development at 48 Miro Street will have on the subject site.

2.9 NATURAL HAZARDS AND GEOTECHNICAL

A desktop geotechnical assessment was prepared by Coffey Geotechnical Consultants. This is a preliminary report and as such, detailed geotechnical assessment will be required as part of more detail investigations to the site they may also give appropriate consideration to determine any liquefaction implications, if any, in order to confirm the building foundation design.

Natural Hazards

- Flooding – as per above
- Tsunami - The site is within the Yellow tsunami evacuation zone as set by the Ministry of Civil Defence & Emergency Management. This Yellow Zone is defined as the area expected to be inundated by the 2,500-year tsunami at the 84% confidence level.
- Liquefaction - Geotechnical Database (NZGD) shows the area to be underlain with loose to very dense dune sands. The groundwater table is estimated to be around 3m below existing ground level. This combination of loose, granular subsoil and relatively shallow groundwater is consistent with the high liquefaction potential. This is as per existing and generally consistent with the local area.

Contamination

The resource consent confirmed that the NES, National Environmental Standard for Assessing and Managing Contaminants in Soil to Protect Human Health Regulations 2011, does not apply.

Specifically, Tauranga City Council's GIS indicates that no "land use information" is held for the property, which means that the site is not registered on the Hazardous Activities and Industries List (HAIL).

Geotechnical

On the basis of the information reviewed and report provided by Coffeys, the primary issues with the potential to impact the proposed development are:

- The site of the proposed extension has previously contained buildings. The method of demolition used to remove those structures is unknown and therefore may contain uncontrolled/undocumented filling below the proposed footprint. If present this would require localised (small volume) or bulk earthworks to improve bearing capacity
- The potential for earthquake-induced liquefaction of the underlying dune sands that could result in significant subsidence of the ground surface without appropriate foundation/ground improvement design. This is aligned with existing and local area generally.

Coffeys have confirmed the site to be appropriate for the proposed development, subject to site-specific geotechnical investigation, analysis and foundation design which is to be completed in conjunction with detail design. While localised remediation may be required to treat "soft spots", and/or areas of undocumented filling, the ground conditions may be generally appropriate for shallow foundations with minimal earthworks.

3.0 SWOT ANALYSIS

We have undertaken a SWOT analysis of the strengths, weaknesses, opportunities and threats given its locality to Blake Park and we have also assumed its redevelopment potential for commercial use, being predominately office and Gym.

STRENGTHS	WEAKNESSES
Building adjacent to the Adams High Performance Centre – semi commercial activity	Non-complying regulatory environment
Car parking on site for approx. 19 to 32 parks dependent on preferred scheme	Height control
Flat site	Parking control
Services at boundary	Caveat from Tauranga City Council on Title
Central location to Tauranga, Mt Maunganui and Airport.	Limited potential for external building interface with Miro Street
Other adjacencies (Blake Park, Cricket oval, rugby, hockey, etc.)	Limited on-site amenity or outdoor spaces
Co-location in Mt Maunganui to Hot Pools, Aquatic centre etc.	Adjoining residential properties (complaints, resource consenting, etc.)
Close to a range of short-term accommodation options	
Close to Mt Maunganui entertainment precinct	
Close to Pilot Bay beach and Mt Maunganui Beach	
Café Mixture opened next to Blake Park	

OPPORTUNITIES	THREATS
Leverage off the success of Adams High Performance Centre	Flooding inundation – impact on RL's
Work in with BOPRU development concept	Approval from neighbours
Orientate design towards the Adams High Performance Centre	Parking dependent – cannot use Adams High Performance Centre
Potential for café / outdoor seating	Leasing the building – minimum thresholds to commence development
Possibility to secure car parks at the Adams High Performance Centre	Market rentals – securing $300/m²
Anecdotal demand - both existing and new tenants	Cost escalation
Build and retain – viable investment returns	Tauranga City Council approvals
	Procurement protocols and impact on cost and time

4.0 Bulk & Location Option Study Overview

To support our final Property Business Case, Veros/BVL have engaged Archistudio to undertake a B & L study of various configurations for the proposed new gym facility. This work was completed based on the above brief producing several options for review and consideration. A total of 13 options were completed.

In order to accurately address the redevelopment opportunity for this project Veros worked with BVL to establish and initial brief for the proposed gym/office conversion and the new gym facility. This brief informed the initial bulk and location (B & L) option study prepared by Archistudio alongside input form BVL & Veros.

We outline the basis of the brief for the new gym facility provided below -

- New Gym approx. 900 – 1,000m²
- 2 separate weights areas (6 to 8 stations/platforms)
- 1 cardio area
- Storage / ice room / cleaning equipment and supplies storage
- Office for 3 coaches with visibility of gym approx. 30m²
- Height, same height as current gym at highest point
- Reinforced walls/ soundproof / access control – single point
- 2x gym changing rooms including 3x new plunge pools
- Convert front office into new reception/office with visibility of the gym
- 40-50 metre indoor running track

The full brief and landlord/tenant split can be found in **Appendix One: Brief** and **Appendix Two: Landlord/Tenant Split**.

As secondary brief was also requested to accommodate the space requirements for an indoor cricket facility. This was provided as per below.

- Space of 45 m x 15 m – 675 sqm
- Separated from main gym facility
- Sound proofed and access controlled
- Expansion to second level office areas.

This brief was considered in conjunction with the original brief. However, following detail review of B & L option studies this was removed as part of the final concept design. This relating to issues around matching requirements of the brief, planning considerations, traffic and overall impact to the site.

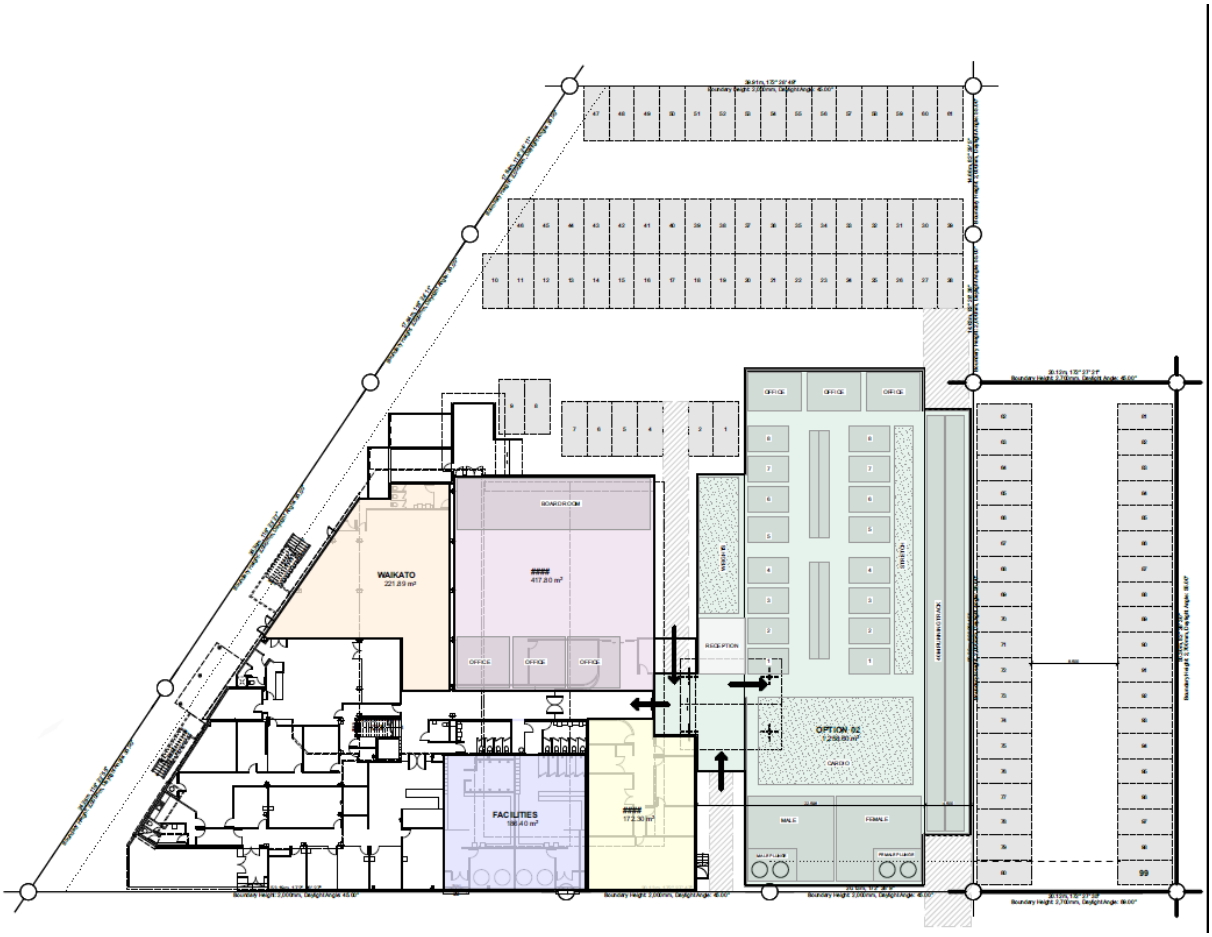
This initial body of work provided an excellent basis of location and form of the proposed options. Interestingly they provided a good initial understanding of the overall bulk requirements, relationship with existing buildings and impact on existing car parking.

Veros subsequently met with BVL and reviewed the options. From the 13 options provided 2 options with variations to accommodate a potential cricket facility were chosen as preferred. This review was completed against key criteria

and assessed on a risk matrix. When preparing and interrogating each option, consideration was given to initial planning advice with any encroachment on neighboring properties being minimised.

With consideration to the characteristics of the site, consented environment and revised brief, two final concept plans were developed to test and confirm the spatial requirements of BVL. When preparing and interrogating each option Veros attempted to maintain an alignment to the consented building footprint following initial planning advice. The two floor plan concepts can be found in **Appendix Three: Building Floor Layouts**.

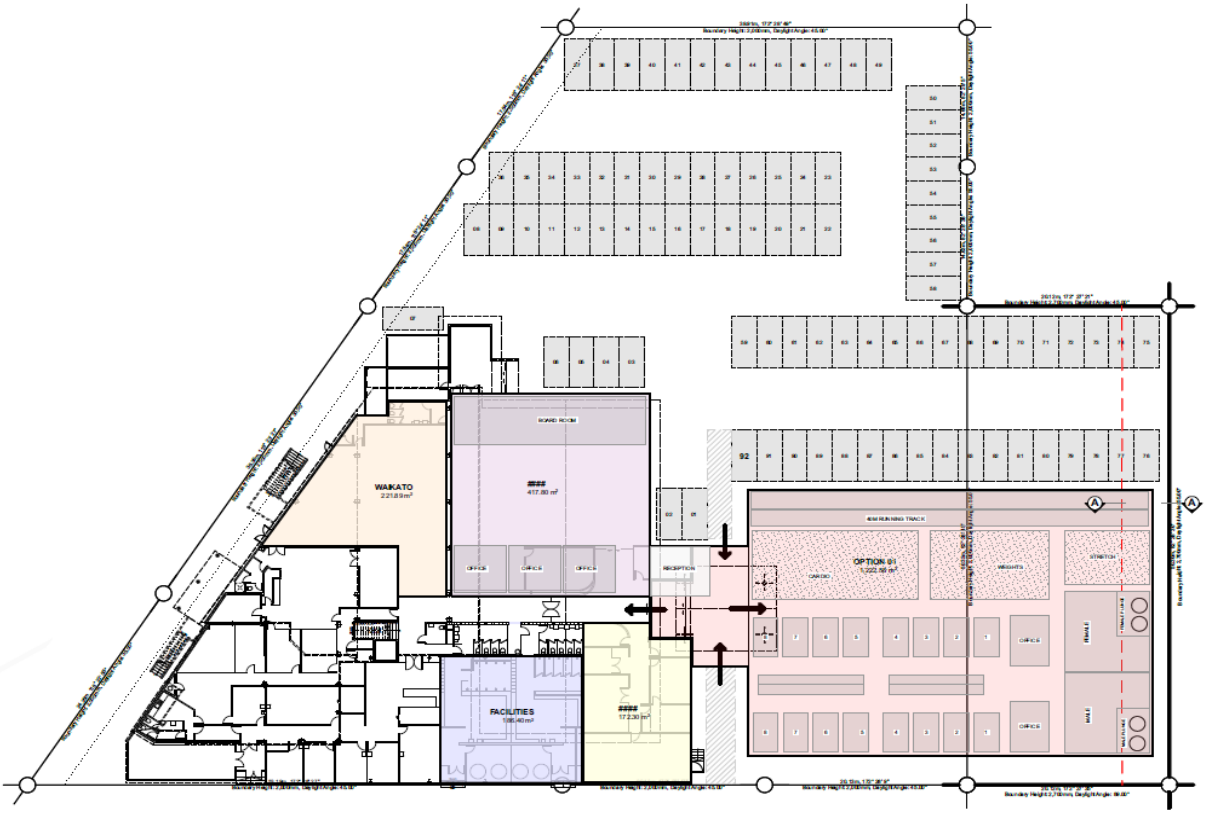
4.1 Option One



Key features of Option One floor plan:

- New Gym Gross Floor Area of 1,258.60m²
- Open plan gym area
- 3 x separate meeting room areas within gym area
- Stretching area
- Separate Male & Female Changing Area
- Male & Female plunge / Ice Pool
- Reception and lobby area
- Separate weights are
- 40m, two lane running track
- Stretching area
- Reconfiguration of existing gym space

4.2 Option Two



Key features of Option Two floor plan:

- New Gym Gross Floor Area of 1,222.50m²
- Open plan gym area
- 2 x separate meeting room areas
- Stretching area
- Separate Male & Female Changing Area
- Reconfiguration of existing gym space
- Reception and lobby area
- Separate weights are
- 40m, two lane running track
- Stretching area
- Male & Female plunge / Ice Pool

4.3 Option Assessment

Criteria	Option 1	Option 2
Area	1,258.60 m²	1,222.58 m²
Access	Entry compromised by proposed configuration. Does not relate well to carparking areas and access from the street, although does provide dual access from two frontages.	Existing Entry reception retained in part. Option provides better entry to both existing and proposed facilities. Car parking limited to one area / access.
Configuration	Near Regular shape	Regular shape
Carparking	Total of 99 spaces Provided – somewhat disjointed and not linked well with access. Over current position (1 space) and exceeds survey numbers. Layout creates some functionality issues regarding connectivity of car park	Total of 92 Spaces provided – configuration works well with access and is contained to the rear of the site. Parking position is less than existing though exceeds survey numbers
Construction Costs	Near regular shaped building offset from Existing facility – minor issues relating to residential boundaries.	Regular shaped building offset from Existing facility – simple in terms of buildability.
Visual Impact	Aligns with existing facility to street frontage Though proposed layout means hard fronting to the street.	Slightly set back from street front – will allow for amenity planting or some buffer to street. Gym layout works better with street frontage (some visibility can be obtained).
Running Track	40 Metre track provided – over run area provided can be to both Miro Street and Carpark area.	40 Metre track provided – overrun area compromised by reception area
Functionality	Great use of space, creating better functionality and zones for gym uses. Greater area reduces compromises to overall space.	Smaller GFA creates some issues. Some concessions on brief are a result (i.e. reduced number of offices; placement of works stations)

4.4 Preferred Option

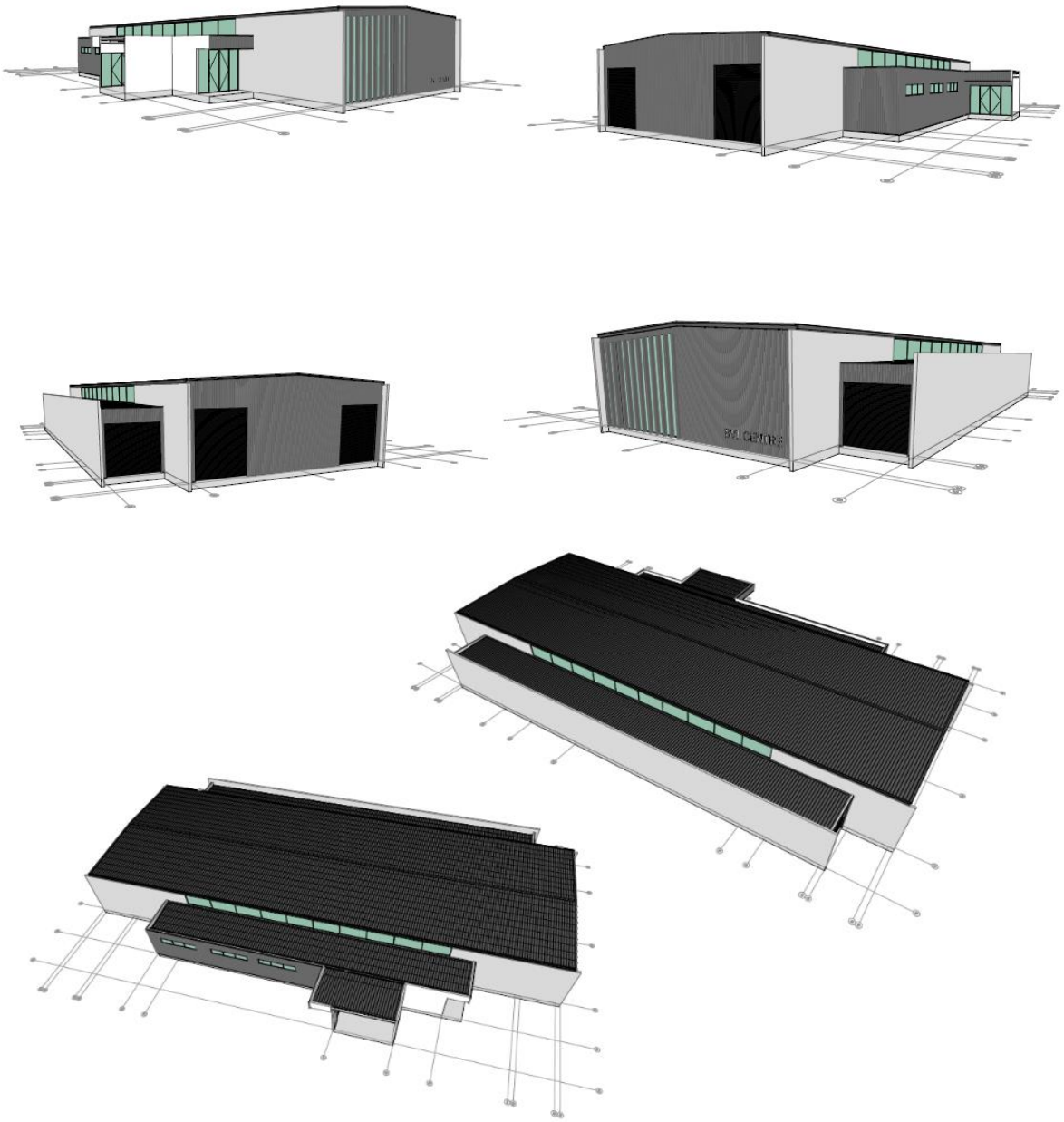
Following a review of the two options by Veros & BVL, **option one** was identified as the preferred option subject to modifications to the internal layout and the inclusion of some internal walls.

While the floor plan options were sufficient to test and confirm the spatial requirements of BVL for the purposes of this business case, the internal layout of the building will require further refinement during the development of a detailed design and further engagement with proposed tenants in order to be fit-for-purpose.

5.0 DEVELOPMENT CONCEPT

Having determined the required building footprint and optimized layout of the new gym facility a broader development concept for the site was prepared, incorporating the remaining elements of the brief. This was used to further inform final pricing from Marra.

Below are some of the concept designs for the Gym Facility – Architectural Perspective. These images start to consideration to street frontage and entrance elements. These will be critical given the bulk of the proposed improvements and sensitivity to the surrounding amenity.



The full set of development concept plans can be found in **Appendix Three: Development Concept Plans.**

5.1 Preliminary Planning Review

Planning advice has identified the following based on initial B & L work and concept designs

The planner has reaffirmed that the site is unique, it has a history of being used for non-residential purposes and the current use aligns strongly with Blake Park Reserve and associated codes. Consideration would be given to the development being an expansion of the existing approved HPSC use already established.

Layout and design of buildings in the zone are required to address overshadowing and separation from adjoining sites and the road frontage. The concept addresses the envelopes and setbacks for maintenance and public/private amenity, along with best use of the site with the building located closer to the existing HPSC building.

A resource consent application would need to consider traffic generation, parking locations, displacement, design and manoeuvring.

Notwithstanding the above, the concept does have risks of being notified. The City Plan zoned the site for development of high density residential. The scale and location of the building addition, carpark capacity and layout, would require consideration of adjoining neighbours and public/private interface.

6.0 BOPRU Concept 48 Miro Street

To support our B & L Study, property and feasibility review, Veros have also considered the impact of the Bay of Plenty Rugby Union development proposal at 48 Miro Street to construct a 3-level building containing 52 bedrooms (102 beds) being 500mm from 50 Miro Street's northern boundary.

We have reviewed the proposed concept and provided relating commentary in an earlier report specifically relating to 50 Miro Street. This provides detailed review and highlights key areas of consideration and a risk assessment relating to 52-54 Miro Street.

We have also provided further recommendations and conditions relating to approval of the proposed development for BVL to consider alongside this proposed development.

7.0 Tenancy Overview

We have been provided with existing tenancy details relating to the current improvements. We have reviewed these to provide initial context to rental and occupier information.

7.1 Tenancy Summary / Overview

We provide a summary of the pertinent information below –

Tenant	Area (overall)	Rate ($/m²)	Total Annual Rent	Term	Expiry	Carparks	Carpark Rent
Body & Motion	213.3 m²	$318.00	$67,829.40	6 years	25 January 2022	Share of common car park	n/a
NZRU	282.90 m²	$265.87	$75,215.00	7 years	1 January 2025	Share of common car park	n/a
University of Waikato	272.60m²	$344	$93,572.00	9 years	30 April 2025	Share of common car park	n/a
BOPRU	522.30 m²	$170.44	$89,020.5	6 years (2x3 ROR)	25 January 2022	Share of common car park	n/a
TOTAL	**1,291.10m²**		**$162,594**				

The above indicates general market parameters apart from BOPRU which to an extent was completed off market. Leases are on a net basis with outgoings payable. They also incorporate the ability to used shared facilities (i.e. gym and changing rooms) and this is reflected within the above rates.

In addition to the above BVL have also confirmed that the assumed capacity for the new Adams Academy gym will be 240 Athletes. This in based on the new concept design. BVL have indicated that on average each member will pay $35 per week equating to gross income/revenue of $406k or Net income/revenue of $211K per year. We have adopted this figure within our feasibility analysis for this project and assumes full occupancy.

The current rental rates for the space are applicable for the current space and premises.

8.0 MARKET REVIEW

8.1 Overview

We have assessed market demand in respect to office activities that could locate on the site alongside the Adams High Performance Centre taking into account the strengths and opportunities identified in the SWOT analysis.

The Tauranga CBD office market is characterised by a mix of office stock that predominantly comprising all office grades. More recently a number of buildings have been constructed or refurbished providing a reasonable amount of A grade stock. These building include the ANZ Centre, 35 Grey Street, the Old Post Office and other buildings that are identified via their tenants being Craigs, Sharp Tudhope, Lone Star, Croombie Lockwood, Telfer Young, and the Regional Council building. Demand for more modern premises continues to be strong accommodation where vacancy levels are quite low. Specifically, to Mount Maunganui good quality space is limited and demand is greater than current supply.

Demand for new large office space is typically limited to large national corporate occupiers which are fairly thin in the current market. Notwithstanding, there is growing demand for smaller office tenancies if they can be delivered to the market at an affordable level, sub $300 per square metre.

The recent new and refurbished buildings have driven an increase in market rents for new space to over $300 per square metre reflecting the cost of development and increased appetite for higher quality accommodation. A key consideration in the current market is that given this increase in rents for new and refurbished accommodation, there is now a significant gap between good quality space and older C Grade space.

8.2 Rental Market Overview

Office Rentals

Evidence for recently constructed and modern developments within central Tauranga and Mount Manganui suggest a market rental range for office accommodation at the subject property to be between $275 to $350/m² +. For refurbished 'A Grade' office space the rental range is generally between $250m² - $335/m². having considered the likely attributes of the refurbishment concepts and market evidence, we believe a fair asking net rental to be $250/m² to $300/m². We have adopted the upper end of this limit to reflect the full height open plan area and the lower end in consideration of lower stud and reduced natural light availability.

We have considered that demand will likely come from existing tenants and see a premium attached as being surrounding by similar users and there is also a premium attached for use of the additional amenities offered.

We have not adopted a market rental for the gym, acknowledging this is to be provided in conjunction with other lettable space.

Gym Rentals

We have undertaken a cursory review of rental evidence pertaining to gym space. Again, this in relatively wide-ranging given uses range from purpose-built space to conversion of existing premises. The upper end of this sits within converted retail space for "high street" gyms and sits within the range of $250/m² - $300/m². For purpose built spaces that a more reflective of industrial premises with an internal fitout rents range from $200/m² - $250/m²

for recently constructed and modern developments within central Tauranga and Mount Manganui suggest a fair market rental range for office accommodation at the subject property to be between $275 to $350/m². Having considered the likely attributes of the redevelopment concepts and market evidence, we believe a fair asking net rental to be $325/m².

We have however, not adopted a market rental for the gym, acknowledging this is to be provided in conjunction with other lettable space and income is generated via Adams Academy Subscriptions. BVL have confirmed that additional income can be obtained via the Adams Academy as per the existing facilities. We have adopted the projected revenue figures provided from BVL.

BVL have indicated that on average each member will pay $35 per week equating to gross income/revenue of $406k or Net income/revenue of $211K per year.

Rental Other

BVL have also advised that they are likely to obtain additional rental for the existing training camp offerings. BVL have provided a nominal figure but expect to include this within existing lease agreements going forward.

Our assessment of market rents is summarised in the following table:

Activity	Estimated Rental Range	Veros Adopted
Office (A Grade) – high stud	$250-$325/m²	$300/m²
Office (A Grade) – Low Stud	$220-$250/m²	$250/m²
Amenities	n/a	$300/m²
Carparks	n/a	n/a

Table Two: Summary of market rents.

REVENUE - incl common areas	Area	$ / m2	TOTAL
Gym	1,258.60	$0	$0
Adam's Academy	240 Athletes		$211,320
Office Refubishment - High Stud	417.80	$300	$125,340
Office Refubishment - Low Stud	221.89	$250	$55,473
RFU - Amenities	186.00	$300	$55,800
Conference / Training Camp Room	78.00	-	$12,000
Parks	99.00	$0	$0
TOTAL REVENUE	**2162**		**$459,933**

Table Three: Summary of market rental Analysis

8.3 Demand Assessment

BVL have reported that existing tenants (NZRFU & University of Waikato) have highlighted demand for additional office area. Existing discussions have been held internally with both tenants regarding space and initial terms. BVL have indicated that both tenants would occupy the refurbished office space provided.

BVL have also raised that outside of this discussions have also take place with NZ Cricket; Northern District Cricket, and BOP Cricket. These occupiers would be suited to the current premises and value would be attributed to them for this space given proximity to similar occupiers and the additional facilities offered.

8.4 Tenure

Given the nature of the space and as with any new lease that will underpin development / refurbishment works, our recommendation is that any new lease will need to be of a minimum of 6 years, ideally 10 years, or alternatively options for renewal.

We would also recommend that any new lease would be review annually to CPI with market reviews ideally to be undertaken 3 yearly or captured at renewal of lease.

With any new lease of 6 or more years we would expect that a rent-free period of 3 months to be provided or alternatively a contribution to lessee fitout works to an equivalent value.

8.5 Return on Cost – Develop and Retain

As BVL intend to retain the property as an investment on completion, the performance of the development is more likely to be assessed on a return on cost. Accordingly, Veros have primarily had regard to a return on cost approach, as opposed to a required development margin following a sale of the property. Veros have not been advised what target return is required by BVL. Typically, current range within the market for an investment model can range between 4.5%-7.5%, depending on whether the development opportunity is being treated as an owner-occupier or standalone investment for the underlying owner.

We have proceeded on the basis that BVL will hold the property as a long-term investment following completion of any development and therefore would be prepared to hold the property at 5% or more.

9.0 PRELIMINARY FEASIBILITY

A preliminary feasibility study of the development concept was undertaken on basis of agreed B & L concept. The preliminary feasibility study can be found in **Appendix Four: Preliminary Feasibility**.

9.1 Construction Costs

Having reviewed the development concept, brief, preliminary landlord/tenant split and preliminary civil infrastructure requirements, Marra Construction (Marra) has estimated the total development cost to be approximately $4.6 million + GST. A full copy of the estimate can be found in **Appendix Five: Construction Estimate**.

They have summarised their preliminary estimate as follows:

	Cost
Site Preparation and Demolition	$218,000
New Gym - ($2,154/m²)	$2,714,000
Internal Gym Alterations	$558,000
Body-In Motion Works (Prov)	$160,000
External Works	$170,000
Drainage	$65,000
Transformer	$100,000
Design and Consent	$320,000
Design Contingency	$300,000
Total	$4,600,000

Table three: Breakdown of Preliminary Construction Estimate

Site preparation and demolition

Marra has accounted for the demolition and removal of the existing dwelling, garage, service disconnections, and partial removal of the existing asphalt driveway. While allowance has been made for a survey of asbestos on-site, no provisional sum has been made for its removal if required. This is estimated to cost $20,000.

General building works

A construction rate of $2,154/m² has been estimated. Building specifications are consistent with a modern industrial building, including precast panels, Rodeca Cladding in aluminium frame, aluminimum windows and doors, feature glazing in part and coloursteel roofing.

Floor finishes include a mixture of vinyl, ceramic tile, shower wall vinyl and carpet tile to office areas. Open span ceiling to gym areas and suspended grid and tile ceilings are included to office areas to gym with a level four paint finish on new internal walls. An allowance has been made for tiger turf running track. Carpet tiles to refurbished office areas and suspended ceiling to low stud offices. Existing raked ceiling to remain to high stud area. Kitchenette to new open plan office area and reception counter to new facility entry. All other fixtures, fittings and equipment have been excluded, including kitchen bench units and appliances. Provision for AV / visual equipment has been allowed but this does not include any fixtures or equipment.

The structure of the building is specified as a 125mm concrete floor slab a portal steel frame and infill timber framing. Light steel framing is provided for to all internal walls.

General electrical, plumbing, fire protection (type 4 alarm system – no provision for sprinklers), data and communications are noted as being included. However, further interrogation will be required during the development of a detailed design. Advice from both the architect and contractor are that fire sprinklers will not be required within the building with the provision for fire sprinklers being excluded from the estimate.

It is important to note that HVAC has been provided but Marra have only allowed for fresh air make up from opening of windows. This is not consistent with an A-Grade office specification, with a further $50,000 required to upgrade the system to a suitable standard.

External works

Externals works encompasses all works associated with:

- vehicle entrance upgrade
- Concrete paths / Entry areas
- Curb and channelling
- Line markings
- Minor fencing adjustment
- Landscaping with a provisional sum of $20,000.

Design and consent

All architectural design fees, structural engineering (including Council peer review), fire design, services design, design management, scaffolding and scissor lift access, professional indemnity and public liability insurance, and building consent fees are all incorporated into the estimate. However, the following exclusions are identified in respect to external consultants:

- Geotechnical Investigations.
- Civil Engineering Design.
- Resource Consent preparation and fees.
- Landscaping design.

Design contingency

This is a contractor contingency and the result of the high-level, preliminary and conceptual nature of project. As such, it is expected that this will significantly reduce during the development of a detailed design.

Summary

Based on our experience, these costs are considered to be high, having regard to the size and specification of the proposed development. Whilst costs do appear to be high, we note it is difficult to accurately price a development based on initial concept design. Further interrogation is required to further understand design and allow the contractor to make a more informed assessment of price.

Veros have experienced a wide variation in contractor pricing in recent times. We therefore recommend proceeding to develop a more detailed design through an LTF design-build procurement process, providing Marra an

opportunity to develop a more robust construction price that can be locked into a design build contract. If there is any uncertainty regarding the construction price presented by Marra Construction, we would recommend a market procurement process is undertaken.

9.2 Financial Contributions

These will be confirmed on final design and application at Resource Consent stage. We have made an assumption within our feasibility based the proposed concept design but note these will be subject to change.

9.3 Feasibility Terminology

The terminology of the Veros feasibility model is further explained below:

- **Up-front costs** – the value attributed to the land and building of 50 Miro Street
- **Due Diligence & Cost to Date** – upfront costs associated with due diligence, business case and other consultants.
- **Consenting** – pre-resource consent assessment (Development Management / Traffic / Planner / Engineering / Architect).
- **Look-Touch-Function Document** – the next step in design that includes Architect and other consultants where the development starts to take shape.
- **Earthworks** – kerbs /crossings / pavement / carpark / landscape / base course / fencing / landscaping.
- **Demolition** – removal of all structures above ground and basic site prep.
- **Site Preparation** – excavation of site for larger loading if required.
- **Construction** – pad and foundations / building structure / landlord's fitout.
- **Contingency** – additional allowance on top of construction estimate. Approximately 10%
- **Design Consultants** – detailed design to establish how to deliver project (Architect / Engineers – structural, mechanical, electrical, fire, civil, geotechnical, traffic, acoustic).
- **Legal and Accounting** – legal costs associated with project set-up, establishing construction contracts, lease documentation and accounting.
- **Holding Costs** – rates and insurance payable throughout development period.
- **Development Management** – cost associated with management from idea and concept to final commissioning and delivery of the project.
- **Council Fees** – cost of Consents (Building / Subdivision / Earthworks / Code Compliance Certificate)
- **Selling and Leasing Costs** – agency fees, if applicable.
- **Development Funding** – funding costs to completion / mainstream banking / alternative funding options.
- **EGFA** – Exterior Gross Floor Area for build cost calculation.
- **NLA** – net Lettable Area being effective area that can be charged to a tenant.
- **Income** – net lettable area times the market rate ($/m²).

- **Income analysis** – compares what the $/m² needs to be given a set rate of return.
- **Value** – sale price achieved if development is sold.
- **Profit / Margin** – sale price less total development cost.
- **Return on Investment (ROI) on cost** – total development costs against realisable income and reflected as a yield percentage.

9.4 Feasibility Summary

The total development costs of $6.18m indicate a potential return of 7.52%, based on a total revenue of $459,933 plus GST. Alternatively, with the land cost of 50 Miro Street removed the total development costs of $5.48m indicate a potential return of 8.36%, based on a total revenue of $459,933 plus GST

Construction costs are indicative only and therefore the performance of the feasibility is subject to change. Notwithstanding, development costs contain a high level of contingency relative to the design detail currently available. There will also be the opportunity to value engineer design and get more certainty around construction costs as design progresses.

Critical assumptions

It is important to note that the following critical cost assumptions have been made in preparing the preliminary feasibility:

- Land value of $618,750 (exclusive of GST) has been adopted, being the purchase price for 50 Miro Street as per BVL Confirmation.
- A 'Look Touch Function' (LTF) design-build procurement process has been adopted. This represents an additional cost of $61,000 but will result in subsequent savings due to the refinement of the design.
- Allowances have been made for, civil engineering, architectural, structural and fire engineering within the LTF process.
- A full Geotechnical assessment is required. Based on the current desktop assessment it is assumed that there are no underlying issues with land.
- Development Management fees have been estimated to be $65,000, based on full involvement during pre-construction and a reduced role during construction.
- Project Management fees for construction and an overlap into the LTF process have been included.
- The property is currently leased for a residential household on a short-term rolling lease. The tenancy may be terminated with 90 days' notice. We have not included the cost or income component of this within our feasibility analysis

Return

The preliminary feasibility study concludes that the development concept has the potential to produce a potential return on cost of 7.52%, inclusive of the land and building value of the proposed development. This is a favourable return and is aligned to current market returns (4.75% - 7.5%) under a typical investment model. We would suggest that under a development model a return at this level the project would be worth pursuing further investigation.

Land Value – 50 Miro Street

We have for a comparable position also looked at the return on cost position taking into consideration the cost of land at 50 Miro Street. On the basis this was already purchased for strategic reasons and the costs of land was removed the return on cost would be **8.36%.**

10.0 DEVELOPMENT PROGRAMME

The feasibility assumes the project would be completed within 15-18 months of a decision to proceed. Specifically, Veros anticipates that is will take between 3 to 4 months to complete an LTF design package, engage a preferred contractor and refine pricing. A further 4 months will be required to develop a detailed design and obtain any necessary consents in collaboration with the contractor. A further 6-8 month construction timeframe is predicted, with 1 month provided for post-construction responsibilities.

11.0 RISK ANALYSIS

The above feasibility results are based on development costs and market assumptions. Whilst a scheme may reflect a positive return on investment, there are a number of additional aspects that need to be considered in determining a preferred option. We have considered these risks and summarised the potential impact of those upon the viability of the development concept.

Assessment	Comment
Low	**Return on Cost** ▪ Feasibility currently reflects a reasonable return with adequate contingency – though perceived as low under a typical market investment model
Low	**Ecological and Cultural** ▪ No ecological or cultural significant sites identified through resource consent process.
Low	**Serviceability** ▪ Council water main with suitable capacity available. ▪ Capacity of electrical infrastructure is yet to be confirmed but accounted for within preliminary feasibility.
Low	**Civil Infrastructure** ▪ Stormwater Management Systems are yet to be confirmed through detailed design

Medium	**Funding** ▪ Funding structure yet to be finalised
Medium	**Title** ▪ BVL have a long-term lease in place with TCC. This does not provide 100% surety relating to ongoing tenure
Medium	**Resource Consent (Land use)** ▪ Non-complying activity. ▪ Potential to vary existing consent, though car parking requirements likely to push into consent requirements
Medium	**Traffic** ▪ A detailed transport assessment needs to be carried in conjunction with resource consent application. ▪ Current shortage forecast with requirements to look for complimentary supporting spaces.
Medium	**Future relating to 50 Miro Street** ▪ The future extension on 50 Miro will be limited due to ongoing car parking requirements for the main facility.
Medium	**Geotechnical** ▪ Foundation design is subject to further geotechnical investigations.
Medium	**Fire** ▪ Consideration will need to be given to location of building and proximity to existing facility. Though initial advise suggest that minimum setback requirements have been obtained and good selection construction material will mitigate any risk.
Medium	**Programme** ▪ Consenting. ▪ Council approval. ▪ Board sign off. ▪ Cost management.
Medium	**Contamination** ▪ A desktop review has been undertaken with no apparent risks raised. Any final detail should be taken at time of construction particularly around demolition and removal of the existing dwelling at 50 Miro Street. An allowance has been included in our feasibility.
High	**BOPRU** ▪ There is pressure from the Union to provide approval to their development concept
High	**Future Proofing** ▪ If the development concept does not proceed and BVL approve the BOPRU concept, limitations are placed on future developments which will also impact land value
High	**Build Costs**

	▪ Estimates are preliminary and high-level. ▪ Further interrogation and detailed design are required to allow the contractor to make a more informed assessment of price. ▪ Greater certainty on costs will be provided prior to confirming a contractor. Veros would recommend testing this in the market in the first instance.

12.0 RECOMMENDATION

Following our initial investigation into B & L work on the subject property to derive a preferred location, and concept design we have undertaken initial testing based on initial development and construction costs, car parking requirements, planning constraints and overall impact to the existing facility.

Having established the existing and future accommodation requirements of BVL and testing the spatial requirements through building conceptual floor layouts, a feasible development concept has been prepared that meets the brief while also seeking to preserve the underlying rights afforded under the existing land use consent.

The finding of the preliminary feasibility study indicates the project is worthy of further interrogation to firm up revenue and expenditures. Moreover, these are preliminary construction estimates and there could be opportunities to value engineer savings during detailed design and the use of a "Look Touch Function" (LTF) design-build procurement process.

To this end, Veros recommend to BVL proceeding to develop a more detailed design through an LTF design-build procurement process, providing Marra an opportunity to develop a more robust construction price that can be locked into a design build contract. If there is any uncertainty regarding the construction price presented by Marra Construction, we would recommend a market procurement process is undertaken.

Veros can assist in the next stages of design, representing BVL as a Client's Representative. This will ensure design principles are upheld, contract procurement is undertaken to a satisfactory level and value engineering is undertaken to ensure contract price is fair and reasonable. Importantly all services and fees anticipated to complete the project, including Veros, are included in the feasibility.

13.0 APPENDICES

Please refer Appendices for the following:

- **Appendix One: Brief**
- **Appendix Two: Landlord/Tenant Split**
- **Appendix Three: Development Concept Plans**
- **Appendix Four: Preliminary Feasibility**
- **Appendix Five: Construction Estimate**

14.0 CONTACT DETAILS

For further information regarding this report, please contact:

VEROS PROPERTY SERVICES LIMITED

Craig McCormick

E: craigml@veros.co.nz

M: **027 6633442**

APPENDIX ONE: BRIEF

The following brief has been established to meet the current and future accommodation requirements of BVL in respect to the establishment of the proposed gym facility and refurbishment and repositioning of the existing gym into office accommodation.

BAY VENUES LIMITED – OUTLINED BRIEF

Broadly the objectives of the brief are detailed below:

- Refurbish the existing AHSPC gym into office space and include meeting rooms
- Construct a new gymnasium on the AHSPC property and consider other users
- Include a new reception / entrance for Body in Motion so that their clients can come directly from Miro St (and not walk through the Centre)
- Use preliminary benchmark rates to cost project(s)
- Having taken into consideration the opportunities and constraints of the development, confirm if 50 Miro Street is required as car parking
- If 50 Miro Street is not required for parking, consider the impact / benefit of the BOPRU's development proposal against any future development potential at 50 Miro Street
- If the gym is located on the AHSPC property, ensure there is connectivity with the main building
- The new gym to have changing facilities for men and women
- With Justine Brennan as lead, Veros will work collaboratively to establish a strategic case to establish demand for the preferred development. This will reflect conversations with existing and potential tenants include UoW, NZ Rugby, BOP Cricket but not limited to.

Consideration has been given to:

- Current rentals being paid by existing tenants on the basis that they are relocated
- Minimum return of investment of 3% above normal bank trading rates
- Doubling the size of both NZRFU and the University of Waikato tenancies
- Consider the potential to create 2 storey office space in the existing gym recognising a detailed design and engineering determination is not part of this offer
- Indoor cricket wicket facility (3-4 lanes)

APPENDIX TWO: LANDLORD/TENANT SPLIT

LANDLORD / TENANT WORKS - PRELIMINARY SPECIFICATION SPLIT

The following schedule provides a preliminary overview of the split between the proposed Landlord and Tenant works which shall form part of the Contractors Brief – the list is not intended to be complete as the principal and contractor contractual terms will be turnkey and fit for purpose:

BVL – Miro Street, Mount Maunganui
Adam High Performance Centre
LANDLORD / TENANT WORKS SPECIFICATION SPLIT FOR *PROPOSED OFFICE REBURBISHMENT*

The following schedule provides a split between the proposed Landlord and Tenant works.

Exterior of Building – As per Existing

Item		Landlord	Tenant	Comment
Waste Water				
	Wastewater Connection	✓		
	Trade Waste			NA
	Wastewater Reticulation	✓		
	Grease Traps		✓	If any – no new anticipated
Stormwater				
	Stormwater Connection	✓		
	Stormwater Contaminant Treatment	✓		If required
	Stormwater Detention	✓		If required
Water				
	Water Connection & Tenancy Check Meters	✓		
	Water Reticulation - Potable	✓		Water provision for building maintenance

Building Shell

Item		Landlord	Tenant	
Power Supply				
	100amp, 3 Phase Connection for T4-T9	✓		Confirm provisions are available and do not require upgrade
	63amp for T1-T3	✓		
	Transformer	✓		Upgrade required – please confirm
	Power Base Build Allowance	✓		Four power outlets provided per tenancy. + Exterior Maintenance
	Power Reticulation		✓	
	Main distribution board	✓		In Common Area
	Sub boards	✓		Individual power meters (DB Boards) in each tenancy

Telecommunications				
	Ultra-fast fibre Conduit to each Tenancy	✓		
	Reticulation (internal)		✓	
	Duct from boundary to building demarcation	✓		
	Server		✓	
Gas				
	Gas Connection to demarcation point	✓		All Tenancies
TENANCY				
	Accessible Bathroom to each tenancy	✓		
	Services / ducts		✓	
	Shower		✓	NA
	Tenancy Lighting		✓	
	Glazing - external single glazed	✓		Clear float single Flushglaze Suites
	Tenancy Doors	✓		Type to be confirmed
	Bathroom Ceilings - gib	✓		
	Ceiling tiles to Tenancy	✓		Where appropriate – note height of existing glazing
	Bathroom flooring - vinyl	✓		
	Carpet titles	✓		NA
	Power and Data Reticulation	✓		
	Doors and hardware	✓		As per RC Drawings
	Blinds		✓	
	Acoustic walls – between tenancies	✓		Marra to confirm STC required rating
	External Security/Restricted Access	✓		Lockable Doors
	Internal Security/Restricted Access		✓	Tenant determined

Mechanical				
	HVAC (VRV)	✓		
	HVAC Platform	✓		
Fire				
	Sprinklers	✓		Where required
	Specialised Alarm (heat/smoke)	✓		
	Fire hoses / Extinguishers	✓		Where required
Other				
	Water and waste reticulation		✓	Other than Bathroom
	Roof Penetrations for Services plant	✓		Must be approved and warranted by the Base Build Constructor

Miscellaneous Works

Item		Landlord	Tenant	
Signage				
	Façade mounting for Signage	✓		Façade signage to be in consistent style with overall centre as per renders
	Signage artwork / skin		✓	Façade + Can be placed within the glazing. Final Artwork to be approved by Landlord.
	Power connection	✓		LED Spotlight to exterior signage.
	Pylon Sign	✓		Consistent style with overall centre. Will include logo space and consistent lettering description
Miscellaneous				
	TV aerial		✓	
	Furniture, Fittings, and Equipment (FFE)		✓	
	CCTV Surveillance		✓	

BVL – Miro Street, Mount Maunganui
Adam High Performance Centre
LANDLORD / TENANT WORKS SPECIFICATION SPLIT FOR *PROPOSED GYM*

The following schedule provides a split between the proposed Landlord and Tenant works.

Exterior of Building

Item		Landlord	Tenant	Comment
Site Works				
	Entry Feature landscaping	✓		
	Security entry gate with remote control access			Not required
	Softscape (planting)	✓		
	Asphalt yard - Parking Area	✓		Realignment of existing
	Hardscape (paving, footpaths, etc.)	✓		
	Drainage	✓		
	Exterior lighting	✓		
	Car parking (including lighting, signage/line works)	✓		
	Totem Sign			Not required
	Roading works upgrades			Not required
	Bike Racks	✓		
	Bollards / Car Stops against hard barriers	✓		
	Graffiti Guard	✓		
	Rubbish collection/holding areas			Existing provisions in place
Waste Water				
	Wastewater Connection	✓		
	Wastewater Detention	✓		
	Wastewater Reticulation	✓		
Stormwater				
	Stormwater Connection	✓		
	Stormwater Contaminant Treatment	✓		If required
	Stormwater Detention	✓		If required
Water				
	Water Connection & Tenancy Check Meters	✓		
	Water Reticulation - Potable	✓		Water provision for building maintenance

Building Shell

Item		Landlord	Tenant	
Power Supply				
	100amp, 3 Phase Connection for T4-T9	✓		
	63amp for T1-T3	✓		

	Transformer	✓		Confirm if upgrade required
	Power Base Build Allowance	✓		Exterior Maintenance
	Power Reticulation	✓		
	Main distribution board	✓		In common area
	Sub boards	✓		Individual power meters (DB Boards) in each tenancy
Telecommunications				
	Ultra-fast fibre Conduit to each Tenancy	✓		
	Reticulation (internal)		✓	
	Duct from boundary to building demarcation	✓		
	Server	✓		
Gas				
	Gas Connection to demarcation point	✓		As per existing
TENANCY – GYM – Benchmark Reference being Aspire GYM				
	Accessible Bathroom to changing room	✓		
	Services / ducts	✓		
	Toilets to changing Rooms	✓		
	Showers to Changing Rooms	✓		
	Lighting appropriate for Gym – aligned to Aspire			
	Hot / Cold Plunge Pools – As per existing	✓		
	Gym Lighting	✓		
	Glazing - external single / double glazed	✓		
	Auto Doors – security Monitored	✓		
	Tilled Ceilings – Changing rooms and meeting spaces only	✓		
	Ceiling Gib	✓		
	Air conditioning to offices & gym area	✓		
	Bathroom flooring – as per existing	✓		
	Carpet tiles / Flooring	✓		
	Power and Data Reticulation	✓		
	Doors and hardware	✓		As per RC Drawings
	Blinds			n/a
	Acoustic walls and ceiling tiles (where appropriate)	✓		
	External Security/Restricted Access	✓		
	Internal Security/Restricted Access	✓		

Mechanical				
	HVAC (VRV)	✓		
	HVAC Platform	✓		
	Fresh air	✓		
	Extraction	✓		
Fire				
	Sprinklers	✓		
	Specialised Alarm (heat/smoke)	✓		
	Fire hoses / Extinguishers	✓		
Other				
	Grease Trap	✓		Demarcation point T4-T9
	Water and waste reticulation	✓		Other than Bathroom

Miscellaneous Works

Item		Landlord	Tenant	
Signage				
	Façade mounting for Signage	✓		Façade signage to be in consistent style
	Power connection	✓		LED Spotlight to exterior signage.
	Office / Gym – combined Reception Area	✓		NA
	Way Finding Signage			NA
Miscellaneous				
	TV aerial	✓		
	Furniture, Fittings, and Equipment (FFE)	✓		
	Building Management System (BMS)	✓		
	CCTV Surveillance	✓		
	Combined front entry reception area (inclusive of desk)	✓		
	AV & Audio Provisions Throughout	✓		
	Running Track – 3 Lanes 40 metres	✓		

APPENDIX THREE: DEVELOPMENT CONCEPT PLANS

BVL CENTRE

SHEET INDEX		
ID	LAYOUT NAME	REV-DATE
SKETCH	TITLE PLAN	
SKETCH	SITE PLAN	
SKETCH	SECTIONS	
SKETCH	PERSPECTIVES	
SKETCH	PERSPECTIVES	
SKETCH	GROUND FLOOR PLAN	
SKETCH	ELEVATIONS	
E1/AS1	RAINWATER CALCULATIONS	
	TITLE PAGE	

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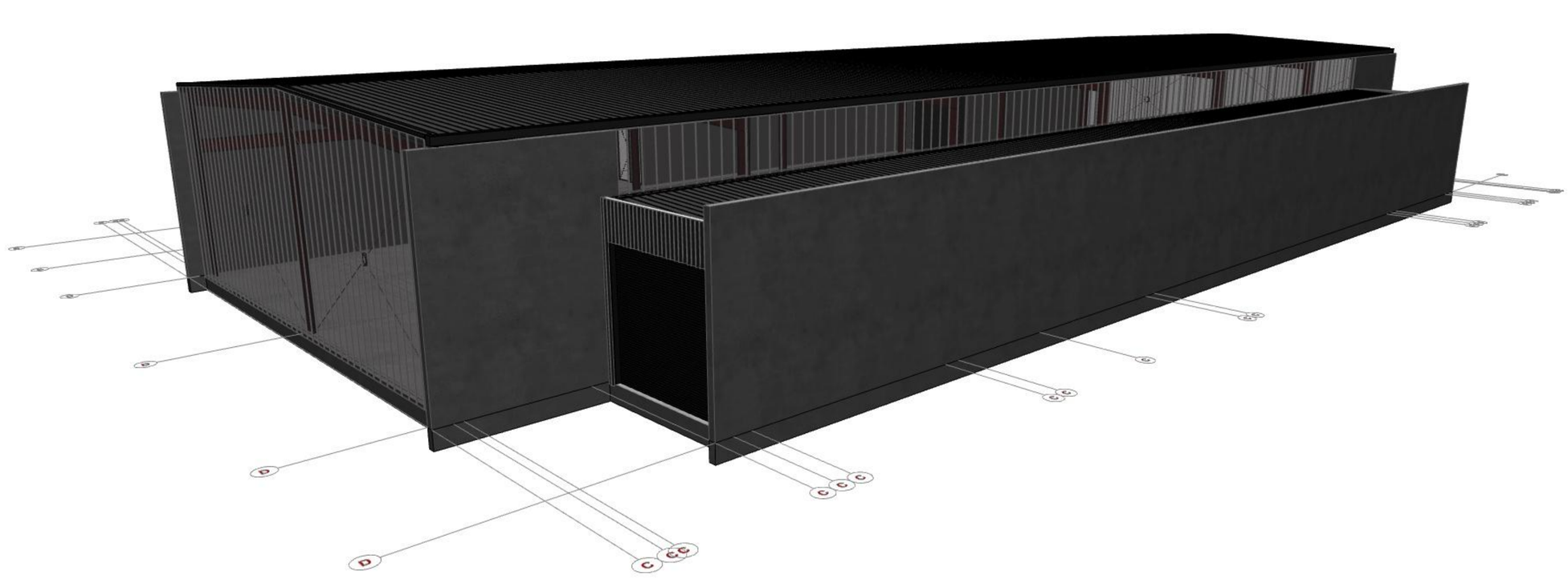

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BVL CENTRE

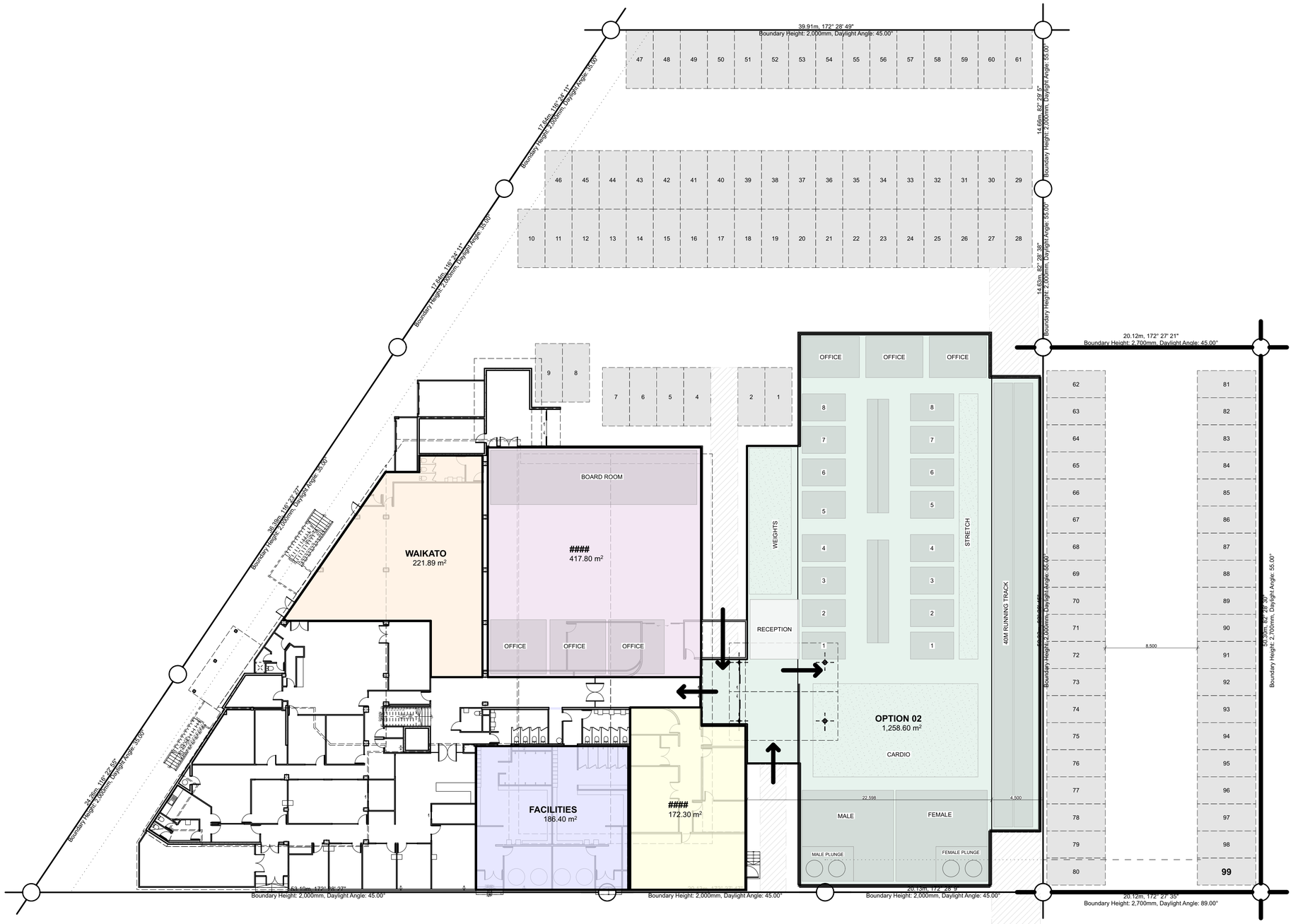
54-52 MIRO STREET MOUNT MAUNGANUI TAURANGA

19025 1/10/19 SCALE A1 - 1:1, 1:100

TITLE PLAN

Veros archistudio

| 64A Devonport Road | Tauranga | PO Box 5264 | Mt. Maunganui 3116 | 021 060 1162 | kyle@archistudio.co.nz | www.archistudio.co.nz



BVL CENTRE

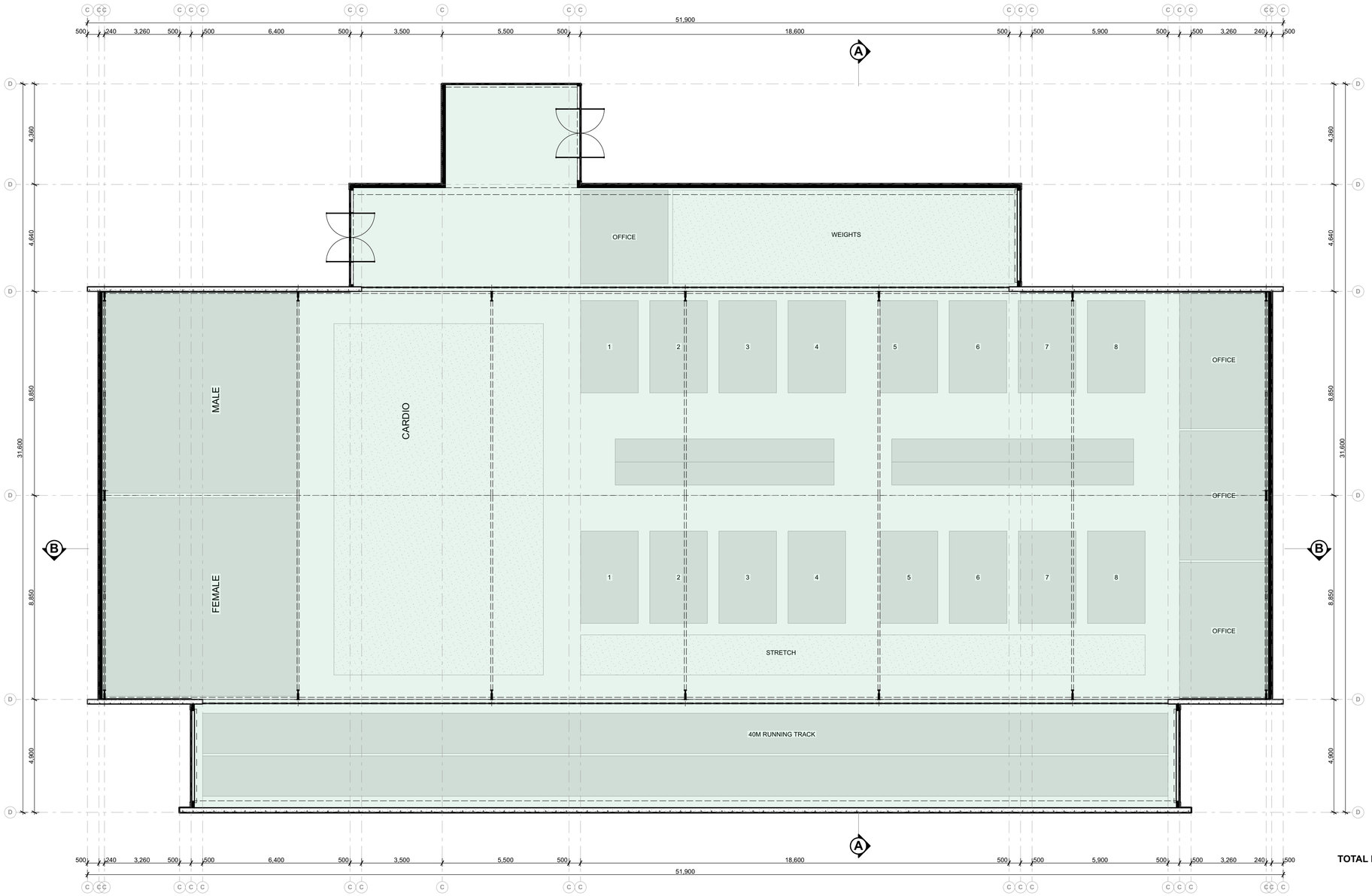
54-52 MIRO STREET MOUNT MAUNGANUI TAURANGA

19025 1/10/19 SCALE A1 - 1:200

SITE PLAN

| 64A Devonport Road | Tauranga | PO Box 5264 | Mt. Maunganui 3116 | 021 060 1162 | kyle@archistudio.co.nz | www.archistudio.co.nz

NOT FOR CONSTRUCTION



TOTAL FLOOR AREA
1,272.52 m²

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19025 1/10/19 SCALE A1 - 1:100

GROUND FLOOR PLAN

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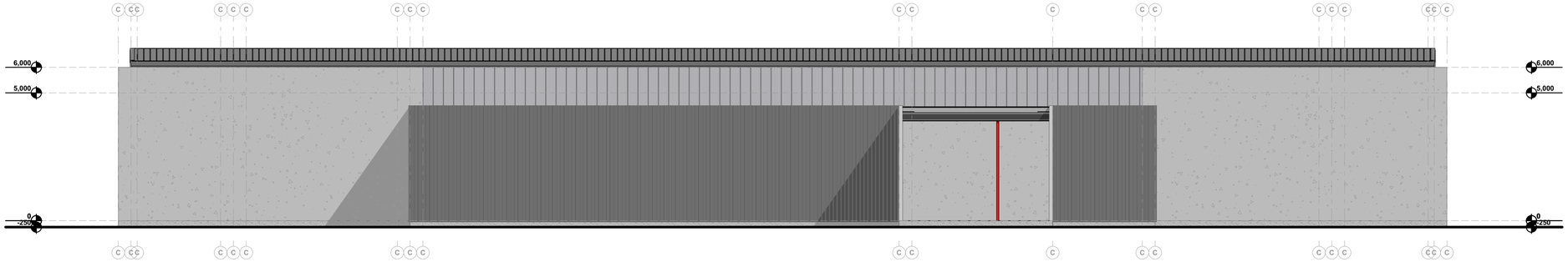

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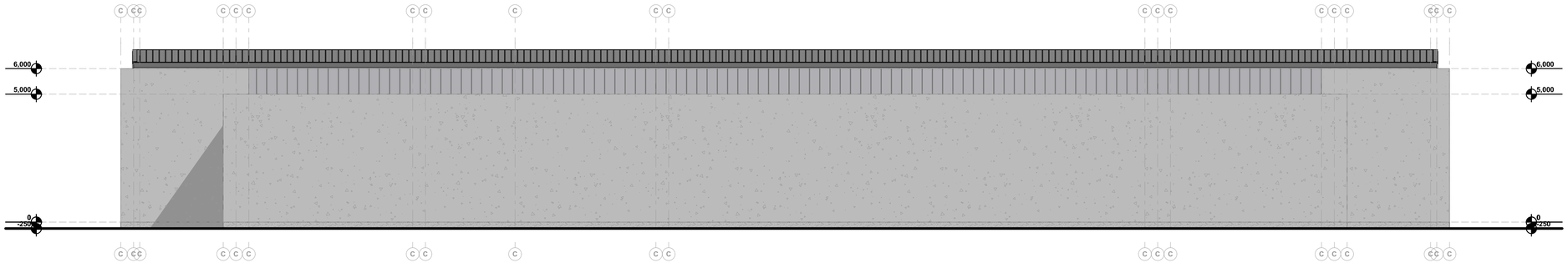

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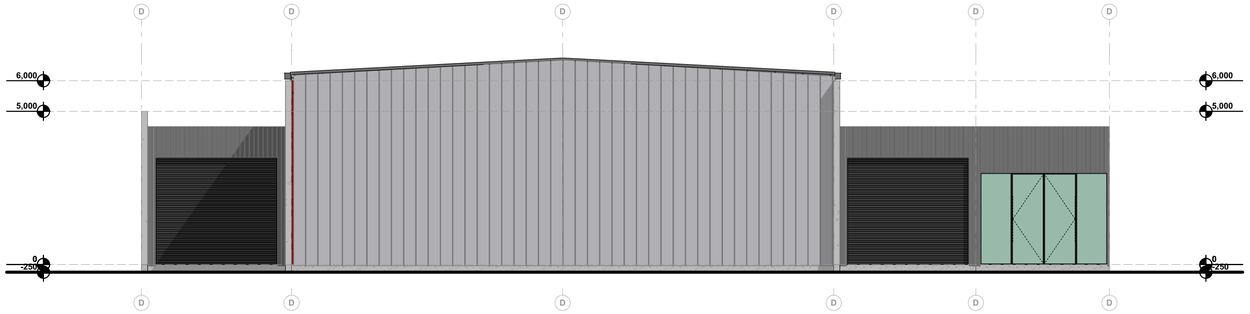
Scale 1:100



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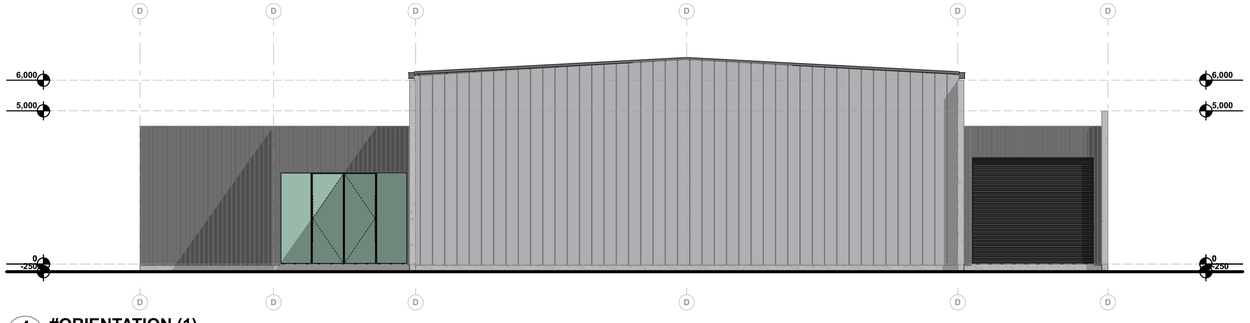

4 - #ORIENTATION (1)
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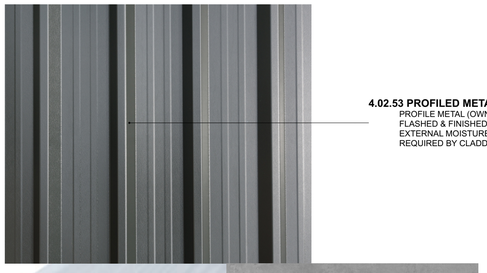
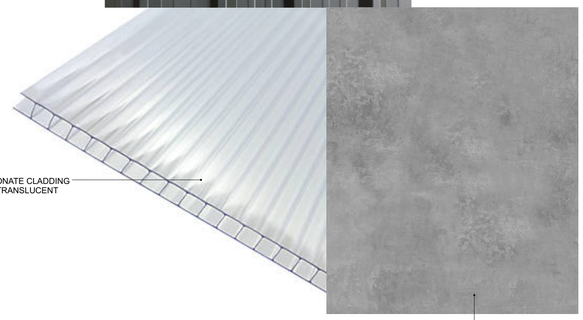


4.02.53 PROFILED METAL CLADDING - WALLS
PROFILE METAL (OWNER TO SELECT FINISH) ON CAVITY SYSTEM, INSTALLED FLASHED & FINISHED TO LATEST STEEL & TUBE SPECIFICATIONS & NZBC E2/AS1 EXTERNAL MOISTURE. MERCHANT TO INCLUDE ALL FLASHINGS & FIXINGS AS REQUIRED BY CLADDING SYSTEM.



4.02.05 JACOBSEN RODECA
JACOBSEN RODECA POLYCARBONATE CLADDING SYSTEM IN ALUMINUM FRAME - TRANSLUCENT

3.01.67 PRE-CAST PANEL (ENG)
150MM PRE-CAST CONCRETE TILT PANEL TO ENGINEERS DESIGN. EXPOSED AGGREGATE FINISH WITH DYE FINISH TBC.

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BVL CENTRE
54-52 MIRO STREET MOUNT MAUNGANUI TAURANGA

19025 1/10/19 SCALE A1 - 1:100, 1:4.2333

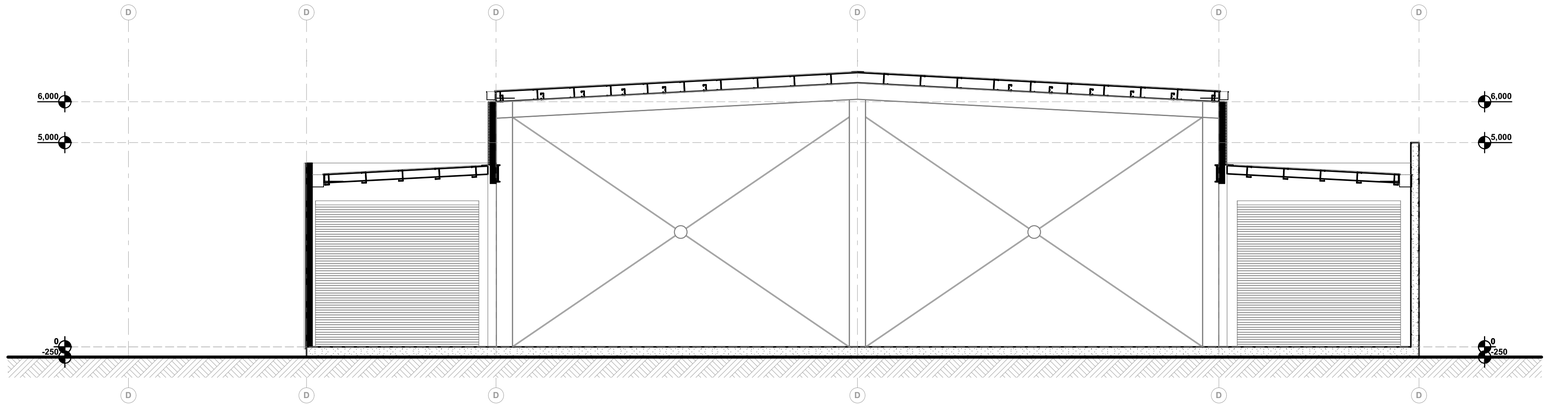
ELEVATIONS

Veros archistudio

| 64A Devonport Road | Tauranga | PO Box 5264 | Mt. Maunganui 3116 | 021 060 1162 | kyle@archistudio.co.nz | www.archistudio.co.nz

BVL CENTRE

NOT FOR CONSTRUCTION



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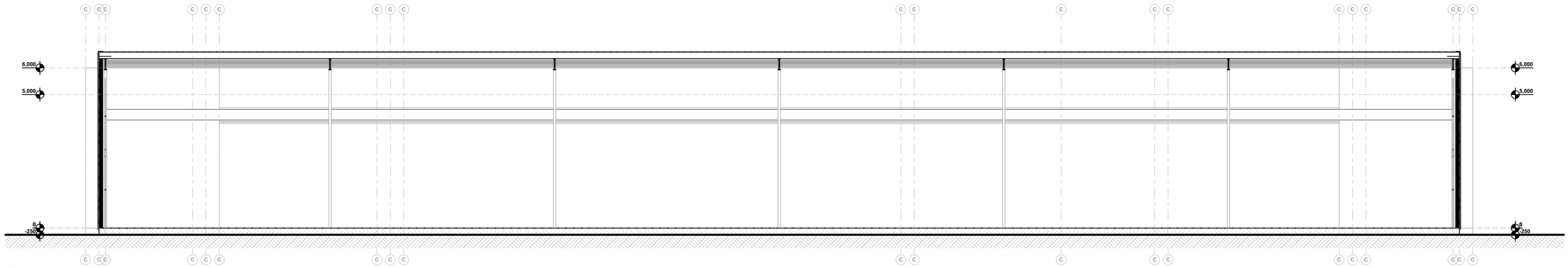

2 - **SECTION B**
Scale 1:75

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BVL CENTRE

54-52 MIRO STREET MOUNT MAUNGANUI TAURANGA

19025 1/10/19 SCALE A1 - 1:75

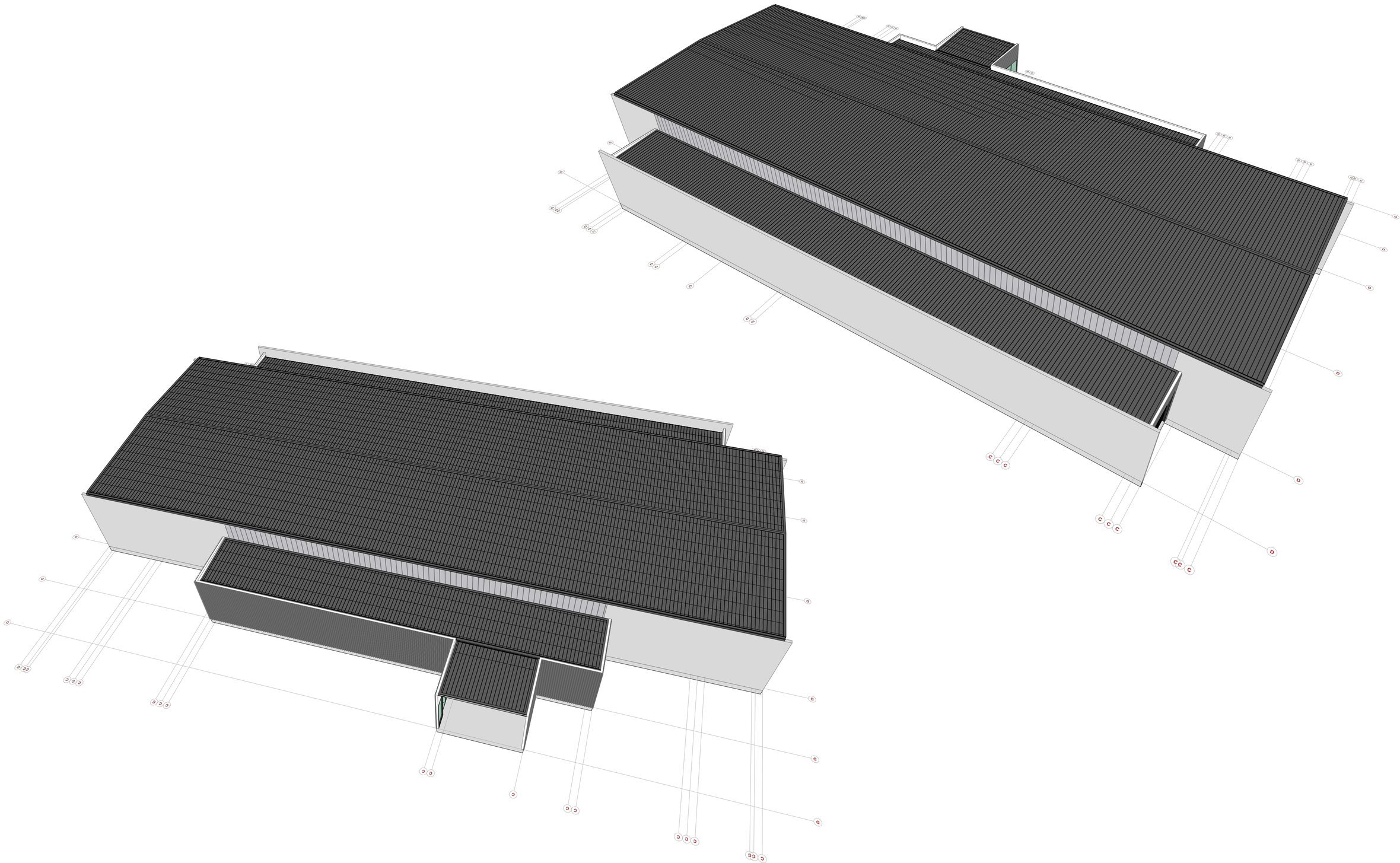
SECTIONS

Veros archistudio

| 64A Devonport Road | Tauranga | PO Box 5264 | Mt. Maungnaui 3116 | 021 060 1162 | kyle@archistudio.co.nz | www.archistudio.co.nz

BVL CENTRE

NOT FOR CONSTRUCTION



"GOOD DESIGN IS GOOD BUSINESS"

BVL CENTRE

54-52 MIRO STREET MOUNT MAUNGANUI TAURANGA

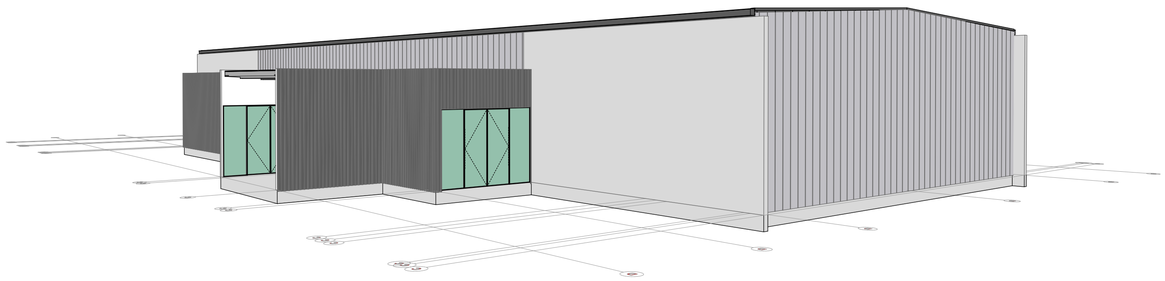
19025 1/10/19 SCALE A1 - 1:25

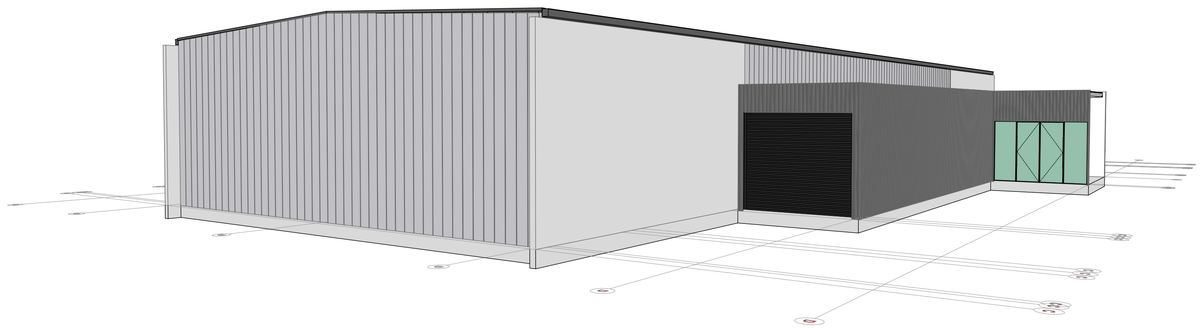
PERSPECTIVES

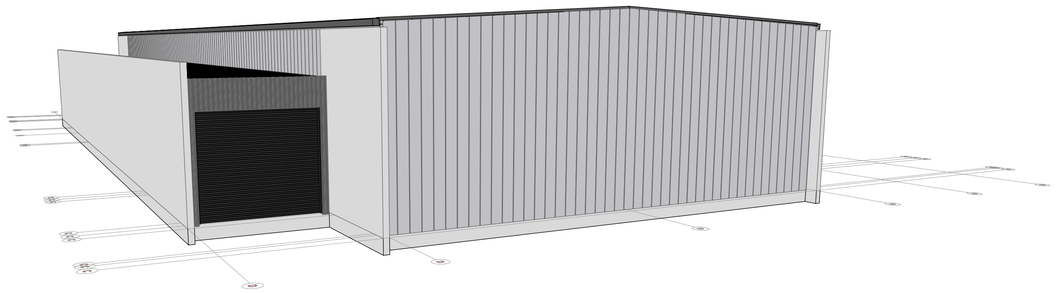
Veros archistudio

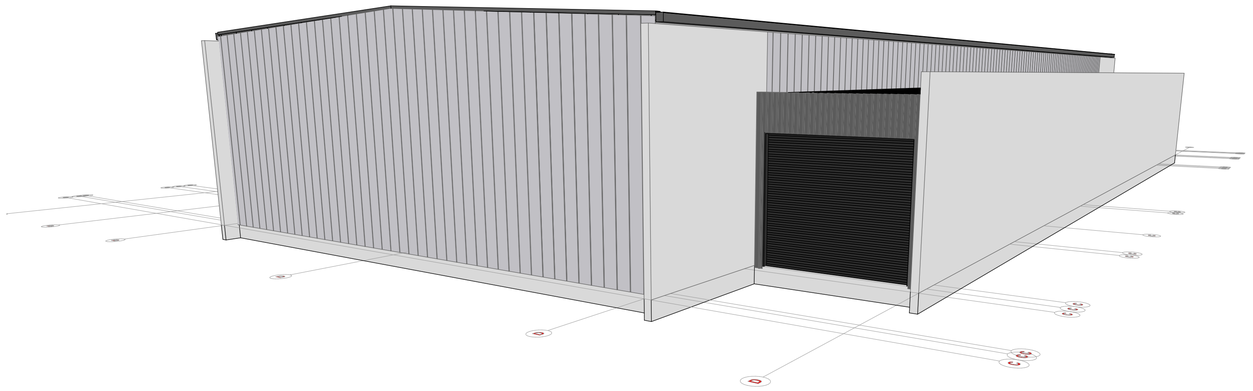
| 64A Devonport Road | Tauranga | PO Box 5264 | Mt. Maunganui 3116 | 021 060 1162 | kylie@archistudio.co.nz | www.archistudio.co.nz

BVL CENTRE









BVL CENTRE

54-52 MIRO STREET MOUNT MAUNGANUI TAURANGA

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PERSPECTIVES

"GOOD DESIGN IS GOOD BUSINESS"

Veros archistudio

NOT FOR CONSTRUCTION

| 64A Devonport Road | Tauranga | PO Box 5264 | Mt. Maunganui 3116 | 021 060 1162 | kyle@archistudio.co.nz | www.archistudio.co.nz

APPENDIX FOUR: PRELIMINARY FEASIBILITY

PRELIMINARY FEASIBILITY

BVL
Option 1
50-54 MIRO STREET

November 2019

No. of Lots	**-**
No. of Unit Titles	**-**
No. of Tenancies	**4**
Total Land Area (m²)	**1,012**

DEVELOPMENT COSTS			Cost		
Purchase	$ 618,750		$ 618,750	$532 per m2	
Due Diligence & Cost to Date			$ 55,000		
Consenting			$ 55,000		
LTF Document			$ 61,000		
Earthworks and Services			$ 388,000		
Construction			$ 3,957,000	$2,376 per m2	
Client Contingency		5%	$ 215,000	1258.6 m2	
Construction Design Consultants		7.6%	$ 300,000		
Other Consultants to Development		2.8%	$ 120,000		
Title Cost - LINZ			$ -		
Legal			$ 31,000		
Holding Costs			$ -		
Development Management			$ 65,000		
Tenant Inducement Costs			$ -		
Marketing			$ -		
Council Fees			$ 50,500		
Development Contributions			$ 18,912		
Project Contingency (Excl. Construction)		10%	$ 35,000		
DEVELOPMENT COSTS before SALES & FUNDING			$ 5,970,162		
Leasing and Selling Cost			$ -		
Pre-construction Funding - Land Purchase		0.0%	$ -		
Construction Funding		5.0%	$ 149,122		
SALES & FUNDING COSTS			$ 149,122		
TOTAL DEVELOPMENT COST			$ 6,119,284	$6,047	$ 6,119,284

REVENUE - incl common areas	Area	$ / m2	TOTAL
Gym	1,258.60	$0	$0
Adam's Academy	240 Athletes		$211,320
Office Refubishment - High Stud	417.80	$300	$125,340
Office Refubishment - Low Stud	221.89	$250	$55,473
RFU - Amenities	186.00	$300	$55,800
Conference / Training Camp Room	78.00	-	$12,000
Parks	99.00	$0	$0
TOTAL REVENUE	**2162**		**$459,933**

RETURN ON COST	Cost	Income	Yield
	$ 6,119,284	**$459,933**	**7.52%**

PRELIMINARY FEASIBILITY

Veros

BVL

Option 1

50-54 MIRO STREET

November 2019

No. of Lots	**-**
No. of Unit Titles	**-**
No. of Tenancies	**4**
Total Land Area (m²)	**1,012**

DEVELOPMENT COSTS			Cost			
Purchase	$	618,750			$532	per m2
Due Diligence & Cost to Date			$	55,000		
Consenting			$	55,000		
LTF Document			$	61,000		
Earthworks and Services			$	388,000		
Construction			$	3,957,000	$2,376	per m2
Client Contingency		5%	$	215,000	1258.6	m2
Construction Design Consultants		7.6%	$	300,000		
Other Consultants to Development		2.8%	$	120,000		
Title Cost - LINZ			$	-		
Legal			$	31,000		
Holding Costs			$	-		
Development Management			$	65,000		
Tenant Inducement Costs			$	-		
Marketing			$	-		
Council Fees			$	50,500		
Development Contributions			$	18,912		
Project Contingency (Excl. Construction)		10%	$	35,000		
DEVELOPMENT COSTS before SALES & FUNDING			$	5,351,412		
Leasing and Selling Cost			$	-		
Pre-construction Funding - Land Purchase		0.0%	$	-		
Construction Funding		5.0%	$	149,122		
SALES & FUNDING COSTS			$	149,122		
TOTAL DEVELOPMENT COST			$	5,500,534	$5,435	$ 5,500,534

REVENUE - incl common areas	Area	$ / m2	TOTAL
Gym	1,258.60	$0	$0
Adam's Academy	240 Athletes		$211,320
Office Refubishment - High Stud	417.80	$300	$125,340
Office Refubishment - Low Stud	221.89	$250	$55,473
RFU - Amenities	186.00	$300	$55,800
Conference / Training Camp Room	78.00	-	$12,000
Parks	99.00	$0	$0
TOTAL REVENUE	**2162**		**$459,933**

RETURN ON COST	Cost	Income	Yield
	$ 5,500,534	$459,933	8.36%

APPENDIX FIVE: CONSTRUCTION ESTIMATE

6 TANGMERE PLACE
GREERTON
TAURANGA 3112
NEW ZEALAND
07 543 0774
info@marra.co.nz

19 November 2019

Bay Venues Ltd
c/- Veros Property Partners
78 Second Avenue
Tauranga, 3110

Email: craigm@veros.co.nz

Dear Craig,

RE: Proposed Alterations & Additions to Existing Adams Centre Building, Rev #1

We confirm that you have requested us to provide a preliminary estimate for the design and construction relating to the construction of a new gymnasium and alterations to the existing gymnasium at 52 & 54 Miro St, Mt Maunganui.

This is **not** a quote however an indication of the probable cost to allow you to evaluate the feasibility of the project and further negotiations with the various stakeholders and user groups.

BASIS OF ESTIMATE

- Archistudio drawings dated 4 October 2019,
- Initial discussions with Veros on site.

GENERAL OVERVIEW

In the absence of detailed scope we have had to make a number of assumptions in the preparation of this proposal. Detailed below is a further explanation of those assumptions.

SCOPE OF WORKS

1.0 Demolition

1.1 Demolition/ removal as required;
- Existing house and garage,
- Remove partial existing asphalt carpark and vehicle entry leading to the house,
- Services disconnections,
- Partially remove the existing fence to allow access to the new carpark, balance of fence assumed to remain,

1.2 Any items to be salvaged are to be noted by the client.

1.3 All salvaged items shall be removed by others.

1.4 No allowance has been considered for the removal or care of any asbestos. However, we have allowed to undertake an asbestos/ demolition survey to determine the contaminated building materials within existing structures/ buildings.

2.0 Envelope

2.1 150mm exposed aggregate precast panels, no strap/ line and insulation on internal faces,

2.2 Rodeca cladding in aluminium frame,

2.3 PC aluminium windows and doors,

2.4 Metal cladding over timber frame to small areas where noted, insulated,

2.5 Roofing in 0.55bmt colorsteel with 175mm box gutters and PVC downpipes, insulated.

2.6 TPO membrane internal gutter.

3.0 Finishes

3.1 Floors general compose the following new products with specification to be confirmed;
- WC/ Change room/ Pool – vinyl,
- Lobby – ceramic tile
- Shower wall – vinyl to 2m,
- All other office areas carpet tile.
- Tigerturf Wett-Pro running surface.
- Main gym area to be completed under equipment fitout.

3.2 Internal walls are generally finished to a level 4 paint finish for new walls;
- Paint finish to all internal plasterboard walls and WC ceilings,

3.3 Ceilings;
- New suspended grid and tile ceilings to new office/ WC areas in new gym,
- New suspended grid and tile ceilings to new “Waikato” office area in existing gym,
- Existing high level raking ceiling in current gym area to remain.

3.4 Cabinet Joinery includes the following only;

- Kitchenette to new open plan office area (2No),
- Reception front counter in new gym,
- All tables and chairs, office furniture such as desks, filing cabinets etc by others.

4.0 Structure

4.1 New 125mm concrete floor slab,
4.2 Portal steel frame,
4.3 Infill timber framing,
4.4 Light steel framing to all internal partition walls.

5.0 Services

5.1 Electrical

- Including basic open plan fitout.
- Provision for Audio Visual.

5.2 Plumbing

- To include 3No WCs and 1No ACC WC per change room and 3No combined showers,
- Plunge pools to similar specification as existing,
- 1 kitchenette (2No total) to each new office area in existing gym.

5.3 Drainage

- Provisional sum of $65,000

5.4 Fire Protection

- New type 4 alarm system,
- Initial consult advises no requirement for sprinklers.

5.5 Data and Communications

- Including basic open plan fitout
  - Data and Communications

5.6 Mechanical Services (HVAC)

- Including basic open plan fitout

6.0 Design Fees & Building Consent

6.1 Architectural design fees,
6.2 Structural engineering including peer review if required by council,
6.3 Fire design to acceptable solutions,
6.4 Services design – Electrical, mechanical, hydraulic,
6.5 Building consent – provisional sum $20,000,
6.6 The following disciplines shall be undertaken by others outside of our contract;

- Geotech investigations and reporting
- Civil design, and to include pavement design, drainage, electrical infrastructure
- Resource consent (if required)
- Landscaping design (if required)

7.0 Preliminary & General

7.1 Design management,
7.2 Scaffolding & scissor lift access,
7.3 Professional indemnity, contract work, motor vehicle & public liability insurance,
7.4 All necessary supervision and site management.

PROGRAMME & METHODOLOGY

8.0 Programme

8.1 Based on the scope of works attached we envisage a build programme of 250 working days to complete the works as a staged methodology.
8.2 A PCG group should be formed early to engage all stakeholders and firm up design and specifications.
8.3 Following detailed design, we would submit for consent.

9.0 Methodology

9.1 Once the brief is agreed we would prepare our methodology to demonstrate how we would approach the works and how this would be managed safely and within timeframe.

BUDGET ESTIMATES

Our preliminary estimate of cost as per the Archistudio concept plans "ballpark" is as follows;

New Gym Building

• Site prep & Demo, House & Carpark (Prov)	$ 218,000.00
• New Gym – 1260m2	$2,714,000.00 ($2,154/m2)
• Internal Gym-Office Alterations – 640m2	$ 558,000.00
• Body in Motion Works (Prov)	$ 160,000.00
• External works	$ 170,000.00
• Drainage (Prov)	$ 65,000.00
• Transformer Upgrade (Prov)	$ 100,000.00
• Design & Consent	$ 320,000.00
• Design contingency	$ 300,000.00
Total	**$4,600,000.00 + gst**

SCHEDULE of DEPARTURES

Level of Accuracy

- This preliminary estimate of cost is based on bulk and location drawings only and should be treated as **indicative only** "Ballpark" for the purpose of evaluating the feasibility of the development.

- Development of design will enable further refinement of costs. We can provide a full cost planning service to ensure:
    - To build a project which is economical within the design perimeters, thereby optimising value of money.
    - To control cost within the agreed budget.
    - To achieve a balance of expenditure between the various functional elements of the projects.

Exclusions

No allowance has been made for:

- GST to be added to all costs.
- Gym equipment, rubber matting or other specialist finishes.
- Office fitout, existing gym converted to office has been assumed as an open plan office area. Existing offices have been assumed to remain and no allowance has been made to demolish/ re-build.
- Building Consent fees (refer provisional sum allowance of $20,000, levies and/or associated costs.
- Upgrade or provision of infrastructure for the following;
    - Mains water upgrade,
    - Fire hydrant water main upgrade.
- Sprinklers to any building.
- Any works to the balance of the building outside of the demarcation of new offices.
- Any upgrades, transformers (provisional sum of $100,000 allowed for TX upgrade), charges or fees etc. relating to power or telephone.
- Corporate branding, signage including pylon sign.
- Any works that may be required to bring existing buildings or carparks up to code (if necessary).

We trust that this information is of assistance to you. Should you have any further queries, please do not hesitate to contact me.

Yours sincerely,

Karl Kingi
ESTIMATING MANAGER

Appendix C

New Capital Project – Business Case

Date:	19th November 2019
Project Name:	Trustpower Baypark Operational HUB
Project Estimate:	$2,264,589
Author:	Ervin McSweeney

Executive Summary

The project is to replace the open storage compound adjacent to the entrance to the pits area, with five connected 20m x 20m square buildings. The objective is to provide a fit for purpose operating base for the Trustpower Baypark Venue Operations team including storage of their equipment, and secure storage areas for equipment for both Speedway, Bay Audio Visual team and other Bay Venues Ltd (BVL) teams located at Trustpower Baypark along with community/commercial organisations. This project will also result in the release of space in Pavilion 2, providing options for use by community/sports groups regularly operating on site, or a commercially structured lease to improve revenues generated from BVL assets.

The project fits squarely within the BVL strategic framework given the stated purpose in the strategic plan is to care for and optimise the facilities that BVL are "kaitiaki" for. Trustpower Baypark is a large and pivotal site for Tauranga city in its provision of areas for sport, leisure and recreation. Ensuring its full utilisation for a variety of uses plays a part in enhancing the quality of life for the people of Tauranga now and into the future.

This project has positive financial outcomes in addition to several important non-financial benefits to the organisation. It delivers increased operational efficiency and effectiveness, and considerable reduction of risk issues in public spaces and in the provision of services to BVL clients, as well as increased staff satisfaction and engagement.

The financial benefits through the leasing of three buildings plus Pavilion 2 along with the ability to bring offsite Bay Audio Visual equipment out of external storage and back on site to the area vacated by the Operations Team These financial benefits in turn allow BVL to increase it's service and programme offerings back into the community.

Based on testing and advice received from BCD Engineers a generous allowance has been made in the financial modelling for considerable geotechnical work given the known potential for the ground conditions in this area to be unstable.

The investment required for this project is $2,264,589. Baypark is part of the BVL non-funded network, therefore we are requesting this capital funding by way of TCC loan funding. The investment delivers a reasonable commercial return with IRR of 7%, NPV $896k and a payback period of 11 years. Net profit before tax (NPBT) in year 1 is $57k.

Strategic Context

BVL has outlined Facility access and presentation, and provision of an increased range of products and services to the community as key strategic pillars. Objectives in these sections of the plan are firstly, to ensure that we maintain and present our facilities to the highest level, whilst providing a safe environment, and secondly, that we optimise the use of available resources to maximise what we can offer to the community in terms of activities at BVL venues.

The strategic alignment of this project with Council's Long-Term Plan objectives is to deliver to the community an opportunity to access spaces for business, leisure, sport and recreational activity which through these experiences provides improved economic and social value to residents, enhancing the quality of life in the region.

Business Issue

There are two recognised business issues addressed through this proposal. One is the ongoing demand for operational space and storage space at Trustpower Baypark which is urgently required, and secondly there is the potential to extract greater value available through rental of existing facilities by building new spaces that are more cost effective. This proposal aims to solve both these issues.

Currently the Baypark Operations team work in the space alongside the Bay AV team, the Corporate offices and Business Development Team. Their equipment is kept in the shed area next to the Manager's office and lunchroom. This area is also where the Maintenance team keep their equipment and do all their construction work. Any large BVL equipment is kept in Pavilion 2 and often bought over to the Stadium area and parked.

These areas are often open to the public or part of access required by attendees at events. Often, they are walking around the Operations team equipment and also trucks delivering supplies such as petrol and diesel, cleaning products etc. This presents a health and safety issue with operational equipment around staff and customers who range in ages and are not aware of some of the day to day risks that present themselves in this area.

This same area provides access to clients coming to meet the Business Development team and senior management of BVL.

Overall this amalgam does not provide a safe and operationally efficient area for these parties and this opportunity will deliver a suitable solution

Bay Audio Visual production team do not have enough quality space on site to store their AV equipment, and therefore currently hire space off site at a cost of $22,500per annum. Apart from the cost this creates a number of operating risks. The first is that this equipment is compromised by not being under our direct care, secondly the work extra work created by having to move on and off site continually will lead to more handling, risk of damage as well of course as operational inefficiencies to complete any particular task.

By moving the Baypark Operations team out of their current premises there is room to bring the AV equipment back to the Baypark site and store it adjacent to the rest of the AV equipment and office area reducing risk and creating much more efficient business flows.

Pavilion 2 is currently being used for storage where it could be generating income for the organisation as shown by the letting of Pavilion 1 in April 2018. Now is a prime opportunity to utilise the facility for the many community and commercial organisations that are seeking this size of space. Current rental levels provide an attractive return for what is essentially warehouse space.

Community Outputs

Tauranga City is made up of individuals as well as community and commercial organisations. It continues to be challenged in achieving its spatial requirements of its community not only in housing but also areas for building thriving, vibrant and economic businesses.

This project will present to the community and local businesses an opportunity to utilise these areas to provide places to connect and thrive.

The proposed building is logically located within the Trustpower Baypark site ensuring it enhances the other areas of the site in their day to day operations for events, sport and leisure.

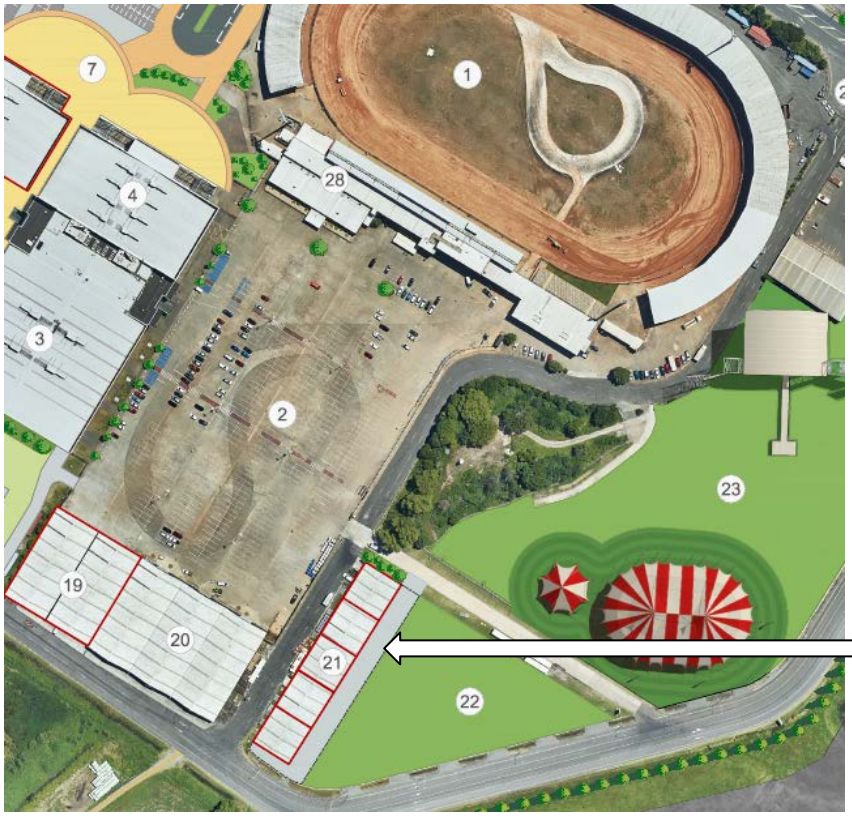
Reducing the level of risk, including health and safety issues around these public facing areas being also used for operational function and equipment storage will enhance the overall site making it more attract to customers and visitors to the site.

Options Considered

No other areas have been considered as the current positioning is the only suitable area in the context of the overall Trustpower Baypark "Blue Sky" future plan (as attached). Aside from retaining the status quo this would appear the best option for such a development. To retain the status quo will undoubtedly cost BVL in mitigating Health and Safety risks, achieving operational efficiency, the reduction of external storage expenses and the optimisation of revenue opportunities currently available for existing facilities.

The three sheds available for rent would in addition, deliver a solution for organisations known to BVL that are struggling to find locations for storage or depot space at the size this proposed development would provide.

This type of development / building is within the provisions of our current Chapter 20A permitted type of activities under the City Plan therefore we believe that resource consent should proceed through the normal process.



Location of Baypark Operations Hub

Risks

- The project ends up costing more than budgeted to complete because of further geotechnical issues are discovered which in turn results in changes to the proposed construction materials used. (10% build contingency has been included within the budget).
- The project is not completed in time.
- No tenant is secured for Pavilion 2 which is the most significant incoming tenant in terms of the financial plan for the return on the project. The project has been identified for the 20/21 financial year which will provide sufficient time to secure an appropriate tenant.

BayVenues

Financial Considerations

Statement of Financial Performance - Baypark Operations Hub	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Income																				
Rental - Pavilion 2	100,000	102,000	104,040	106,121	108,243	110,408	112,616	114,869	117,166	119,509	121,899	124,337	126,824	129,361	131,948	134,587	137,279	140,024	142,825	145,681
Rental - Storage Sheds	84,000	96,390	109,200	111,384	113,612	115,884	118,202	120,566	122,977	125,436	127,945	130,504	133,114	135,776	138,492	141,262	144,087	146,969	149,908	152,906
Total Income	**184,000**	**198,390**	**213,240**	**217,505**	**221,855**	**226,292**	**230,818**	**235,434**	**240,143**	**244,946**	**249,845**	**254,842**	**259,938**	**265,137**	**270,440**	**275,849**	**281,366**	**286,993**	**292,733**	**298,587**
Expenditure																				
Electricity	10,000	10,200	10,404	10,612	10,824	11,041	11,262	11,487	11,717	11,951	12,190	12,434	12,682	12,936	13,195	13,459	13,728	14,002	14,282	14,568
Cleaning	10,000	10,200	10,404	10,612	10,824	11,041	11,262	11,487	11,717	11,951	12,190	12,434	12,682	12,936	13,195	13,459	13,728	14,002	14,282	14,568
Storage Savings	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)
Total Expenditure	**(2,500)**	**(2,100)**	**(1,692)**	**(1,276)**	**(851)**	**(418)**	**23**	**474**	**933**	**1,402**	**1,880**	**2,367**	**2,865**	**3,372**	**3,890**	**4,417**	**4,956**	**5,505**	**6,065**	**6,636**
EBITDA	**186,500**	**200,490**	**214,932**	**218,781**	**222,706**	**226,710**	**230,795**	**234,960**	**239,210**	**243,544**	**247,965**	**252,474**	**257,074**	**261,765**	**266,550**	**271,431**	**276,410**	**281,488**	**286,668**	**291,951**
Depreciation on facility	45,292	45,292	45,292	45,292	45,292	45,292	45,292	45,292	45,292	45,292	45,292	45,292	45,292	45,292	45,292	45,292	45,292	45,292	45,292	45,292
EBIT	**141,208**	**155,198**	**169,640**	**173,489**	**177,414**	**181,419**	**185,503**	**189,669**	**193,918**	**198,252**	**202,673**	**207,182**	**211,782**	**216,473**	**221,259**	**226,140**	**231,118**	**236,196**	**241,376**	**246,659**
Interest	113,229	113,229	113,229	113,229	113,229	113,229	113,229	113,229	113,229	113,229	113,229	113,229	113,229	113,229	113,229	113,229	113,229	113,229	113,229	113,229
NBPT	**27,979**	**41,969**	**56,411**	**60,259**	**64,185**	**68,189**	**72,273**	**76,439**	**80,688**	**85,023**	**89,443**	**93,953**	**98,552**	**103,244**	**108,029**	**112,910**	**117,889**	**122,967**	**128,147**	**133,430**

Net Present Value (NPV)	698,679
Internal Rate of Return (IRR)	8%
Payback Period	11 Years

Assumptions

Revenue

- Pavilion 2 is rented from year 1 at $100,000 per year (excl GST). This is based on current market assessment and enquiries for the space.
- Storage Sheds (x3) rented at $35k/year 9 (local market assessment). Occupancy is 80% in year 1, 90% in year 2 and 100% from year 3 onwards.
- CPI revenue growth of 2% per year

Expenditure

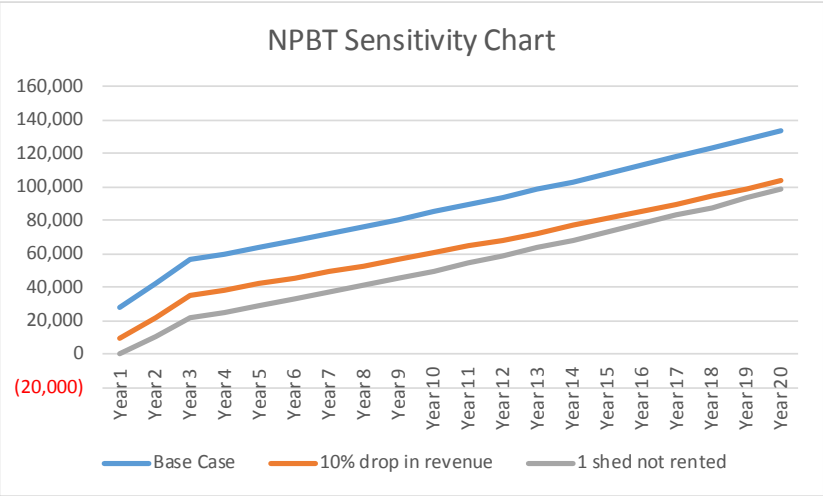
- Electricity Costs $10k per year
- Cleaning Costs $10k per year
- AV storage savings $22.5k per year (being paid currently)
- CPI expense growth of 2% per year

Capital & Financing

- Initial capital cost of facility is $2,264,589
- Depreciated over 50 years on straight line basis
- Interest rate and WACC is 5% (agreed with TCC finance)
- Baypark is part of the non-funded network therefore we are requesting loan funding for this project with an associated commercial return.

Sensitivity Analysis

- Costs are largely fixed, therefore sensitivity is likely to be driven by our ability the rent the storage sheds.
- Base Case assumes full rental from year 3 onwards, net profit before tax (NPBT) starts at $57k in year 1
- Worst case example shows NPBT in the event that we cannot rent one of the three small storage sheds, with NBPT starting at $27k.



Implementation

The project will be managed by the Assets & Project Manager alongside the Baypark Operations Manager with oversight by the Commercial Manager. The intention is for the construction to be completed during the FY21 year.

Other Considerations

Provide information on the following factors:

The ability to take on the new opportunity without losing focus

- This will only provide more operational efficiency for the organisation. The Baypark Operations team will have a fit for purpose area which will be done in a separate area from their current work area allowing them to continue with their day to day business.

Health and safety improvements

- Equipment will no longer be used amongst the incoming staff and customers around the Stadium area where it is currently based and the Operations Team will have an area where they are able to take their break in line with our fatigue policy.

The likelihood of success given market conditions

- There is constant demand for space at Baypark which will be provided in offering Pavilion 2 to the market along with three buildings available to community/sport and/or commercial groups who struggle to find space elsewhere in the city that is fit for purpose.

An increase in customer goodwill

- We will be providing a large space for a new tenant which there is a demand for which in turn will expand the offering at Baypark much like the current tenant of Impact Gymsport has done.

Overall Summary

- Provides fit for purpose areas for community organisations and businesses to expand or introduce new programmes and/or services due to spaces being made available.
- The increase in operational efficiency for the Baypark Operations & Maintenance Teams to deliver increasing levels of demands to the Trustpower Baypark site.
- The benefit to the staff engagement and wellbeing of the Baypark Operations and Maintenance teams wellbeing in having a fit for purpose space.
- The reduction in potential health and safety risks to staff, visitors to BVL and customers to Baypark Stadium.
- The clearing of the space around the Stadium Lounge, Business Development team and Corporate offices will mean the area is presented in a more customer facing manner.
- The increased income received from leasing of Pavilion 2 will provide further ability for BVL to expand and maintain our current offerings to the community.
- The ability for Bay Audio Visual to bring all their equipment back on site which in turn offers reduced risk, saving of cost and greater efficiency for their business activities.
- Optimisation of value available from existing assets in terms of leasing of the Pavilion 2 and the three of the five buildings within the Hub.

Manager's Name:	Ervin McSweeney	**Manager's Signature:**	
Approved by Finance Name:	Adam Ellmers	**Finance Signature:**	
Divisional Manager's Name:	Ervin McSweeney	**Divisional Manager's Signature:**	

SLT approved: Y / N (*circle one*)		**Date approved:**	19/11/2019
Board Approval: Y / N (*circle one*)		**Date Approved**	

Appendix D

New Capital Project – Business Case

Date:	19th November 2019
Project Name:	Clubfit High Intensity Training Studio
Project Estimate:	$2,403,000
Author:	Stewart Stevenson – Clubfit Manager

Executive Summary

This proposal is to build and operate a High Intensity Fitness training studio at the Baywave premises. It outlines a major opportunity for Clubfit Baywave to expand its product offering and through this maximise utilisation and revenue returns at the Baywave venue. Clubfit aims to establish itself as a local market leader in the delivery of High Intensity Interval Training (HIIT) with the establishment of a new Clubfit bespoke HIIT studio at Baywave.

Clubfit has experienced tremendous growth in membership over the last three years (plus 1000 members) and the pressure on existing space means there are really no options to meet further demand let alone the ability to respond to industry trends and opportunities.

In assessing the local market and both national and International fitness industry trends Clubfit have identified a significant opportunity to continue both membership and revenue growth. In the past two years High Intensity Interval Training (HIIT) has been a leading industry trend worldwide and research shows increased ongoing investment by industry leaders in this type of offering.

To deliver this product successfully Clubfit requires a dedicated training space onsite. The areas identified as being suitable are currently utilised for operating our Child Care business and an aquatic outdoor BBQ area. We are proposing to develop a 285m2 High Intensity Training studio in this location.

This extension to the programmes and services offered aligns with the objectives of both Bay Venues Ltd (BVL) and it's shareholder in its desire to increase the wellbeing of the community through the ability to stay fit, active and to stay connected through the association and contact that belonging to a gym offers. It also of course will increase the financial contribution Clubfit makes to mitigate overall operational costs BVL incurs in providing community facilities such as Baywave

Clubfit is part of the BVL non-funded network, therefore we are requesting this capital funding by way of TCC loan funding. The investment delivers a strong commercial return with IRR of 9%, NPV $1.25m and a payback period of 11 years. Net profit before tax (NPBT) in year 1 is -$115k, becoming breakeven in year 3.

It is important to note this business case does not factor in the closure of the Childcare centre currently occupying the proposed space. No options have been considered for relocation of the Childcare centre, SLT consider the most likely option is that BVL would exit the Childcare business. In FY20 the Childcare centre is forecasted to return EBITDA of $74k, factoring this into the cashflow assumptions

brings IRR down to 6%, NPV $600k and payback period 14 years. This does not account for any potential sale of the Childcare business.

The business case has included a contribution towards the replacement of the outdoor BBQ space that the studio would replace. An assessment of utilisation of this space will be undertaken at the end of summer FY20 to assess the merit of replacement like for like.

Strategic Context

This proposal supports the strategic objectives outlined in BVL's strategic plan in relation to the facilities, products and experience and collaboration and co-investment initiatives. BVL achieves this by ensuring that the current facilities within the BVL stable are optimised, that products and experiences for customers are enhanced and as a consequence revenue streams and the sustainability of BVL and its facilities are improved.

BVL's vision is to enrich Tauranga for everyone is reinforced through this project by offering opportunities for members of the community to raise their level of wellbeing through active participation in this growing trend within the fitness industry.

It is also important for this investment to also align with the Tauranga City Council Long Term Plan commitments in managing the balance between the social, economic, cultural and environmental wellbeing of the community. We believe that expanding the current product offerings within the fitness programme at Clubfit to something that offers results but within a location and is cognisant of time demands can only be beneficial in growing a more health, resilient population.

Business Issue

Clubfit's challenge is to continue driving growth and profitability through meeting increased customer and industry demand. Clubfit in its current form will plateau in terms of growth in the immediate future but has no space available to provide for further growth or to adapt their product in response to industry trends such as HIIT to create opportunities for continued growth.

- Clubfit currently does not offer a dedicated HIIT training product or any form of small group training. Consumers are actively seeking this product and having to look elsewhere.
- Clubfit's competitors currently offers a variety of HIIT formats and Clubfit is unable to respond at present.
- As Clubfit continues to grow its membership, customer appeal will start to diminish as customers are forced to compete within the gym environment for space and equipment. With around 2,400 financial members the Baywave facility is currently approaching its capacity. Failure to develop new products and services will lead to product stagnation and Clubfit transitioning from a growth phase to maintenance. Providing a HIIT product and dedicated training space would help alleviate pressure on the gym floor product and studio space while developing another avenue to continue revenue growth.
- HIIT (high intensity interval training) is a proven training method for obtaining results. This training modality is currently a leading fitness trend worldwide and very prevalent in the Australian and New Zealand fitness markets.

Community Outputs

The key community output for this investment is to broaden opportunities for Tauranga residents to realise their physical exercise objectives through activity that is aimed at better health, fitness and wellbeing. It is well documented that physical exercise is beneficial for both mental and physical wellbeing but the opportunity to belong to and associate with a group of like-minded individuals adds a sense of community which is also significant in the increasing incidence of busy and somewhat isolated living and working lifestyles.

The ability to generate increased profits through enhancements at BVL venues in turn provides extra resource to support the community outcomes BVL is focussed on delivering for the city.

Options Considered

Three options have been considered:

- Developing the offer at other BVL sites (other than Baywave). Note; the location of this product is an important factor in its overall potential success. While other sites have been identified and discussed, having access to the wider Baywave venue and the Clubfit gym space (other fitness products) at Baywave makes the proposed location ideal. There are no other suitable sites.
- Developing this model within the existing Baywave gym space. This is simply not practical and would come at the cost of other current offers. E.g. Studio or designated gym floor space.
- The third option is that we do not undertake this project and maintain a holding pattern. This would see sales levels decrease over the next 12months and additional pressure placed on membership retention. This option would result in Clubfit missing an opportunity to strategically advance its product offer and over time would result in a loss of certain membership segments to our competition.

Risks

- The potential impact of any existing Baywave building issues on this project.
- Actual building project costs being higher than estimated. There is a contingency factored into the estimated build cost. The project estimated price has a -10% to +20% accuracy range. The contingency amount is $550K of the entire estimated project cost.
- The product is slightly exclusive and at the high end in terms of pricing. The customer is essentially paying for a more personalised product and experience similar to that of Personal Training. The proposed pricing ($50/week) has the product offer sitting at the 'high end' in terms of membership pricing. Compared to the most expensive Clubfit membership option the HIIT studio offer would be $25 more expensive (per week) than a full Gold membership. Note: consumers are prepared to pay a premium for a boutique or exclusive experience with a product that creates a tribe/team environment. This is evidenced in the pricing structure (and uptake) of both F45, CrossFit and other similar product offers (priced between $50-$60/wk.)
- Failure to reach targets/expectations in terms of utilisation, revenue and therefore the return on investment. With the right people (coaches) and marketing it is believed there will be sufficient uptake to justify this investment and over time considerably grow our revenue. A detailed growth

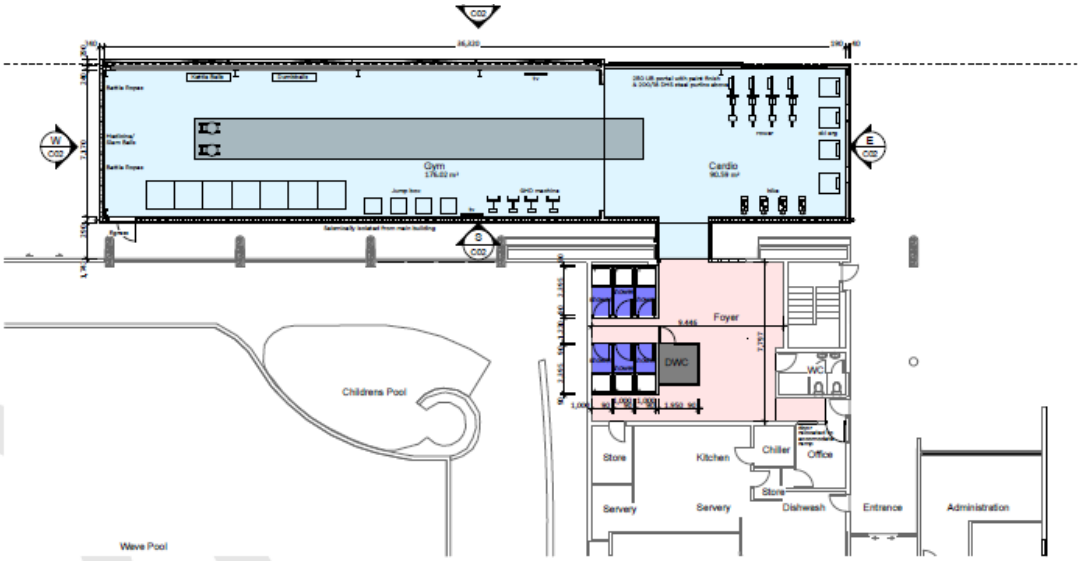
and marketing plan would be implemented with a strong focus on the first 12 months of operation.

- People - not having the appropriate human resource to develop product and build Clubfit's HIIT community. Must be able to attract and retain quality coach(s).
- Competition in the area. There are already similar products in the market place with more competition coming into the area as the population grows. In the past 24 months there has been significant population growth in the Tauranga area. This growth is expected to continue. With increased housing in this area and growth within the retail sector it is expected that the market will continue to grow in the coming years.
- Longevity of product offer. Is this style of training and product offer just a fad that will eventually fizzle out? As the leading Industry trend of the past two years businesses are continually looking for ways to maximise the benefits of this training style and re-package it under various brands and offers. Due to the popularity and effectiveness of this training modality it has been well researched and is therefore well supported by the exercise science community. Essentially this mode of training should stand the test of time due to the fact it is time efficient, incredibly effective and appeals to those people that are really focused on results. The offer also combines some of the best elements of two tried and true products being personal training and group fitness.
- Should this product not reach its potential how would the designated space potentially be utilised? The building design would offer an element of future proofing from a fitness perspective in that the area could simply exist as a functional training and HIIT conditioning space to cater for gym membership overflow. Even without a dedicated coach onsite delivering small group training a dedicated functional training area will still add significant value to the product offer and allow for increased membership/utilisation. There are a number of options for utilisation of this space in the future.

Implementation

The project can be broken down into three Stages:

1. Building project: The building project would be managed by BVLs Asset Manager Steve Edgecombe. It has been estimated that this phase would take approx. 6 months.
2. Internal Design and fit out: Design and fit out would be managed by Clubfit Manager Stu Stevenson with assistance as required from Steve Edgecombe.
3. Business development: Business development would be managed by the Clubfit Manager.


Gym
Cardio
Childrens Pool
Weve Pool
Foyer
DWC
WC
Store
Kitchen
Chiller
Office
Store
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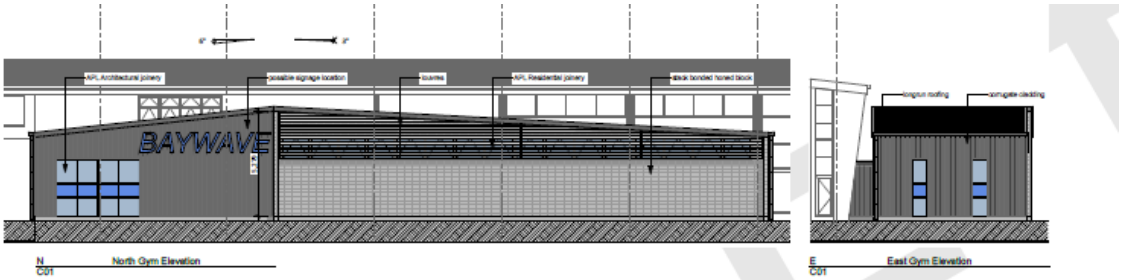
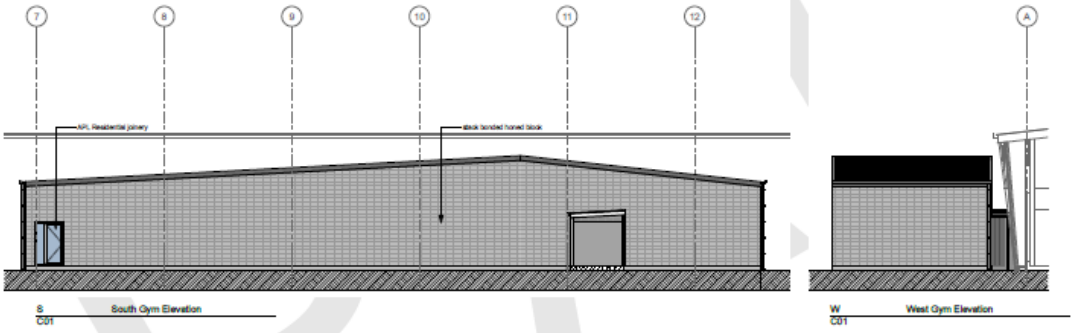
Dishwash
Entrance
Administration


BAYWAVE
N
C01
North Gym Elevation
E
C01
East Gym Elevation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South Gym Elevation
W
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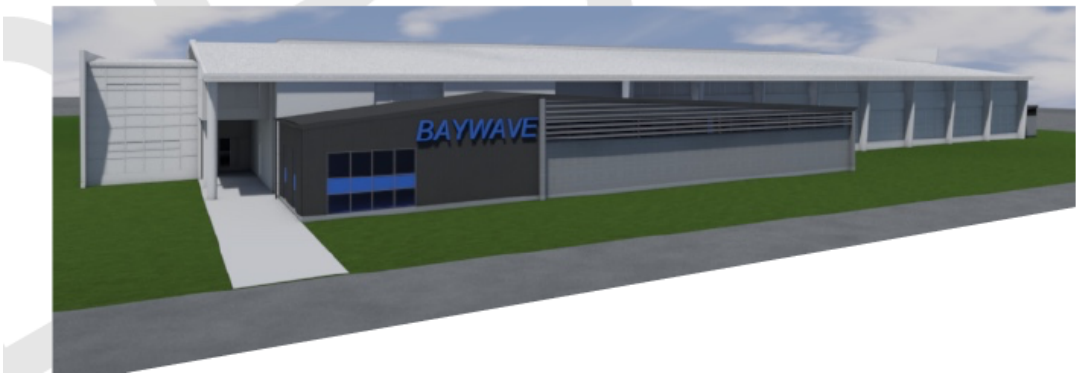
West Gym Elevation


BAYWAVE

BayVenues

Financial Considerations

Statement of Financial Performance - Clubfit HIIT Studio	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Income																				
Membership Fees	187,475	281,213	356,203	374,013	392,714	412,349	432,967	454,615	477,346	501,213	526,274	552,588	580,217	609,228	639,689	671,674	705,257	740,520	777,546	816,424
Total Income	**187,475**	**281,213**	**356,203**	**374,013**	**392,714**	**412,349**	**432,967**	**454,615**	**477,346**	**501,213**	**526,274**	**552,588**	**580,217**	**609,228**	**639,689**	**671,674**	**705,257**	**740,520**	**777,546**	**816,424**
Expenditure																				
Employee Expenses	99,000	114,500	129,320	131,906	134,545	137,235	139,980	142,780	145,635	148,548	151,519	154,549	157,640	160,793	164,009	167,289	170,635	174,048	177,529	181,079
Consumables	3,000	3,600	4,200	4,284	4,370	4,457	4,546	4,637	4,730	4,824	4,921	5,019	5,120	5,222	5,327	5,433	5,542	5,653	5,766	5,881
Electricity	6,000	6,000	6,000	6,120	6,242	6,367	6,495	6,624	6,757	6,892	7,030	7,171	7,314	7,460	7,609	7,762	7,917	8,075	8,237	8,401
Cleaning	2,880	2,880	2,880	2,938	2,996	3,056	3,117	3,180	3,243	3,308	3,374	3,442	3,511	3,581	3,653	3,726	3,800	3,876	3,954	4,033
Music	1,560	1,560	1,560	1,591	1,623	1,655	1,689	1,722	1,757	1,792	1,828	1,864	1,902	1,940	1,978	2,018	2,058	2,100	2,142	2,184
Marketing	12,000	12,000	12,000	12,240	12,485	12,734	12,989	13,249	13,514	13,784	14,060	14,341	14,628	14,920	15,219	15,523	15,834	16,150	16,473	16,803
Licences	2,600	2,600	2,600	2,652	2,705	2,759	2,814	2,871	2,928	2,987	3,046	3,107	3,169	3,233	3,297	3,363	3,431	3,499	3,569	3,641
Repairs & Maintenance	5,400	6,600	7,200	7,344	7,491	7,641	7,794	7,949	8,108	8,271	8,436	8,605	8,777	8,952	9,131	9,314	9,500	9,690	9,884	10,082
Total Expenditure	**132,440**	**149,740**	**165,760**	**169,075**	**172,457**	**175,906**	**179,424**	**183,012**	**186,673**	**190,406**	**194,214**	**198,099**	**202,061**	**206,102**	**210,224**	**214,428**	**218,717**	**223,091**	**227,553**	**232,104**
EBITDA	**55,035**	**131,473**	**190,443**	**204,938**	**220,257**	**236,444**	**253,543**	**271,603**	**290,673**	**310,807**	**332,060**	**354,489**	**378,156**	**403,126**	**429,465**	**457,245**	**486,541**	**517,429**	**549,993**	**584,320**
Depreciation on facility	48,460	48,460	48,460	48,460	48,460	48,460	48,460	48,460	48,460	48,460	48,460	48,460	48,460	48,460	48,460	48,460	48,460	48,460	48,460	48,460
EBIT	**6,575**	**83,013**	**141,983**	**156,478**	**171,797**	**187,984**	**205,083**	**223,143**	**242,213**	**262,347**	**283,600**	**306,029**	**329,696**	**354,666**	**381,005**	**408,785**	**438,081**	**468,969**	**501,533**	**535,860**
Interest	121,150	121,150	121,150	121,150	121,150	121,150	121,150	121,150	121,150	121,150	121,150	121,150	121,150	121,150	121,150	121,150	121,150	121,150	121,150	121,150
NBPT	**(114,575)**	**(38,137)**	**20,833**	**35,328**	**50,647**	**66,834**	**83,933**	**101,993**	**121,063**	**141,197**	**162,450**	**184,879**	**208,546**	**233,516**	**259,855**	**287,635**	**316,931**	**347,819**	**380,383**	**414,710**

Net Present Value (NPV)	1,249,887
Internal Rate of Return (IRR)	9%
Payback Period	11 Years

Assumptions

Revenue

- Membership fees based on 100 members in year one, 150 year two, 190 year three, with 5% growth from year 4 onwards. Capacity of facility is estimated at 300 members.
- Three tiered pricing structure: Gold $60/week, Silver $50/week, Bronze $45/week (incl GST). Assumed 60% of customers are bronze, with 20% gold and silver.

Expenditure

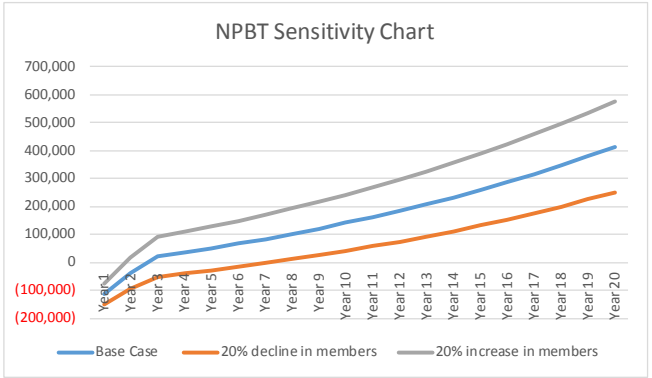
- Staff cost includes HIIT co-ordinator and Instructors
- Consumables based on current Clubfit Baywave expenses (towels, sanitary bins etc)
- Electricity based on size of facility and current Clubfit Baywave expense
- Cleaning based on size of facility and current Clubfit Baywave expense
- Music fees are current Sky music cost
- Marketing based on current Clubfit spend
- Licenses based on cost to run Myzone heart rate monitoring
- R&M includes equipment and buildings, based on size of facility and current Clubfit Baywave expense

Capital & Financing

- Initial capital cost of facility is $2,403,000. Includes Beca construction estimate (including QS), as well as gym equipment and flooring.
- Depreciated over 50 years on straight line basis
- Interest rate and WACC is 5% (agreed with TCC finance)
- Clubfit is part of the non-funded network therefore we are requesting loan funding for this project with an associated commercial return.

Sensitivity Analysis

- Costs are largely fixed, therefore sensitivity is likely to be driven by membership assumptions
- Base Case assumes 100 members from year 1, net profit before tax (NPBT) starts at -$115k in year 1, becoming breakeven in year 3
- Decreasing membership assumptions by 20% results in NPBT of -$152k in year 1, becoming breakeven in year 5
- Increasing membership assumptions by 20% results in NPBT of -$77k in year 1, becoming breakeven in year 2



Other Considerations

The ability to take on the new opportunity without losing focus

- This project would not detract from the day to day operations of the business during the building phase. Once the HIIT studio is operational, the business growth phase would require focused marketing and sales support along with a dedicated product specialist to ensure all programmes are delivered to a high standard. Attracting, recruiting and retaining the right people for this operation is essential.
- The day to day operation of this product would not detract from our core business. The new product offer should only enhance our appeal and therefore overall operational success of the Clubfit business.

Health and safety improvements

- This space would not pose any new significant hazards or risk that Clubfit as a business is not currently dealing with.
- Due to the nature of the activity robust screening and ensuring all users are monitored while completing their classes would be essential to minimise risk for participants and BVL.

The likelihood of success given market conditions

- It is very likely that Clubfit would experience success with this project. Both internationally and nationally, this product is attracting huge investment and local research indicates that there is strong consumer demand locally. This modality of training is becoming more mainstream and has a wide appeal. It is very likely that existing customers would utilise this product and that Clubfit would appeal to the growing market.
- Clubfit and Bay Venues have a unique competitive advantage in that our fitness offer is not simply studio based. The ability to also provide general gym/aquatic access sets us apart from most other dedicated HIIT providers in the local industry.

An increase in customer goodwill

- Offering a more complete fitness experience would only enhance the perceived value of a Clubfit membership. The benefit of this offer being onsite whilst not competing with any of our existing fitness products is that it does not detract from the user experience of those customer that do not opt into this programme. Conversely it is a significant benefit to those existing customers that do choose to upgrade and make use of this offer.
- Some Baywave customers may be disappointed to lose the current out door BBQ area, however we will be assessing the utilisation of this space at the end of summer FY20 and have made allowance for a replacement if usage has increased as expected.
- The initial closure of the Child Care service would impact a small user group of 20-25 customers.

Overall Summary

The main benefits are;

The key benefit is that this project positions Clubfit for continued growth in a marketplace where competition is high and a lack of innovation and development to satisfy market trends would see Clubfit slip in popularity very quickly. Enhancing the clubs product offer creates stability for the future and responding to market demand also enables the business to implement a number of identified strategic objectives that will improve financial outcomes for BVL.

1. Capitalising on the appeal of a proven product by offering HIIT under an already well-established business brand and location at Clubfit Baywave. This is a strategic approach to continuing membership growth as Clubfit Baywave moves towards peak membership.
2. Significantly increased revenue. Having an offer that creates an opportunity to increase revenue by 20-25%. This would be achieved by attracting new business and improved retention of existing customers.
3. Future proofing the Clubfit Baywave offer and enhancing our position in the market place with a more complete offer. The development of a HIIT studio serves as both an acquisition and a retention tool. The inclusion of this offer would significantly elevate the perceived value of a Clubfit membership. Operating in a competitive market place that only continues to develop means that Clubfit would be considered a leader in the market place whilst offering a diverse range of products and experiences to its users and the community.

The most significant risks are:

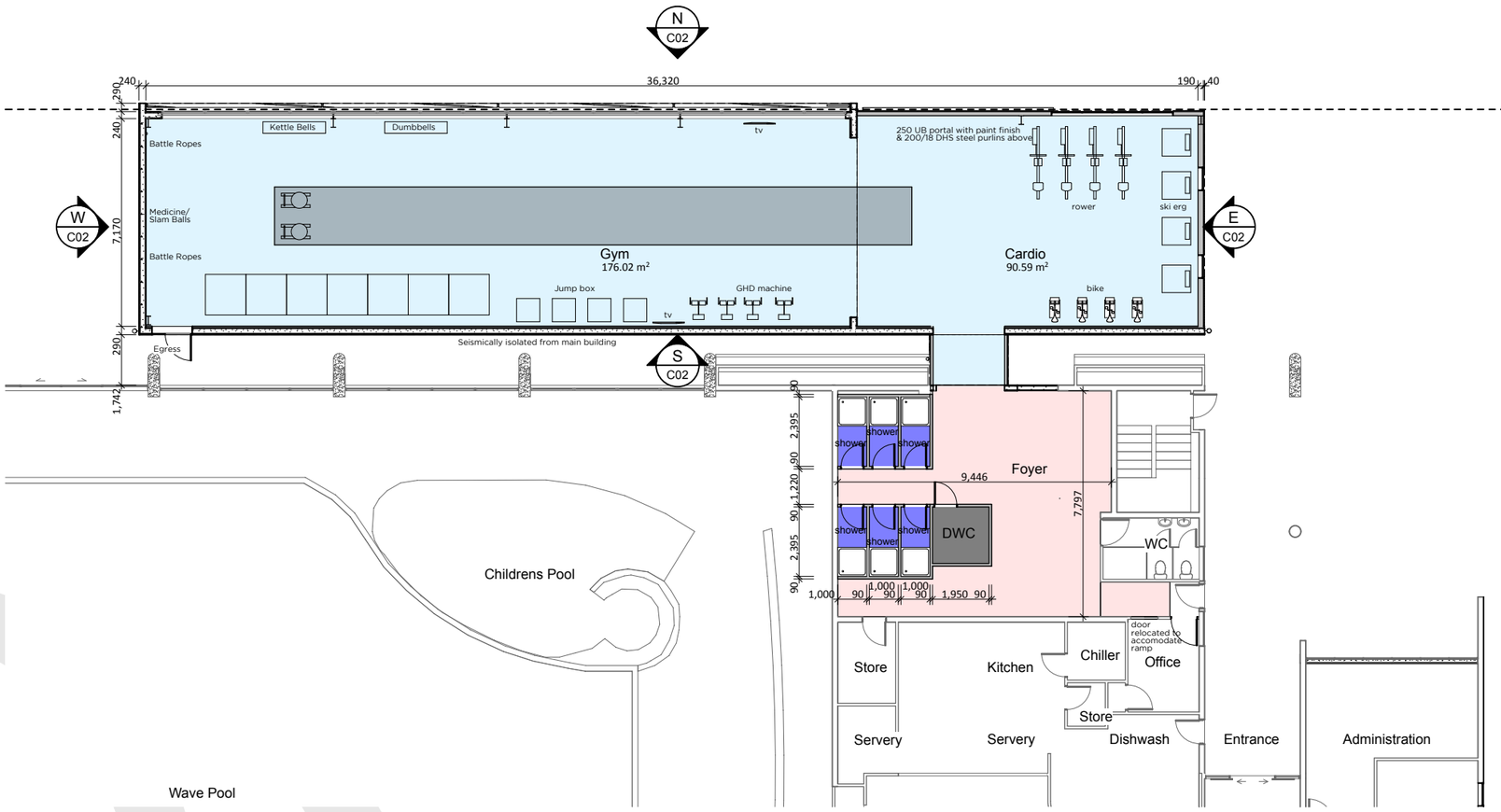
1. Any Baywave building issues that may impact the initial project or the space over time.
2. Any factors emerging that would impact on anticipated business growth.

In summary, considering the current market and popularity of this training modality it is highly likely that business levels identified in the financial plan will be achieved. Any risk is mitigated as even if the HIIT product did not work out as a viable business venture long term, the additional training space would be well utilised and allow for further membership growth of the current model or similar.

Manager's Name:	Stewart Stevenson	**Manager's Signature:**	
Approved by Finance Name:	Adam Ellmers	**Finance Signature:**	
Divisional Manager's Name:	Ervin McSweeney	**Divisional Manager's Signature:**	
SLT approved: Y / N (*circle one*)		**Date approved:**	19/11/19
Board Approval: Y / N (*circle one*)		**Date Approved**	

Interior Finishes Schedule:					
Room	**Floor**	**Walls**	**Ceiling**	**Trims & joinery**	**Fixtures and Furnishings**
Gym	Type:TBC Finish: TBC (to achieve __ fire purpose group: TBC)	25 series stack bonded honed Hotblock walls	plywood panels fixed to roofing structure	Scotia: N/A Architrave: N/A Skirting: N/A	-
Cardio	Type:TBC Finish: TBC (to achieve __ fire purpose group: TBC)	13mm Toughline Gib on timber framed walls. Selected wall finishes must achieve Fire Group Number of 2S. Colour: to match existing gym wall colour (TBC).	13mm Gib ceiling on ceiling battens	Scotia: N/A Architrave: N/A Skirting: N/A	-

Exterior Finishes Schedule:		
Element	**Material**	**Finish**
Roofing, gutter, spouting and flashings	Colorsteel	Colorcote Grey Flannel (to match existing)
Windows	Powdercoated	Dulux Silver Pearl (to match existing)
Masonry walls	Masonry	honed stack bonded
Corrugated cladding	Colorsteel	to match existing
Portals	Paint	Black



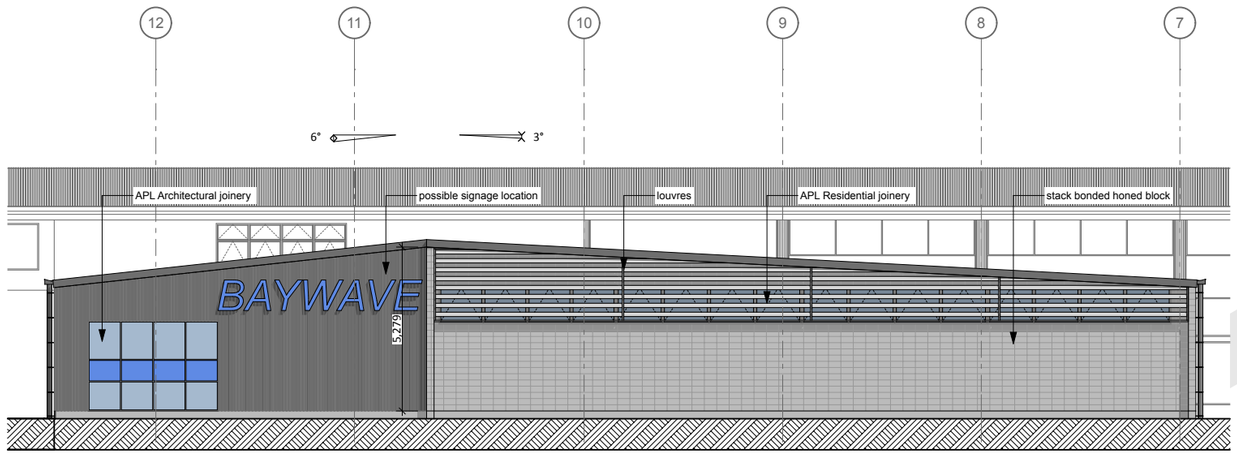
RevID	ChID	Revision	Date
		lodgement	

Baywave Remediation,
Extension and Minor Works
1 Gloucester Road
Mt Maunganui
For Tauranga City Council

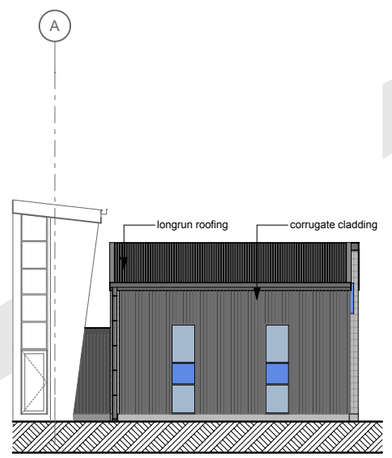
CONCEPT
NOT FOR CONSTRUCTION

Drawing	Job no.
Floor Plan	6033
Scale at A1: 1:100	Date: 31/07/19
File name: 190730 6183 Baywave Scheme.pln	Sheet no.
Note: It is the contractors responsibility to check and verify all dimensions & levels on site before commencing any work. Plans to be read in conjunction with specification to this job. Do not scale from plans.	C01

ADG
architectural design group
07 578 2899 I 47 2nd Avenue, Tauranga 3110
adg@architecturaldesigngroup.co.nz
PO Box 70131, Fraser Cove, Tauranga 3155
architecturaldesigngroup.co.nz



N North Gym Elevation
C01



E East Gym Elevation
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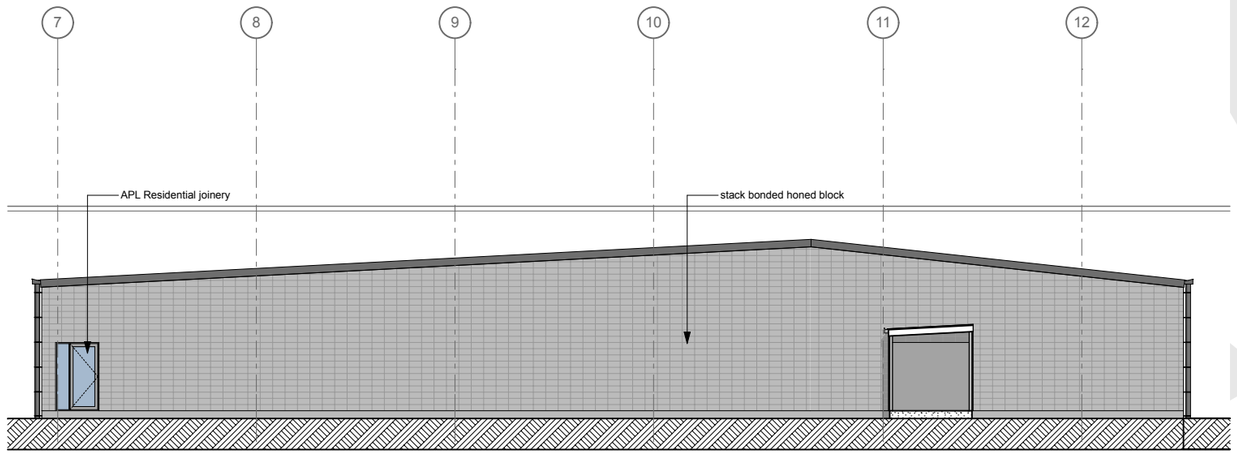

S South Gym Elevation
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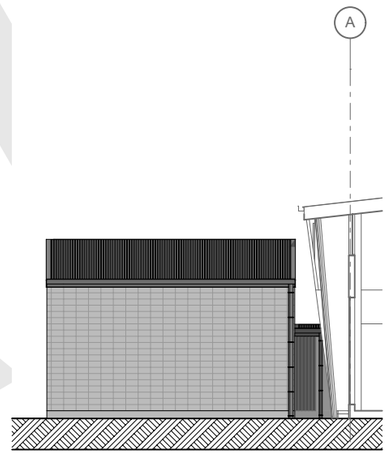
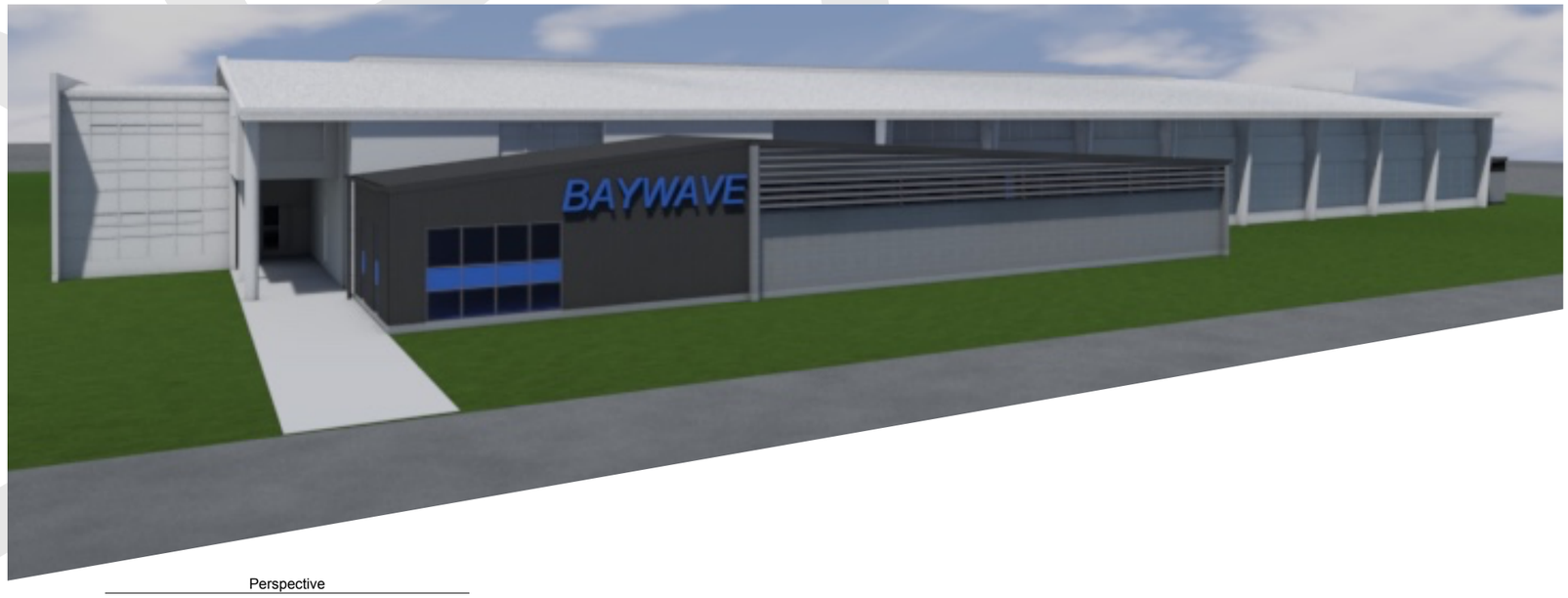


W West Gym Elevation
C01



Perspective

RevID	ChID	Revision	Date
		lodgement	

Baywave Remediation,
Extension and Minor Works
1 Gloucester Road
Mt Maunganui
For Tauranga City Council

CONCEPT
NOT FOR CONSTRUCTION

Drawing: Elevation & Perspective
Job no.: 6033
Scale at A1: 1:100, 2:1
Date: 31/07/19
File name: 190730 6183 Baywave Scheme.pln
Sheet no.: C02

Note:
It is the contractors responsibility to check and verify all dimensions & levels on site before commencing any work. Plans to be read in conjunction with specification to this job. Do not scale from plans.

ADG
architectural design group
07 578 2899 I 47 2nd Avenue, Tauranga 3110
adg@architecturaldesigngroup.co.nz
PO Box 70131, Fraser Cove, Tauranga 3155
architecturaldesigngroup.co.nz

BayVenues

Appendix E

New Capital Project – Business Case

Projects $50,000 and above for Board approval

Date:	25th November 2019
Project Name:	Greerton Aquatic & Leisure Centre rejuvenation project
Project Estimate:	Capital $1,103,666 and Renewals $1,903,769
Author:	Tina Harris-Ririnui

Executive Summary

The Greerton Aquatic & Leisure Centre (Greerton) is now 48-years old and over this period, besides roofing the complex over 20-years ago to enable this to be an all year-round facility and raising the temperature in the learners' pool, very little else has been done to the facility.

The recent TCC City Wide Needs Analysis Report has identified Greerton (along with Baywave) will experience proportionally the greatest increase in demand due to its proximity to the City's growth areas. Until other aquatic facilities are developed and to cater for the increase in demand, the complex requires more amenities and at the same time, adequately cater for all ages – from babies to mature adults. These improvements will also enable Greerton to continue servicing the local community for many years to come.

Also, an independent customer research has identified Greerton is a valued community facility with its own charm (small, simple, personable and accommodating). However, customers have identified several negative issues with the facility – changing rooms and carparking do not cater for the volume and diversity of users during peak times and the front of house is a wind-tunnel which makes it unpleasant for patrons, particularly young families and older adults *(Delve Research, 2017).*

Furthermore, in addition to the shortcomings existing customers have identified, the facility is also lacking recreation and leisure amenities which is an important component of any aquatic facility. Nationally and internationally, a typical aquatic market is made up of 60-70% recreation and leisure users *(Sport NZ, 2018).* At Greerton, recreation and leisure users make up only 16% of visit use.

To address these shortcomings, a rejuvenation of the facility is scheduled for FY21 and forms part of the TCC Long Term Plan 2018-2028, which includes $1.1m of capital along with $776k of renewals. The rejuvenation project will ensure Greerton is equipped to accommodate growing demand and increase its attractiveness to the wider community.

Since the original business case was developed in 2017, a review has been undertaken to ensure the improvements will satisfy users, gain operational and space efficiencies and factor in any renewals work that should be undertaken at the same time. As a result, an additional $1.128m of renewal funding is requested through the FY21 annual plan process.

The Greerton rejuvenation project will remedy several key issues at the facility:

- Provide adequate changing room space to cater for the diverse range of customers

- Upgrade the front entrance to address the cold air which permeates through the building in the colder months and when it is windy
- Upgrade the reception and offices to improve functionality
- Increase the recreation and leisure amenities to attract more youth and families
- Provide more parking to accommodate the shortfall during peak times
- Reconfigure lanes in the lap pool and hydrotherapy pool to increase capacity
- Address health and safety concerns eg slippery pool concourse and replacement ramp handrail
- Replace dated and non-compliant equipment eg grandstand seating
- Water tight sections of the building cladding
- Allow provision to strengthen the fitness centre floor if a requirement to obtain a building consent.

Refer design concept drawings.

The main inherent risks of this type of project include time delays, cost blow-out and customer disruption. To mitigate these risks careful consideration has been given to the timing and length of closure to enable the work to be completed during the quieter months. A project manager will oversee the upgrade to ensure works are completed on time and within budget. Also, we will be opening Memorial Pool up to squad swimmers so their training is not negatively affected. Lastly, a sizeable allowance has been included in the budget to cover contingencies.

The project is scheduled to commence 17 August 2020 with an 8-week full aquatic closure plus 4-weeks of further disruptions once the pool opens to the public.

Despite the venue being closed for 8-weeks, the impact on EBITDA is low at $28,000.

This investment aligns with objectives set-out in the BVL strategic plan and also fits with a number of TCC strategic objectives and key community outputs.

Greerton is part of the BVL funded network, therefore we are requesting TCC to cover the interest to undertake the capital works component of this project. The capital investment delivers an IRR of 2% with expected payback period of 17 years. As a purely community focused facility, we feel this represents a decent return on the investment.

This report recommends the following:

- All new capital works is approved and as the amount is within the 2018-28 LTP budget, procurement commences immediately to minimise the risk of time restraints to secure contractors and materials
- An additional $1.128m of renewal funding is requested from TCC through the FY21 annual plan process.

For ease of read, this report outlines separately the Capital components and Renewal components of this project.

Strategic Context

This investment aligns with the following objectives in the BVL strategic plan:

- Every facility is well looked after, well-maintained and well-presented
- Every facility provides a safe environment for staff and visitors
- The potential of our current facilities is optimised.

The investment also fits with the following strategic objectives of Tauranga City Council:

- Plan for and provide affordable fit-for-purpose services – aquatic entry is heavily subsidised through the TCC fee for service grant. Enhancing the appeal of Greerton aquatics will attract more visits
- Enhance the quality of life for current and future residents – access to water-based activities in a safe environment contributes to people's wellbeing
- Work in partnership with the community that we represent – key elements of this project are a direct result of customer insights undertaken by Delve Research and Evolution Aquatics Tauranga have been consulted on the proposal, which they support.

Community Outputs

Greerton was built in 1971 as an outdoor aquatic facility, over 48-years ago. A roof was added in stages over 20-years ago to turn it into an all-year round facility. In 2016 work was undertaken to increase the temperature in the learners' pool. Besides this, no other major upgrades have occurred at the facility and with the population growing (particularly in the surrounding areas), it is timely to invest in this much-loved aged facility to enable it to adequately service the community now and into the future.

This project aligns with one of the key TCC community outputs – a City that attracts businesses, people and visitors. Our City is growing rapidly and in order to keep pace, our current facilities must be well-maintained and responsive to the needs of the community.

Sport NZ has recently launched their new strategy and vision "Every Body Active." Tamariki and rangatahi are at the heart of the new plan because of the worrying decline in physical activity that occurs during teenage years. To tackle this Sport NZ are focused on 'play' and physical education for tamariki and on active recreation and sport for rangatahi. We have incorporated challenging play equipment into this project to support physical activity for this target age group.

The rejuvenation project will significantly enhance Greerton's level of service, increase its attractiveness to the wider community and be equipped to accommodate inherent growing demand.

Business Issue

Greerton is a valued community facility with its own charm however, customers identified several negative issues with the facility:

- Changing rooms are the facility's achilles heel with insufficient space available to change during busy times
- The reception space can be chilly and cold air coming in the building through the front doors affects the pool environment and makes it unpleasant for patrons, particularly pre-schoolers and older adults
- There is a shortage of car parking during peak times *(Customer feedback, Delve Research, 2017).*

Furthermore, the comparison between the typical national/international aquatic market and Greerton market highlights the education (learn to swim)/competitive/training/fitness segment are the majority of users. Health & therapy is high at 21% which reflects the popularity of the hydrotherapy pool and high numbers of senior adults frequent the facility. Recreation & leisure however is significantly lower

at 16% than the typical aquatic market at 60-70% due to the lack of 'recreational' amenities such as play equipment.

Over the last five years pool visits have averaged 88,000 per year. In addition, BaySwim has increased over the same period by 60% and currently average 550 term enrolments children, with Clubfit servicing 520 members. The recent TCC City Wide Needs Analysis Report has identified Greerton will experience proportionally the greatest increase in demand due to its proximity to the City's growth areas.

In terms of demographics, visitors to Greerton Pool are over-represented amongst children 0-9 years and those 60 years+. The hydrotherapy pool is an attractive asset to the aging population. The 25m lap pool is well utilised by the local swim club, advanced learn to swim classes and the general public looking to do laps. On Friday nights, weekends and school holidays, there is an increase in tamariki and rangatahi using the facility who primarily utilise the lap pool to play and hang out with their mates. Females make up 66% of the visitors, males 34%.

The recent Baywave project has highlighted the benefits of ensuring a project of this nature includes improvements that will satisfy users, gain operational efficiency and space efficiency. With this in mind the following issues aim to be addressed in the refurbishment project:

- **Insufficient changing rooms** – the overall increase in visits has put increasing pressure on changing room facilities and this is exacerbated at peak times. There is insufficient changing room space to adequately cater for our broad range of customers. The existing changing rooms are being shared at the same time by:
    - Older adults who require privacy
    - Parents with preschool children and babies attending learn to swim lessons
    - The general public, and
    - Large school groups.

  To accommodate the volume and diversity of users, Greerton will be extended at the western end to provide new, additional male and female changing rooms catering for up to 400 people in the complex. In addition, extra changing cubicles for learn to swim patrons will be provided in close proximity to where lessons are held.

- **Issues with front entrance/reception** – the front entrance acts as a wind tunnel funnelling cold air into the facility which, when this happens, makes it extremely unpleasant for customers. Cold temperatures also affect pool temperatures which in turn increases heating costs. The cold air is particularly off-putting for parents with little children and the elderly. Furthermore, the current entrance and reception is narrow and not appropriate for a modern-day facility needing to process groups of visitors, especially at peak times. The scope of work includes a new entranceway, reception area and offices – aspects of this work will be covered by renewals as well as capital. The current BaySwim and Swim Club offices will relocate to the other side of the building.

- **Lack of recreation and leisure amenities** To 'dial up the fun' the plan is to install an aqua parkour activity which features lily pads and guide ropes across the learn to swim pool – the lily pads bolt into the floor and the guide ropes are suspended between poles at the edge of the pool which can easily be removed when not in use. This piece of equipment is very popular at the Albany Stadium Pool and considered to be 'worthy investment'. This feature will be accessible outside of learn to swim sessions and is expected to be a popular attraction on Friday evenings, weekends, school and public holidays; to see this in action click here.

- **Under-utilised outdoor space** – currently the outdoor area adjacent to the hydrotherapy pool is gloomy and under-utilised. Also, the external entry to this area acts as egress in the event of an evacuation and currently there are no steps up to the raised bank that leads people away from the building. The recent upgrade to the Baywave outdoor area has resulted in significant utilisation of its space by families and groups of friends. Greerton is a true-blue community facility that could better accommodate groups by providing an outdoor picnic area to socialise while visiting. The plan is to rejuvenate this space with colour, more outdoor furniture, double BBQ stations (similar to Memorial Pools), artificially turf a section for kids to play on (refer image below), which in turn will transform an under-utilised area into a much-loved space.

- **Lack of parking during peak times** – the plan is to provide 9-10 more carparks by pathing the grass area to address parking issues during peak times. While the provision of additional carparking should be led by TCC, the area to be pathed is within BVL's building footprint (refer appendix 1 - site plan) and has been identified as a key 'tragic' for the venue. A key focus for BVL is to optimise utilisation of our facilities however (during busy times), if there is insufficient space for patrons to park, this will be a major deterrent. Greerton's location is off the public transportation arterial route therefore other modes of transport to the venue is a challenge.

- **Insufficient lane space** – in the 25m lap pool and hydrotherapy pool, at times demand for space is an issue. To optimise space the lanes will be reconfigured to increase capacity lengthways and/or widthways. Additional lane ropes will require an extra rope reel.

By increasing the appeal, functionality, optimising space and increasing accessibility, the upgrade is expected to increase customer satisfaction which in turn will drive an increase in visits by an estimated 10% - the capacity of Greerton will easily be able to accommodate the extra, on average, 24 people a day (or 8800) patrons a year, we expect to attract.

Options Considered

Retain status quo, defer any upgrade investment for another 5-10 years and continue to operate Greerton with its major shortcomings – the Community Facilities Needs Analysis has identified the aquatic facilities which will experience proportionally the greatest increase in demand are Baywave and Greerton, due to the proximity to the growth areas. Furthermore, the recent review of the CBD Aquatic & Recreation Hub along with the Tauranga Crossing aquatic option has signalled the provision of a new aquatic facility in the short-term located in the Western corridor has no merit. In order to keep pace with the demand on Greerton, investment to address the facility's shortcomings is warranted.

The capital cost to undertake this work is $1.1m in line with the amount allocated in TCC's LTP.

BayVenues

Financial Considerations - Capital

The Capital cost for this project is $1,103,666. This is within the capital amount already included in the TCC LTP 2018-28.

Financial Commentary
Greerton Aquatic & Leisure Centre is part of the BVL funded network, therefore we are requesting this capital funding with interest costs to be covered by council (ratepayer funded). The investment delivers an IRR of 2% with expected payback period of 17 years. As a project based primarily on community outcomes, we feel this represents a decent return on the investment.

Statement of Financial Performance - Greerton Aquatic & Leisure Centre Upgrade	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Income																				
User Fees Increase	62,687	63,941	65,219	66,524	67,854	69,211	70,596	72,008	73,448	74,917	76,415	77,943	79,502	81,092	82,714	84,368	86,056	87,777	89,532	91,323
Merchandise / F&B Increase	3,478	3,547	3,618	3,691	3,764	3,840	3,917	3,995	4,075	4,156	4,239	4,324	4,411	4,499	4,589	4,681	4,774	4,870	4,967	5,067
Total Income	**66,165**	**67,488**	**68,838**	**70,215**	**71,619**	**73,051**	**74,512**	**76,002**	**77,522**	**79,073**	**80,654**	**82,267**	**83,913**	**85,591**	**87,303**	**89,049**	**90,830**	**92,647**	**94,499**	**96,389**
Expenditure																				
Electricity	2,500	2,550	2,601	2,653	2,706	2,760	2,815	2,872	2,929	2,988	3,047	3,108	3,171	3,234	3,299	3,365	3,432	3,501	3,571	3,642
Cleaning	2,500	2,550	2,601	2,653	2,706	2,760	2,815	2,872	2,929	2,988	3,047	3,108	3,171	3,234	3,299	3,365	3,432	3,501	3,571	3,642
Repairs & Maintenance	2,500	2,550	2,601	2,653	2,706	2,760	2,815	2,872	2,929	2,988	3,047	3,108	3,171	3,234	3,299	3,365	3,432	3,501	3,571	3,642
Total Expenditure	**7,500**	**7,650**	**7,803**	**7,959**	**8,118**	**8,281**	**8,446**	**8,615**	**8,787**	**8,963**	**9,142**	**9,325**	**9,512**	**9,702**	**9,896**	**10,094**	**10,296**	**10,502**	**10,712**	**10,926**
EBITDA	**58,665**	**59,838**	**61,035**	**62,255**	**63,501**	**64,771**	**66,066**	**67,387**	**68,735**	**70,110**	**71,512**	**72,942**	**74,401**	**75,889**	**77,407**	**78,955**	**80,534**	**82,145**	**83,788**	**85,463**
Depreciation on facility	22,073	22,073	22,073	22,073	22,073	22,073	22,073	22,073	22,073	22,073	22,073	22,073	22,073	22,073	22,073	22,073	22,073	22,073	22,073	22,073
EBIT	**36,591**	**37,765**	**38,961**	**40,182**	**41,427**	**42,697**	**43,993**	**45,314**	**46,662**	**48,036**	**49,439**	**50,869**	**52,328**	**53,816**	**55,334**	**56,882**	**58,461**	**60,071**	**61,714**	**63,390**
Interest	55,183	55,183	55,183	55,183	55,183	55,183	55,183	55,183	55,183	55,183	55,183	55,183	55,183	55,183	55,183	55,183	55,183	55,183	55,183	55,183
NBPT	**(18,592)**	**(17,419)**	**(16,222)**	**(15,001)**	**(13,756)**	**(12,486)**	**(11,191)**	**(9,869)**	**(8,522)**	**(7,147)**	**(5,745)**	**(4,314)**	**(2,856)**	**(1,368)**	**150**	**1,698**	**3,277**	**4,888**	**6,531**	**8,207**

Net Present Value (NPV)	(243,325)
Internal Rate of Return (IRR)	2%
Payback Period	17 Years

Assumptions

Revenue

- User Fees: expected 10% increase in visits (additional 24 visits/day) + 10% increase in price ($0.33/visit)
- Merchandise/F&B based on assumption that we generate $0.39 EBITDA/visit for the additional 10% volume (based on current profitability)

Expenditure

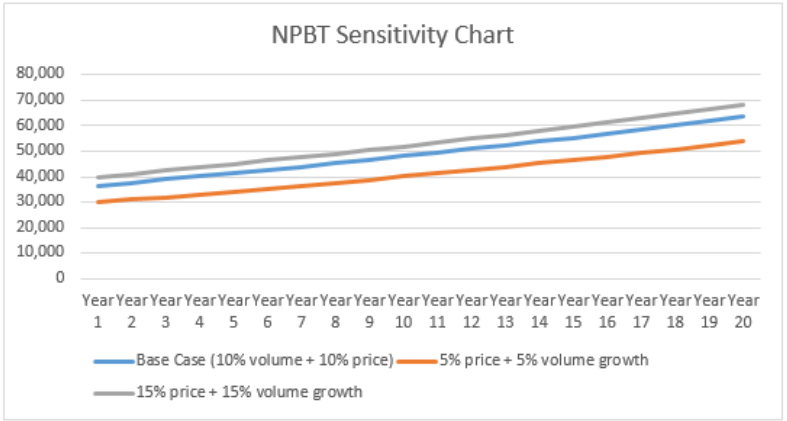
- Expenses are benchmarked off current Greerton costs, includes Electricity, Cleaning and R&M.

Capital & Financing

- Initial capital cost of facility upgrade is $1,103,666
- Depreciated over 50 years on straight line basis
- Interest rate and WACC is 5% (agreed with TCC finance)
- Greerton is part of the Funded Network, therefore expectation is that this will be funded by way of a grant from TCC (not Loan funded).

Sensitivity Analysis

- Costs are largely fixed, therefore sensitivity is likely to be driven by user fees assumptions
- Sensitivity analysis is based on EBITDA, given this project is part of the funded network it is assumed there is no requirement to cover depreciation and interest costs
- Base Case assumes price increases by 10% and volume increases by 10%, EBITDA starts at $37k in year 1
- Decreasing growth assumptions to 5% volume + 5% price, EBITDA starts at $30k in year 1
- Increasing growth assumption to 15% volume + 15% price, NPBT starts at $40k in year 1



Renewals

Business Issue

In the current TCC Long Term Plan, $776,048 of renewals has been approved based on the schedule put forward to Council in FY18. Since this time, we have re-assessed the venue, identified components of the original upgrade business case which are capital and renewals and reviewed the information contained in the Accela software programme to recognise works that should dovetail with the scheduled rejuvenation project.

Also, a weather tightness assessment and seismic assessment has since been undertaken. This has identified areas of the building that either need replacing, or may need replacing, in which case provision has been made in the renewals budget to enable this to occur during the closure.

The additional major renewals items consist of the following:

- Treating the floor with a non-slip product to reduce the amount of slips that occur around the pool concourse
- Re-tile the bulkheads at the same time as the rest of the pool is being re-tiled and painted
- Replace the dated grandstand that also no longer meets egress compliance
- Replace the ramp handrail into the hydrotherapy pool
- Replace facility signs with bi-lingual signage
- Replace the external cladding on the second floor damaged by weather
- Contingency in place to strengthen the fitness centre floor if a building consent requirement.

Options Considered

Defer additional renewals until a later closure – of the seven items listed above, five address health & safety issues in the building, therefore deferring until the next full closure in another 3-years' time is not an option.

Financial Considerations

The Renewal cost for this project is $1,903,769. $776,048 is already included in the Renewals budget. We are seeking $1,127,721 through TCC's FY21 annual plan to undertake additional work.

Renewals	
Replacement Bathroom Equipment	
Filtration	
HVAC	
Dosing System	
Paint	
Pool Ladder	
Chlorine Pump	
Approved	650,706
FY20 brought forward budget items (due to closure delay)	125,342
Approved FY21 Renewals & FY20 Renewals brought fwd	776,048
Upgrade renewals component incl prelims, margins, design & contingency	485,521
Additional Annual Plan Renewals	
Gym floor strengthening (contingency)	150,000
Weather tightness	100,000
Non-slip flooring - concourse	170,200
Non-slip flooring - under grandstand	17,000
Pool tiling	80,000
Retractable seating	75,000
Hydro pool handrail	12,000
Existing change room shower access	2,000
Bi-lingual signage	20,000
Replace stainless flashings on walls	10,000
Gym emergency access	6,000
Total Additional Renewals	642,200
Total FY20 Renewals	**1,903,769**
Difference	**1,127,721**

Project Risks

- Project not completed on time – key drivers to determine when the best time to undertake this project has been considered; the aquatic complex will be closed to the public for a period of 8-weeks with a further 4-weeks of disruptions expected once we re-open. A project manager will oversee the upgrade to ensure works are completed on time and within budget.
- Procurement timeframes too tight – with approval of the TCC annual plan not due until June 2020, timeframes to enlist the contractors and materials are unrealistic. To mitigate this risk, we will liaise with the relevant TCC executive team members to get approval early to undertake the work.
- Costs are more than envisaged – a 'detailed' concept design has been provided by a reputable company with a QS providing an estimate which includes enough allowance for preliminaries, margins, contingency, design development contingency and professional fees. Therefore, the likelihood of exceeding budget is low.
- Customer intolerance to a prolonged closure – to accommodate squad swimmers we will open Memorial Pool during set times, as we did during the recent Baywave closure. Also, the timing of the closure has considered learn to swim customers and as this occurs during the off-peak time and the project addresses a key concern for this cliental, we anticipate minimal fall-out.
- Requirement to strengthen the fitness centre floor – a building consent may trigger the need for the gym floor to be strengthened. Initial enquires at this point have indicated this may not be the case however, if so this will add considerably more time to the length of the closure and require the gym to close. As soon as we are able, we will apply for a building consent so we can address a longer closure and re-assess timeframes and overall impact.

Implementation

- The project is scheduled for FY21, to commence on 17 August 2020 with an 8-week closure, reopening to the public on 12 October. A further 4-weeks of disruption is anticipated to complete works outside of the main pool complex with all works expected to conclude 8 November.
- Greerton Clubfit will remain open during the closure with an alternative entrance to the fitness centre provided when works on the front entrance are being carried out.
- The Asset & Project Manager is responsible for procurement.
- The Venues & Programmes Manager, in liaison with the Venue Manager: Greerton Aquatics will approve the detailed design.
- Given the scope of work and to reduce impact on the rest of the business, an independent Project Manager will be appointed to oversee all facets of this project.
- The learnings gleaned from the recent Baywave closure will be carried over into this project.

Other Considerations

The ability to take on the new opportunity without losing focus

Typically, an aquatic venue would close every three-years for major maintenance works which is a good time to also factor in any rejuvenation projects. The maintenance and upgrade of Greerton was due to occur in FY20 but has been pushed out a year due to the recent Baywave closure needing to be deferred from the FY19 year.

The Hot Pools will also be undertaking a major maintenance closure in FY21 which, due to the condition of the plant, cannot be delayed any longer. This will be an 8-week closure from 26 January to 21 March 2021.

To provide enough time for procurement and planning as well as space between the two facility projects, the timing for the Greerton closure is scheduled to commence 17 August 2020. *Refer appendix 2 - proposed timing for aquatic closure.*

Given the scope of work and to reduce impact on the rest of the business, an independent Project Manager will be appointed to oversee all facets of the closure.

Health and safety improvements

The procurement documentation will cover all relevant H&S requirements. The Project Manager will liaise with the BVL H&S Advisor early in the planning to ensure clear delineation between levels of responsibility and processes.

The likelihood of success given market conditions

The City's population is growing with no signs of slowing down. Similarly, the population is getting older, therefore market conditions are positive.

An increase in customer goodwill

The proposed upgrade is a direct result of listening to our customers therefore customer goodwill is assured.

Overall Summary

Greerton is an older, much-loved facility and an important venue in the aquatic network but has not undergone any major upgrades for 20-years. A needs analysis conducted by TCC has identified Greerton will experience proportionally the greatest increase in demand due to its proximity to the City's growth areas.

Until other aquatic facilities are developed and to cater for the increase in demand, the complex requires more amenities and at the same time, adequately cater for all ages – from babies to mature adults. These improvements will also enable Greerton to continue servicing the local community for many years.

The Greerton rejuvenation project will remedy several key issues currently plaguing the facility:

- Provide adequate changing room space to cater for the diverse range of customers
- Upgrade the front entrance to address the cold air which permeates through the building in the colder months and when it is windy

- Upgrade the reception and offices to improve functionality
- Increase the recreation and leisure amenities to attract more youth and families
- Provide more parking to accommodate the shortfall during peak times
- Reconfigure lanes in the lap pool to increase capacity
- Address health and safety concerns eg slippery pool concourse and replacement ramp handrail
- Replace dated and non-compliant equipment eg grandstand seating
- Water tight sections of the building cladding
- Allow provision to strengthen the fitness centre floor if a requirement to obtain a building consent.

By increasing the appeal, functionality, optimising space and increasing accessibility, the rejuvenation project is expected to increase customer satisfaction which in turn will drive an increase in visits by an estimated 10%. Greerton has capacity to accommodate additional use if the investment is supported.

The main inherent risks of this type of project include time delays, cost blow out and customer disruption. To mitigate these risks careful consideration has been given to the timing and length of closure to enable the work to be completed during the quieter months. A project manager will oversee the upgrade to ensure works are completed on time and within budget. Also, we will be opening Memorial Pool up to squad swimmers so their training is not negatively affected. Lastly, a sizeable allowance has been included in the budget to cover contingencies.

Greerton is part of the BVL funded network, therefore we are requesting this capital funding by way of an interest free grant. The investment delivers an IRR of 2% with expected payback period of 17 years. As a purely community focused facility, we feel this represents a decent return on the investment.

The impact on EBITDA is at $28,000.

The report recommends the following:

- The Greerton rejuvenation project commences 17 August 2020 with an 8-week full aquatic closure plus 4-weeks of further disruptions once the pool opens to the public
- All new capital works is approved and as the amount is within the 2018-28 LTP budget, procurement commences immediately to minimise the risk of time restraints to secure contractors and materials
- An additional $1.128m of renewal funding is requested through the FY21 annual plan process.

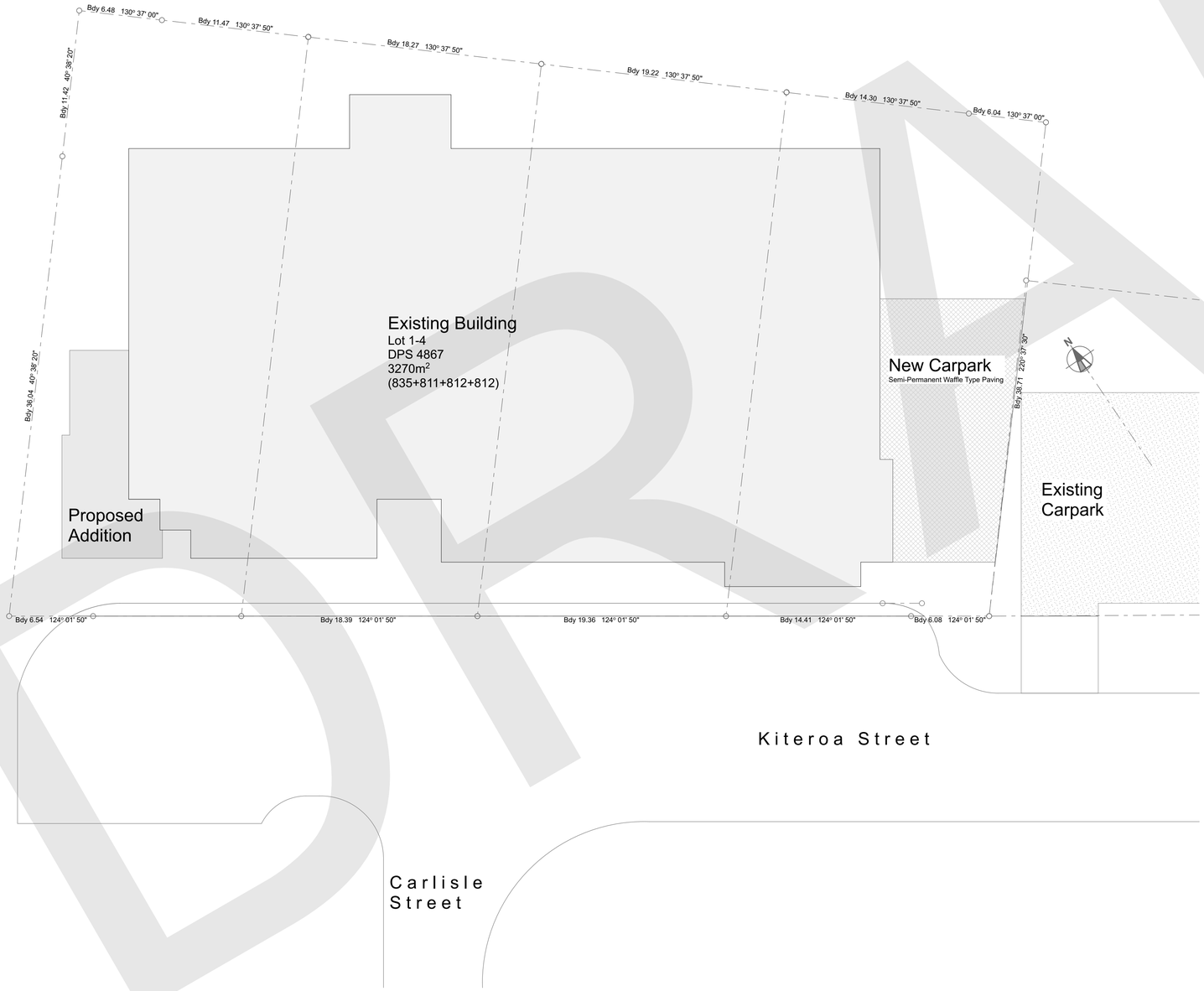
Approved by Finance Name:	Adam Elmers	**Finance Signature:**	
Divisional Manager's Name:	Tina Harris-Ririnui	**Divisional Manager's Signature:**	

SLT approved: (Y) / N (*circle one*)		**Date approved:**	19 November 2019
Board Approved: (Y) / N (*circle one*)		**Date approved.**	2 December 2019

Appendix 1 – Site plan for Greerton Pool from lease agreement

Appendix 2

Proposed Timing for Aquatic Closures



Location Plan

Firth Permeable Paving

Grass Pavers

Gobi Blocks

RevID	ChID	Revision	Date

Proposed Upgrades
Greerton Pools
1 Kiteroa Street
Tauranga
For Bay Venues Ltd

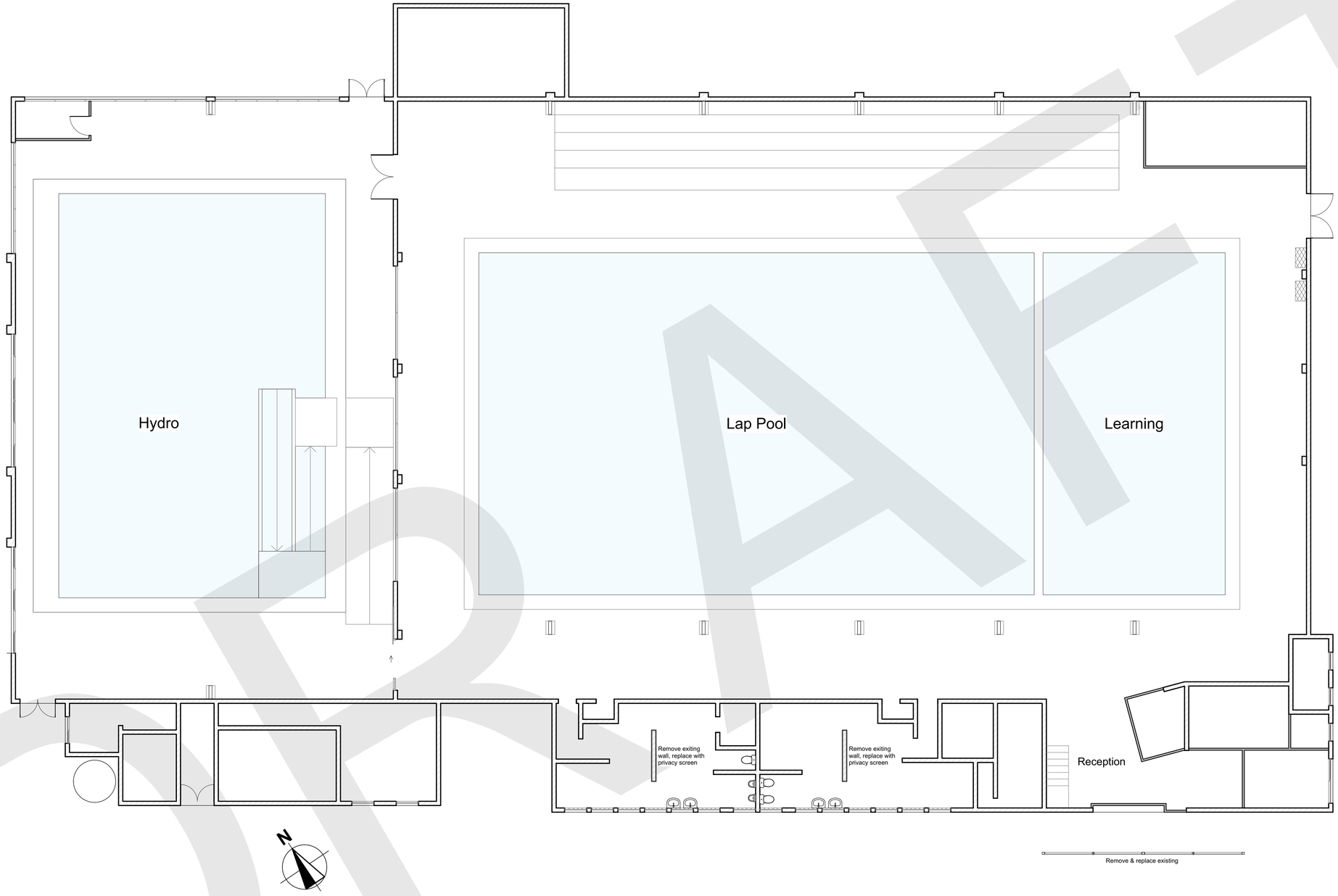
CONCEPTS
NOT TO BE USED AS WORKING DRAWINGS

Drawing	Job no.
Site Plan	6032
Scale at A1	Date
1:200	20/09/19
File name 190821-6032-GreertonPools-Sch-AC22.pln	Sheet no.

Note:
It is the contractors responsibility to check and verify all dimensions & levels on site before commencing any work. Plans to be read in conjunction with specification to this job. Do not scale from plans.

A002

ADG
architectural design group
07 578 2899 I 47 2nd Avenue, Tauranga 3110
adg@architecturaldesigngroup.co.nz
PO Box 70131, Fraser Cove, Tauranga 3155
architecturaldesigngroup.co.nz



1 Ground Floor Plan - Existing 1:100

RevID	ChID	Revision	Date

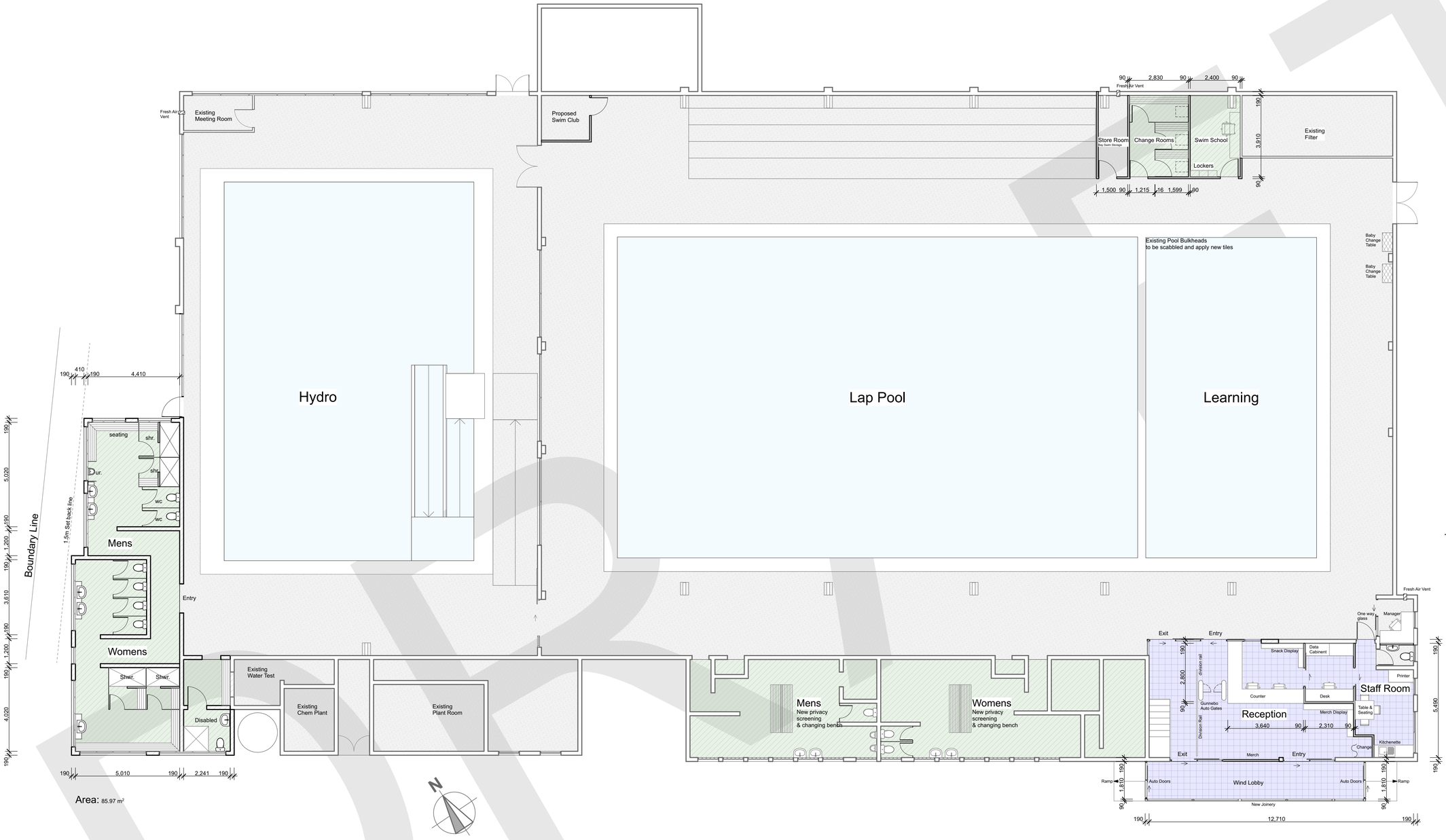
Proposed Upgrades Greerton Pools 1 Kiteroa Street Tauranga For Bay Venues Ltd

CONCEPTS

NOT TO BE USED AS WORKING DRAWINGS

Drawing	Job no.
Ground Floor Plan - Existing	6032
Scale at A1	Date
1:100	20/09/19
File name 190821-6032-GreertonPools-Sch-AC22.pln	Sheet no.
Note: It is the contractors responsibility to check and verify all dimensions & levels on site before commencing any work. Plans to be read in conjunction with specification to this job. Do not scale from plans.	A100

ADG
architectural design group
07 578 2899 I 47 2nd Avenue, Tauranga 3110
adg@architecturaldesigngroup.co.nz
PO Box 70131, Fraser Cove, Tauranga 3155
architecturaldesigngroup.co.nz



Area: 85.97 m²

1 Ground Floor Plan - Proposed 1:100

Toilet Calculations

Option 5 - Single sex with pans and urinals for males, plus accessible unisex

Female	
Pans	5
Basins	3
Male	
Pans	3
Urinals	3
Basins	3
Unisex	
Accessible facilities	2

Elevation 1
Typical privacy screen elevation

Exterior Finishes Schedule:

Element	Material	Finish
Roofing, gutter, spouting and flashings	Colorsteel	Colorcote, Colour TBC
Windows	Powdercoated	Colour TBC
Masonry walls	Masonry	Coating System TBC
Posts	Paint	Colour TBC

Interior Finishes Schedule:

Room	Floor	Walls	Ceiling	Trims & joinery	Fixtures and Furnishings
Changing room / Bathrooms	Selected Allnex Traxite. Refer to plan for extent. Finish: TBC	4.5mm Laminex Seratone with aluminium jointers on strapping on masonry block walls. Selected wall finishes must achieve Fire Group Number of 2S. Colour: TBC	6mm James Hardie Hardiflex stopped and painted finished to level 4 finish. Paint application in accordance with paint specification. Paint achieves Fire Group Number of 1S. Colour: TBC (Spec Ref. …)	Scotia: N/A Architrave: N/A Skirting: N/A	- Partitions - Colour: TBC - Benches - Colour: TBC - Basins - Type: TBC - Shower - Type: TBC - WC - Type: TBC - Urinal - Type: TBC - Change Tables - Type: TBC
Entrance / Reception	Lobby & entry - Selected tiles Colour: TBC (NON SLIP) Reception, staffroom & managers office - Selected carpet Colour: TBC	4.5mm Laminex Seratone with aluminium jointers on strapping on masonry block walls. Selected wall finishes must achieve Fire Group Number of 2S. Colour: TBC	6mm James Hardie Hardiflex stopped and painted finished to level 4 finish. Paint application in accordance with paint specification. Paint achieves Fire Group Number of 1S. Colour: TBC (Spec Ref. …)	Scotia: N/A Architrave: N/A Skirting: N/A	- Recept. Counter - Colour: TBC - Kitchenette - Colour: TBC - Desks - Colour: TBC - Staff WC - Colour: TBC - Staff Basin - Colour: TBC

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Proposed Upgrades Greerton Pools
1 Kiteroa Street
Tauranga
For Bay Venues Ltd

CONCEPTS
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Drawing: Ground Floor Plan - Proposed	Job no.: 6032
Scale at A1: 1:100, 1:50	Date: 20/09/19
File name: 190821-6032-GreertonPools-Sch-AC22.pln	Sheet no.: A101

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architectural design group
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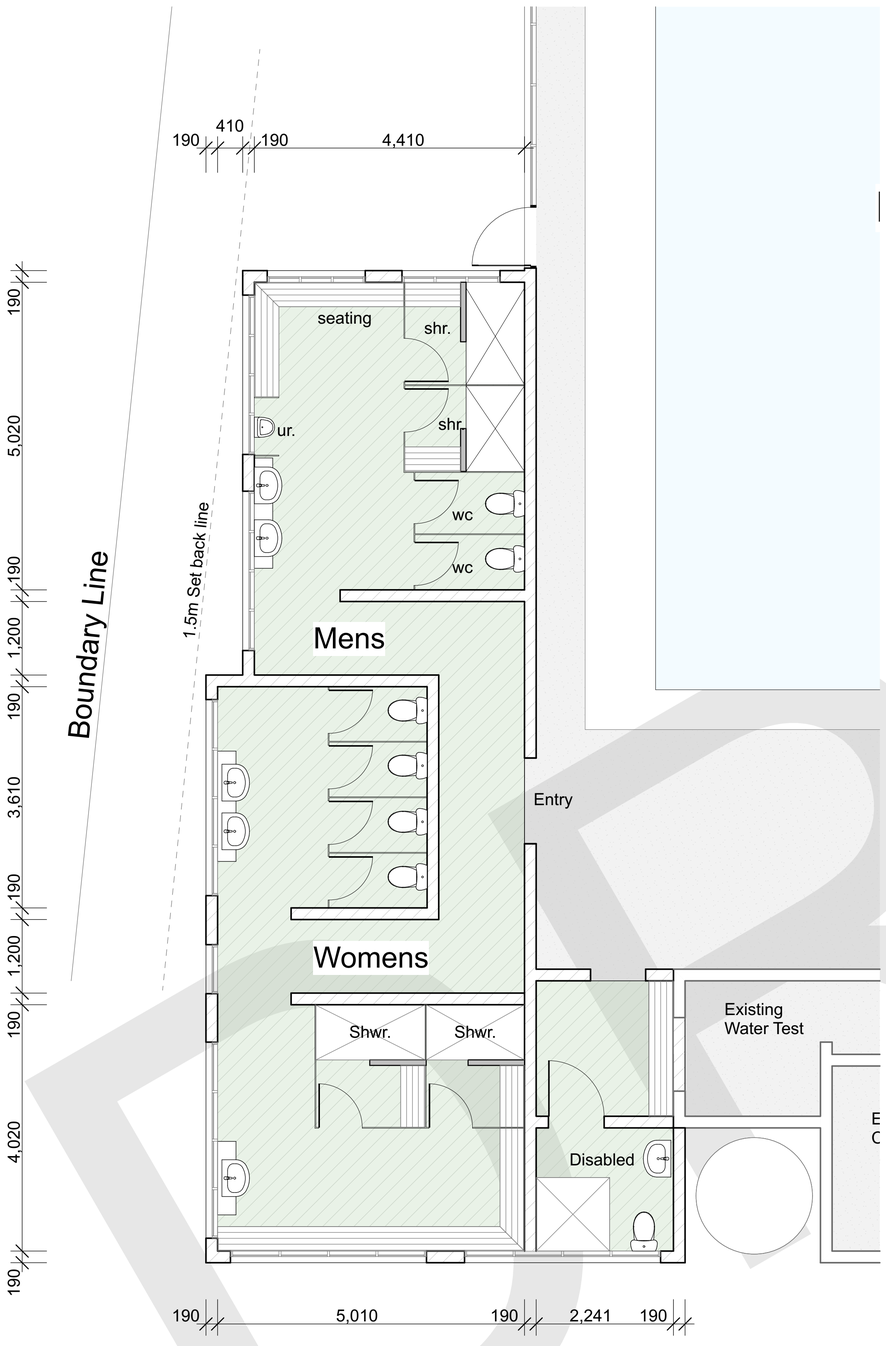
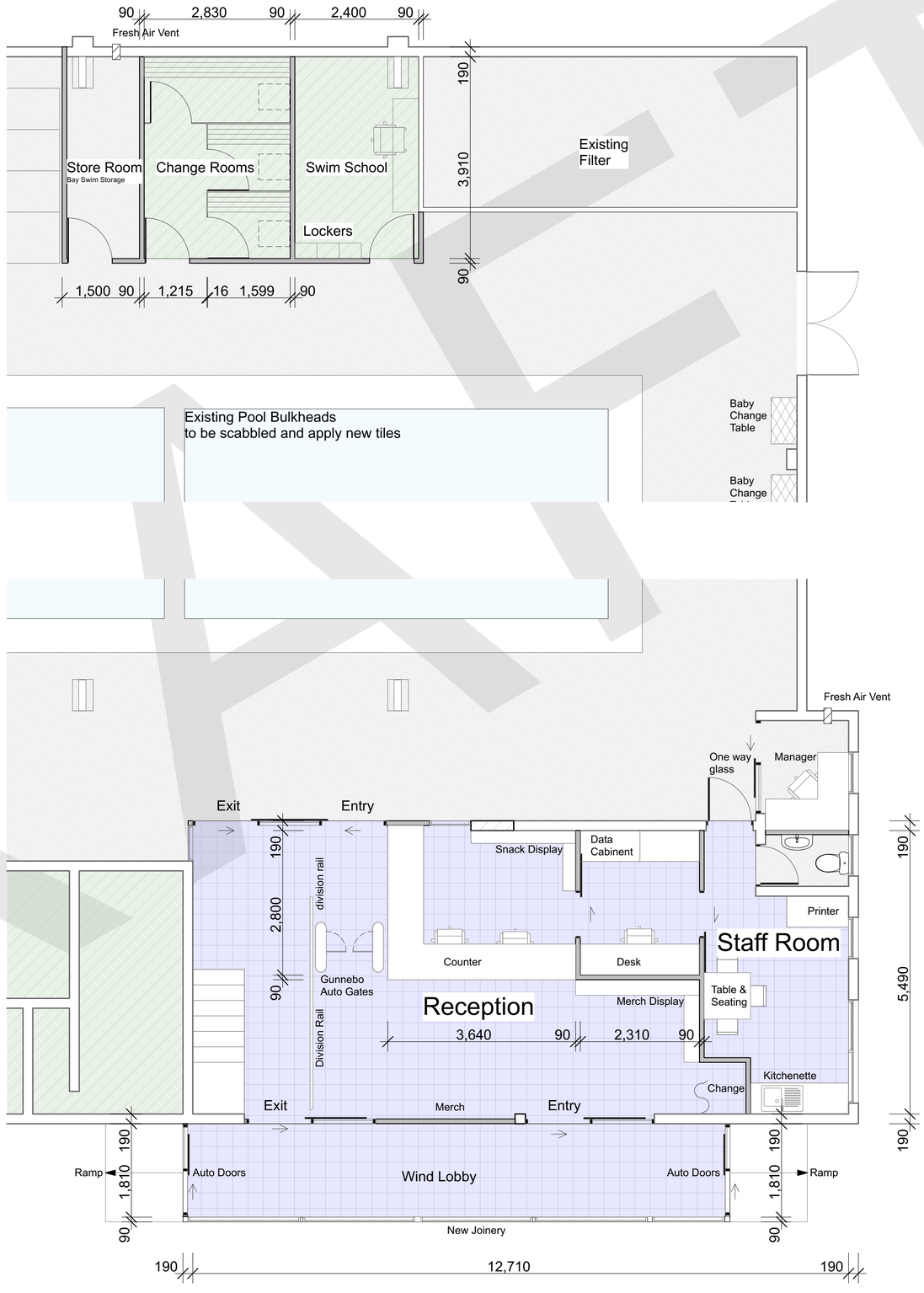


Area: 85.97 m²



RevID	ChID	Revision	Date

Proposed Upgrades
Greerton Pools
1 Kiteroa Street
Tauranga
For Bay Venues Ltd

CONCEPTS
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Drawing	Job no.
Enlarged Floor Plans	6032
Scale at A1	Date
1:50	20/09/19
File name 190821-6032-GreertonPools-Sch-AC22.pln	Sheet no.

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A102

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architectural design group
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adg@architecturaldesigngroup.co.nz
PO Box 70131, Fraser Cove, Tauranga 3155
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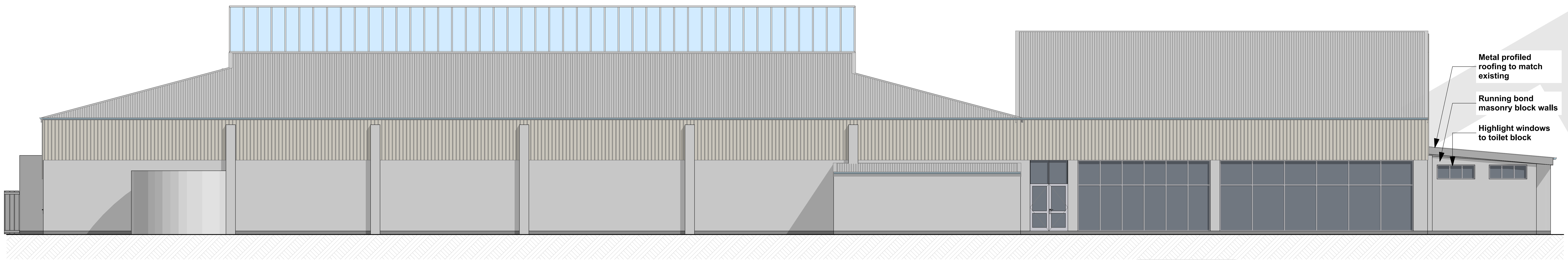
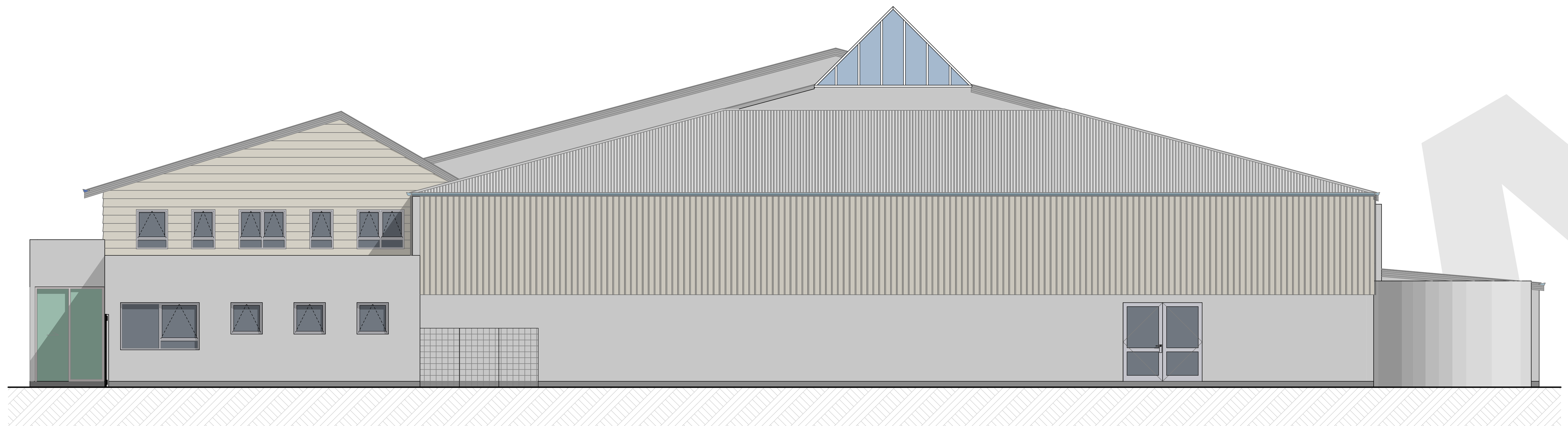
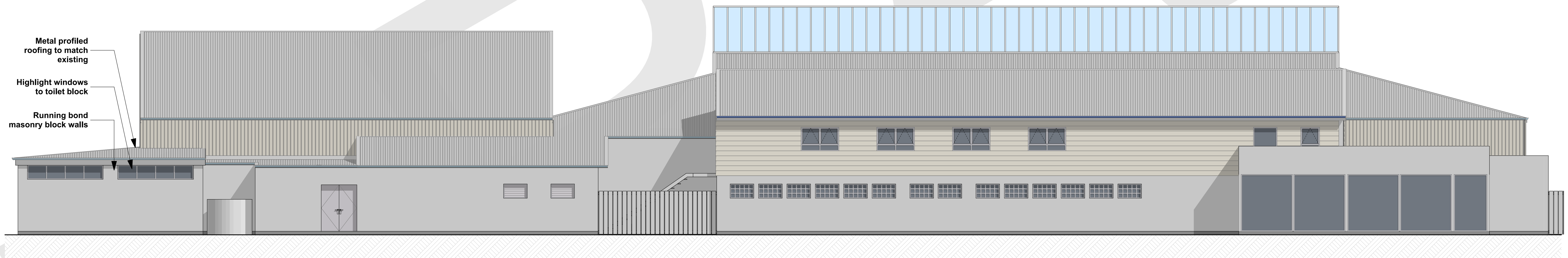


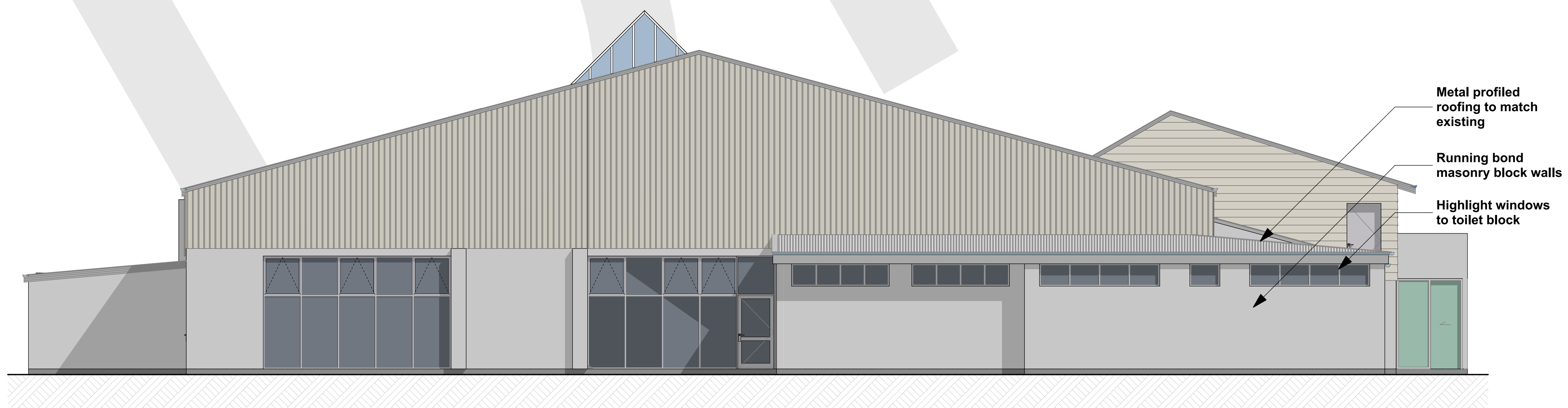
1 North Elevation 1:100



2 East Elevation 1:100



3 South Elevation 1:100



4 West Elevation 1:100

RevID	ChID	Revision	Date

Proposed Upgrades
Greerton Pools
1 Kiteroa Street
Tauranga
For Bay Venues Ltd

CONCEPTS
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Drawing	Job no.
Elevations	6032
Scale at A1: 1:100	Date: 20/09/19
File name 190821-6032-GreertonPools-Sch-AC22.pln	Sheet no. A300

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Drawing	Job no.
Perspective	6032
Scale at A1: 1:100	Date: 20/09/19
File name: 190821-6032-GreertonPools-Sch-AC22.pln	Sheet no. A700

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