



AGENDA

Late Reports

Ordinary Council meeting

Monday, 20 March 2023

Date: Monday, 20 March 2023

Time: 9.30am

**Location: Bay of Plenty Regional Council Chambers
Regional House
1 Elizabeth Street
Tauranga**

Please note that this meeting will be livestreamed and the recording will be publicly available on Tauranga City Council's website: www.tauranga.govt.nz.

**Marty Grenfell
Chief Executive**

Order of Business

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11.6	Tauranga Art Gallery - approval of funding arrangements for new entranceway onto Masonic Park	4

11 BUSINESS

11.6 Tauranga Art Gallery - approval of funding arrangements for new entranceway onto Masonic Park

File Number: A14431330

Author: Anne Blakeway, **Manager:** City Partnerships

Authoriser: Gareth Wallis, **General Manager:** City Development & Partnerships

PURPOSE OF THE REPORT

1. The purpose of this report is to present a summary of the Warren and Mahoney feasibility report, and the updated cost estimates, for the new Tauranga Art Gallery entranceway as part of the Masonic Park development project, for approval and to enable works to proceed to developed and detailed design.

RECOMMENDATIONS

That the Council:

- (a) Receives the report "Tauranga Art Gallery - approval of funding arrangements for new entranceway onto Masonic Park".
- (b) Notes that, following a report prepared by architects Warren and Mahoney, the full cost of requirements needed to deliver on the project objectives has been identified at a total cost of \$3.38 million.
- (c) Approves the \$1.88 million balance of funds needed to create a total project budget of \$3.38 million, to be phased over the next two financial years, noting that this will not have an impact on rates because:
 - \$250,000 will be funded through a private benevolent fund donation.
 - \$754,000 will come from already approved Tauranga Airport Reserves; and
 - \$876,000 will be funded through corporate sponsorship and/or other external funding sources, with details to be confirmed once formal agreements are in place.
- (d) Notes that these cost estimates will be further refined through the developed and detailed design phases and will be reported back to the Public Realm and Waterfront Steering Group Committee, and the Te Manawataki o Te Papa Governance Group.

EXECUTIVE SUMMARY

2. Council adopted the Te Manawataki o Te Papa preliminary design and cost report on 12 December 2022.
3. This report presents an update on the proposed new Art Gallery entranceway onto Masonic Park, including a floorplan of the proposed expansion (provided at Attachment 1), and finalised cost estimates (provided at Attachment 2).
4. An initial placeholder budget of \$1.5 million was included in the Long-term Plan Amendment (2022) for external works associated with the relocation of the Art Gallery entranceway.
5. The results of the proposed floorplan expansion, prepared by architects Warren and Mahoney, means that the costs associated with the internal changes and fitout needed for the project have now been identified and can be included in the overall project budget.

6. The projected cost is therefore expected to total \$3.38 million, \$1.88 million above the original placeholder budget of \$1.5 million included in the Long-term Plan Amendment (2022).
7. It is important to note that included in this estimate is a 15% project contingency sum of \$441,000, and escalation costs of \$442,000. However, if the work is completed in 2023/24, escalation costs will reduce to \$150,000.
8. The cost estimates will be further refined through the developed and detailed design process and will be reported back to the Public Realm and Waterfront Steering Group Committee, and the Te Manawataki o Te Papa Governance Group.
9. The \$3.38 million costs will be funded by the following means:
 - \$1.5 million already committed in the Long-term Plan Amendment (2022)
 - \$250,000 will be funded through a private benevolent fund donation;
 - \$754,000 will come from already approved Tauranga Airport Reserves; and
 - \$876,000 will be funded through corporate sponsorship and/or other external funding sources, with details to be confirmed once formal agreements are in place.
10. This project is scheduled to be delivered by July 2024.

BACKGROUND

11. Warren and Mahoney have been engaged to assist in the development of two workstreams at Tauranga Art Gallery as part of the Te Manawataki o Te Papa civic precinct development programme.
12. They have proposed a two-stage process to allow rapid iteration of options and sign-off of a preferred design direction under Stage One, and subsequent development of this option into a concept design as Stage Two.
13. Stage One includes re-orientating the Gallery entrance, which will increase the prominence and visibility of the main entry, while also improving connectivity to Masonic Park and the rest of Te Manawataki o Te Papa precinct.
14. The addition of 'jewel box' pop outs will expand the Gallery footprint to the property boundaries, while also providing an opportunity for a potential café and retail offering.
15. The Warren and Mahoney report also proposes changes to the existing internal feature stairway, to further open up the main atrium space, increasing flexibility, spaciousness, and exhibition wall space.
16. In parallel with this piece of work, future development options were considered to ensure that the Stage One piece of work does not prejudice or restrict development of the Art Gallery in the future.
17. Stage Two works will commence on formal signoff of the preferred development option.

STRATEGIC / STATUTORY CONTEXT

18. Our community has told us loud and clear that they want a vibrant, well-planned city centre that is inclusive, accessible, and diverse, with more activities and events for all to enjoy.
19. The Tauranga Moana Waterfront Plan, adopted by Council on 5 September 2022, provides a comprehensive conceptual layout to guide future development along the city centre's waterfront from Dive Crescent to Tunks Reserve, including Masonic Park. The overall purpose of the Waterfront Plan is to reconnect and amplify the city centre's connection to the harbour through the transformation of the waterfront into a premier recreational destination.
20. Te Manawataki o Te Papa has clear alignment with the city and Council's strategic direction, from the aspirational community vision to Council's action and investment plans.

21. One of six strategic priorities for Council is to drive delivery of the City Centre Masterplan – Te Manawataki o Te Papa, the broader City Centre Action and Investment Plan, and the Te Papa Peninsula Spatial Plan to revitalise and reactivate the heart of the city.
22. Te Manawataki o Te Papa clearly seeks to establish Tauranga’s city centre as the commercial, civic and cultural heart of the Western Bay of Plenty sub region – the cultural and community focus of the city centre, and a unique civic destination for the stories and decision making of Tauranga and its people.
23. As Tauranga continues to grow, our city centre will continue to transform from a commercial business centre into a sub-regional destination, providing a wide range of activities and facilities that support our economy, strengthen our community, and celebrate who we are.

OPTIONS ANALYSIS

Option 1 – Council approves a total project budget of \$3.38 million for the Tauranga Art Gallery Masonic Park entrance re-alignment project – RECOMMENDED

24. Noting that \$1.5 million was previously approved as a placeholder budget in the Long-term Plan Amendment (2022).
25. Noting that the \$1.88 million balance of funds required will not have an impact on rates, but will be funded by other sources:
 - \$250,000 will be funded through a private benevolent fund donation;
 - \$754,000 will come from already approved Tauranga Airport Reserves; and
 - \$876,000 will be funded through corporate sponsorship and/or other external funding sources, with details to be confirmed once formal agreements are in place.

Advantages	Disadvantages
<ul style="list-style-type: none"> • Improved functionality of design, as per recommendations from Warren and Mahoney, and feedback from Tauranga Art Gallery. • Increased prominence and visibility of the Art Gallery main entrance, whilst also improving connectivity to Masonic Park and the rest of Te Manawataki o Te Papa precinct. • Expands the Art Gallery footprint to the property boundaries, while also providing an opportunity for a potential café and retail offering. • The project can proceed at pace, with Council making progress towards delivering on the broad community benefits of the Te Manawataki o Te Papa programme. • Additional costs will not have an impact on rates. 	<ul style="list-style-type: none"> • Will cause disruption to the short-term Art Gallery operations, in particular to the education programme.

Option 2 – Council does not approve a total project budget of \$3.38 million for the Tauranga Art Gallery Masonic Park entrance re-alignment project. – NOT RECOMMENDED

26. This will mean that the total budget remains at the \$1.5 million, for external work associated with the relocation of the Art Gallery entranceway only.

Advantages	Disadvantages
<ul style="list-style-type: none"> • Limits further expenditure on this particular project, which may present an opportunity cost for the external funding from the corporate sponsor to 	<ul style="list-style-type: none"> • Will still cause significant disruption to Art Gallery operations, in particular to the education programme.

<p>be utilised elsewhere.</p>	<ul style="list-style-type: none"> • Decreased functionality of design, not incorporating recommendations from Warren and Mahoney, or feedback from the Art Gallery. • Lack of alignment with the Tauranga Moana Waterfront Plan, and the City Centre Action and Investment Plan (2022). • Decreased prominence and visibility of the main entry, with no opportunity to expand the Art Gallery footprint, or realise increased opportunities for a café and retail offering. • Council will make less progress towards delivering on the broad community benefits of the Te Manawataki o Te Papa programme.
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FINANCIAL CONSIDERATIONS

27. Attachment 2 outlines the project costs for key elements of the development, as outlined in the Tauranga Art Gallery Feasibility Report.

Location		Total cost NZD
Masonic Park corner		\$1,072,000
Wharf Street corner		\$456,000
Stairway upgrade		\$33,000
Internal works		\$85,000
Front of house staircase		\$139,000
Estimated net cost		\$1,785,000
Margins and adjustments		
Design development risk	7.5%	\$134,000
Professional fees and consents	19%	\$365,000
Client direct costs	5%	\$114,000
FF&E, AV and ICT		\$100,000
Escalation for three years	17.7%	\$442,000
Project contingency	15%	\$441,000
Estimated total cost		\$3,381,000

LEGAL IMPLICATIONS / RISKS

28. The projects that make up this overall programme of work include conservative assumptions regarding the level of project contingencies and cost escalation. However, there is always a risk that significant unplanned events may have an impact on overall and eventual project costs.

29. Included in the estimate from Rider, Levett and Bucknall, is a 15% project contingency sum of \$441,000, and escalation costs of \$442,000. However, if the work is completed in FY2023/24, the escalation cost allowance will reduce to \$150,000.

30. The additional \$1.88 million of costs, over and above the original placeholder budget of \$1.5 million, are expected to be fully funded through external funding, which may be at risk if the funders decide not to contribute towards this project.

SIGNIFICANCE

31. The Local Government Act 2002 requires an assessment of the significance of matters, issues, proposals and decisions in this report against Council's Significance and Engagement Policy. Council acknowledges that in some instances, a matter, issue, proposal or decision may have a high degree of importance to individuals, groups, or agencies affected by the report.
32. In making this assessment, consideration has been given to the likely impact, and likely consequences for:
 - (a) the current and future social, economic, environmental, or cultural well-being of the district or region;
 - (b) any persons who are likely to be particularly affected by, or interested in, the decision; and
 - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
33. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the decision is of low significance.

ENGAGEMENT

34. The proposal to implement Te Manawataki o Te Papa required an amendment to the Council's Long-term Plan 2021-31 under section 93(5) of the Local Government Act 2002. As such, a full consultation process was undertaken between 25 March to 26 April 2022.
35. Taking into consideration the above information, if Council approves Option 1, further community consultation is assessed as not being required at this stage of the project.

Click here to view the [TCC Significance and Engagement Policy](#)

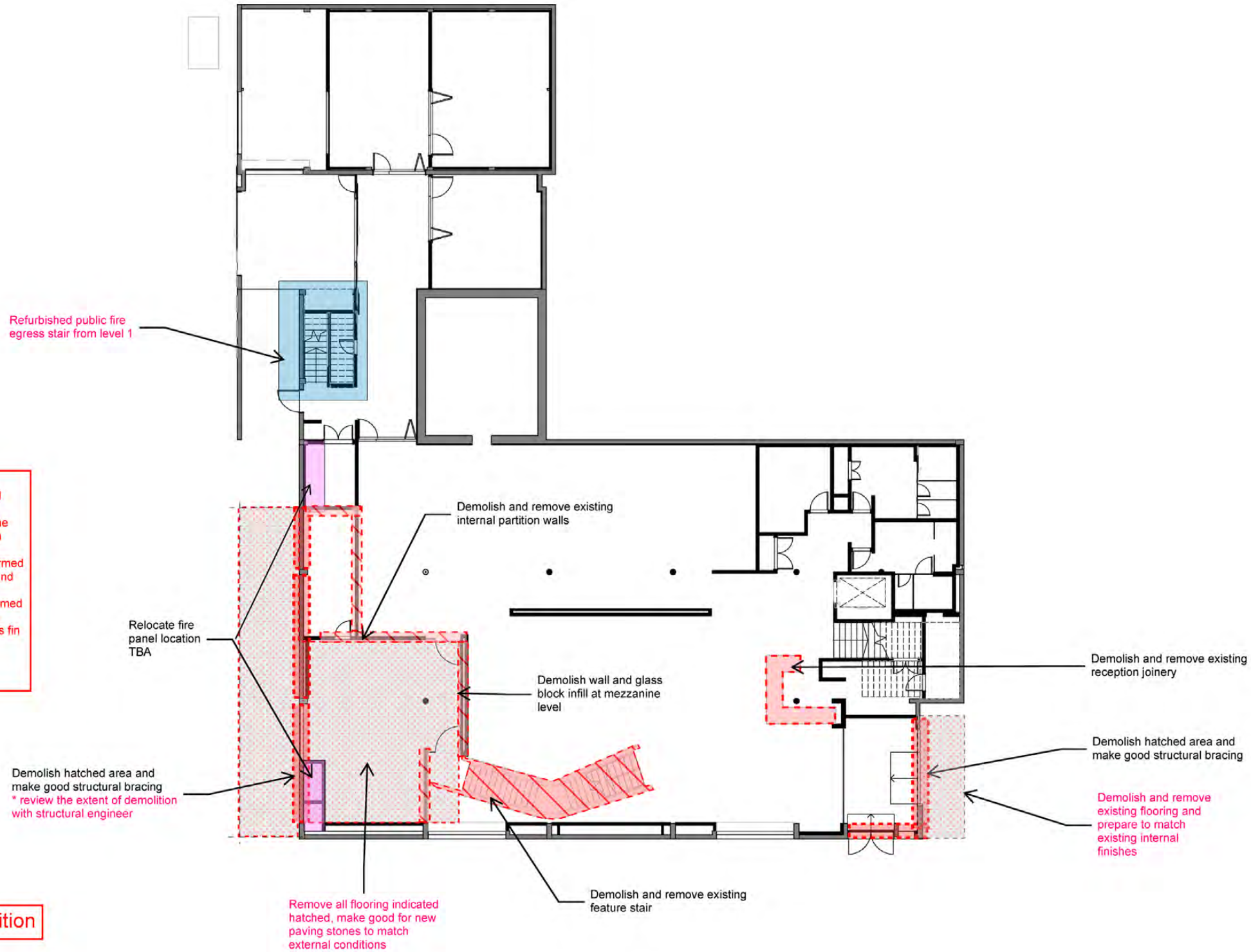
NEXT STEPS

36. The cost estimates will be further refined through the developed and detailed design phases and will be reported back to the Public Realm and Waterfront Steering Group Committee, and the Te Manawataki o Te Papa Governance Group.
37. This project is due to be delivered, in conjunction with the Masonic Park development, by mid-2024.

ATTACHMENTS

1. **Tauranga Art Gallery capital project - floorplan - A14496177**  
2. **Tauranga Art Gallery Estimates - Baseline Scheme - A14434874**  

GROUND FLOOR PLAN - EXISTING 1 : 200@A3

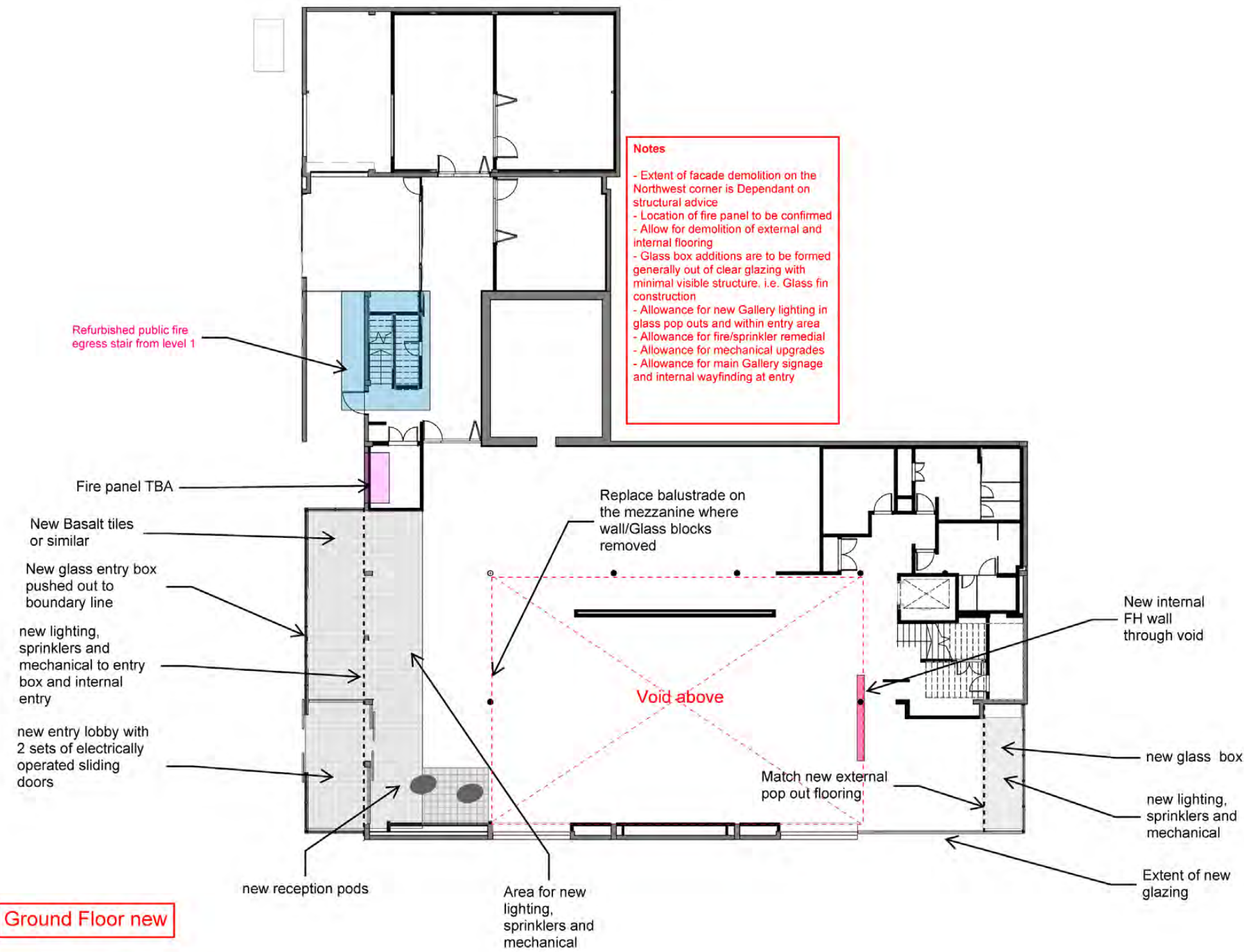


Notes

- Allow to make good external and internal facades around demo
- Extent of facade demolition on the Northwest corner is Dependant on structural advice
- Location of fire panel to be confirmed
- Allow for demolition of external and internal flooring
- Glass box additions are to be formed generally out of clear glazing with minimal visible structure. i.e. Glass fin construction

Ground Floor demolition

GROUND FLOOR PLAN - GROUND LEVEL EXPANSION 1 : 200@A3

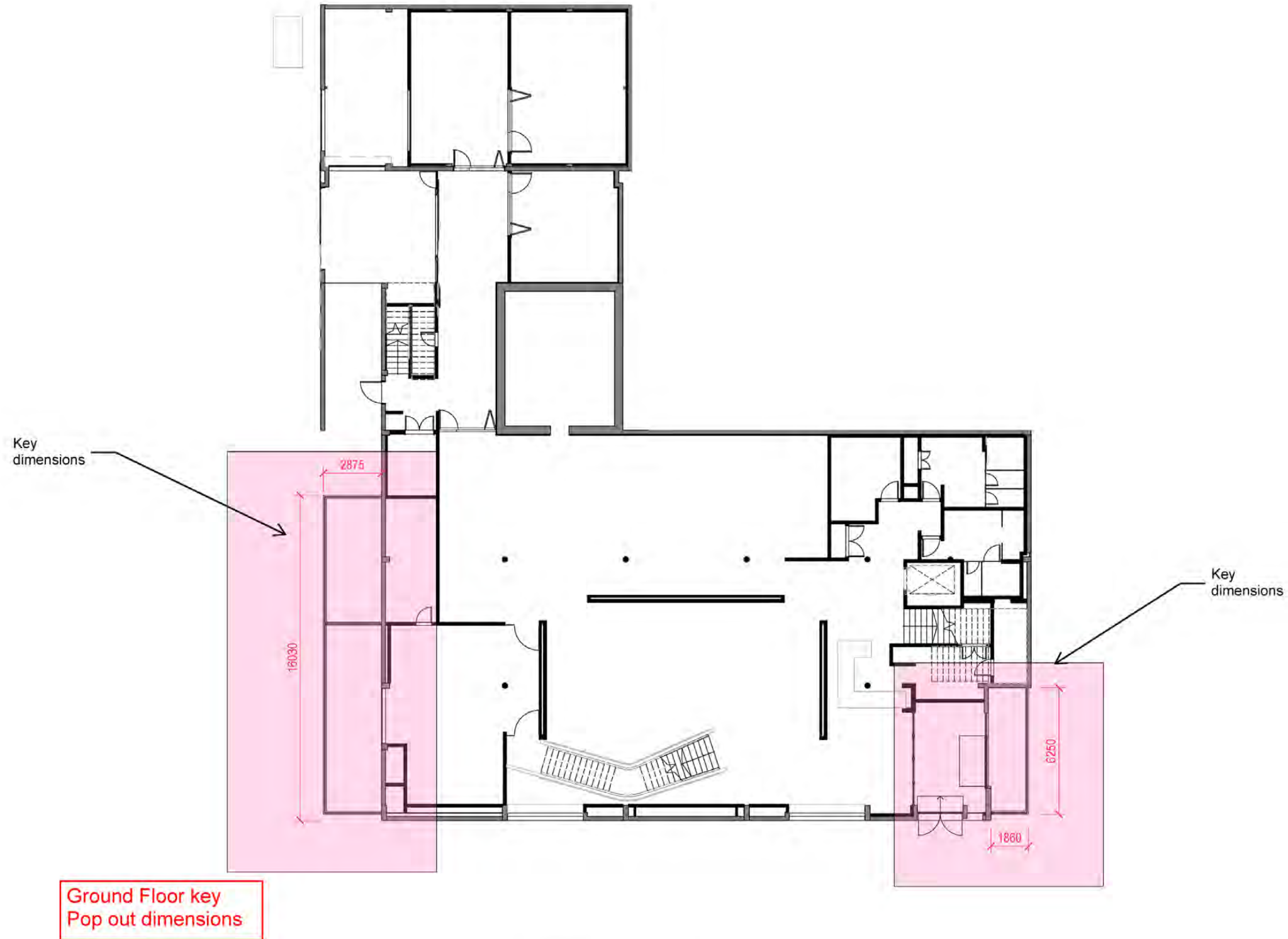


Notes

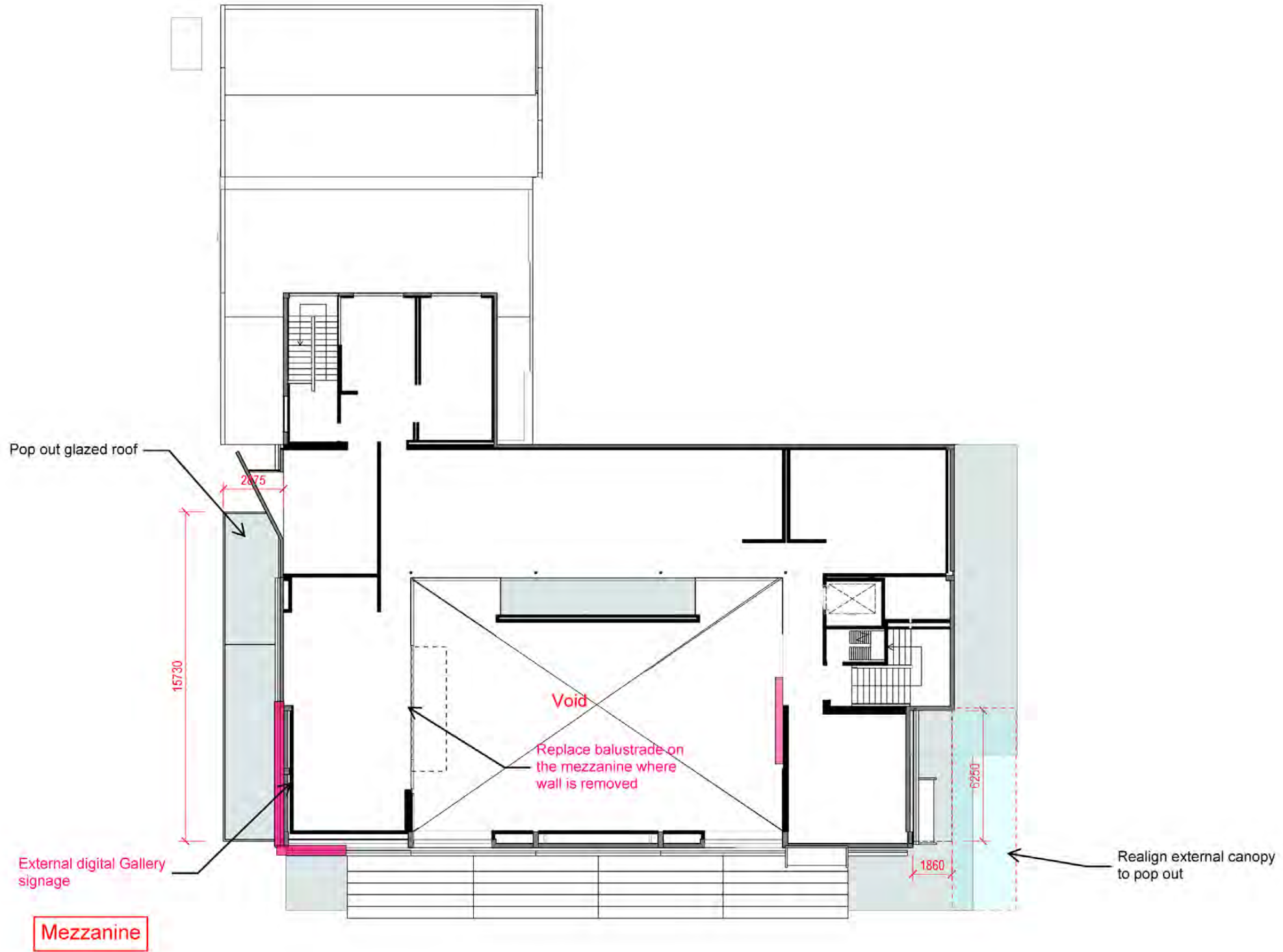
- Extent of facade demolition on the Northwest corner is Dependant on structural advice
- Location of fire panel to be confirmed
- Allow for demolition of external and internal flooring
- Glass box additions are to be formed generally out of clear glazing with minimal visible structure, i.e. Glass fin construction
- Allowance for new Gallery lighting in glass pop outs and within entry area
- Allowance for fire/sprinkler remedial
- Allowance for mechanical upgrades
- Allowance for main Gallery signage and internal wayfinding at entry

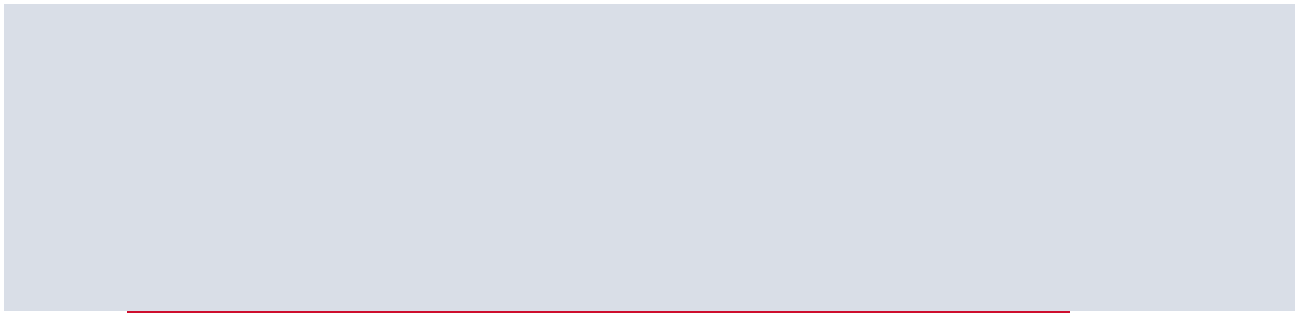
Ground Floor new

GROUND FLOOR PLAN - GROUND LEVEL EXPANSION 1 : 200@A3



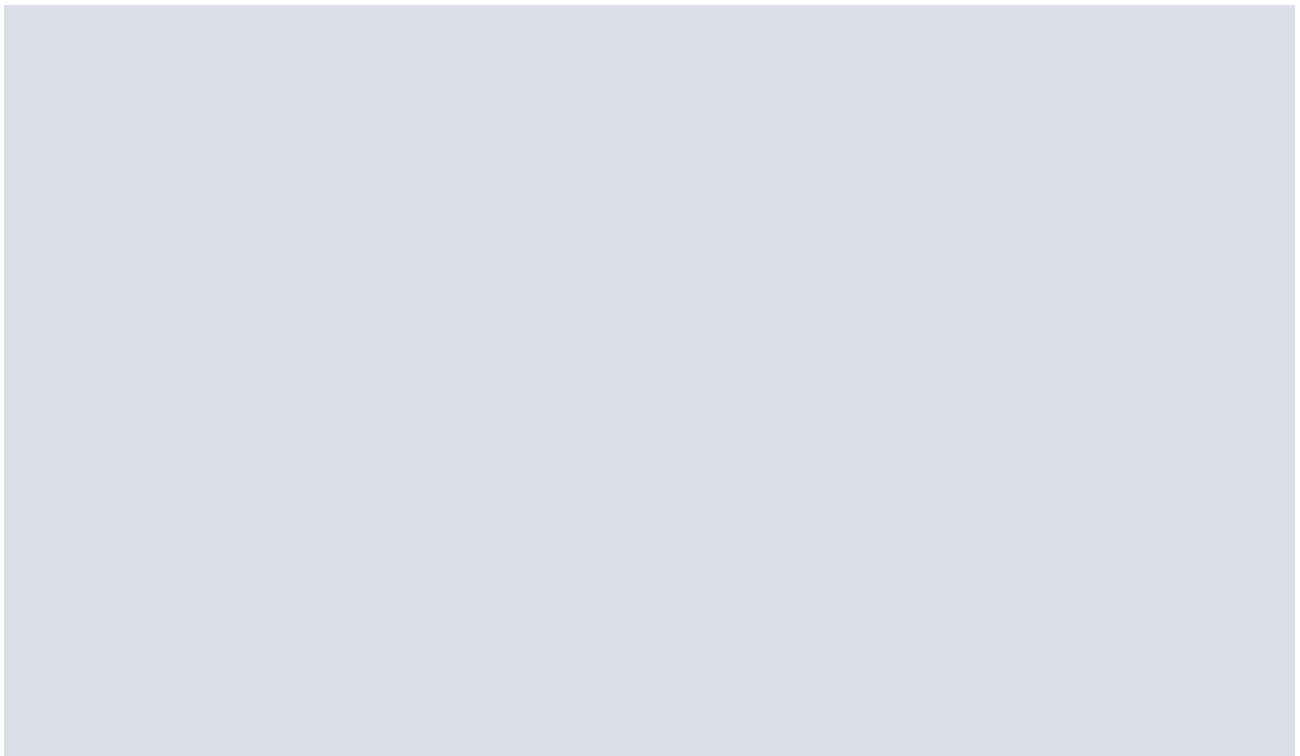
LEVEL 1 FLOOR PLAN - GROUND LEVEL EXPANSION 1 : 200@A3





TAURANGA ART GALLERY MODIFICATIONS OCTOBER 2022

TAURANGA CIVIC CENTRE MASTERPLAN



TAURANGA CIVIC CENTRE MASTERPLAN
TAURANGA ART GALLERY MODIFICATIONS
OCTOBER 2022



LOCATION SUMMARY

GFA: Gross Floor Area
 Rates Current At October 2022

Ref	Location	GFA m ²	GFA NZD/m ²	Total Cost NZD
A	MASONIC CORNER			1,072,000
B	WHARF STREET CORNER			456,000
C	STAIR UPGRADE			33,000
D	INTERNAL WORKS			85,000
E	FRONT OF HOUSE STAIRCASE			139,000
ESTIMATED NET COST				1,785,000
MARGINS & ADJUSTMENTS				
	Design Development Risk	7.5%		134,000
	Professional Fees and Consents	19%		365,000
	Client Direct Costs	5%		114,000
	FF&E, AV and ICT			100,000
	Escalation for Three Years (RLB Forecast 102)	17.7%		442,000
	Project Contingency	15%		441,000
ESTIMATED TOTAL COST				3,381,000

TAURANGA CIVIC CENTRE MASTERPLAN
TAURANGA ART GALLERY MODIFICATIONS
OCTOBER 2022



LOCATION ELEMENTS/MAIN HEADING ITEM

A MASONIC CORNER

Rates Current At October 2022

Ref	Description	Unit	Qty	Rate NZD	Total Cost NZD
SP Site Preparation					
9	Remove vinyl floor covering	m ²	48	30.0	1,440
26	Remove section of angled aluminium facade	m ²	48	310.0	14,880
27	Remove reinforced concrete wall	m ²	32	800.0	25,600
28	Remove double door	No	1	150.0	150
29	Remove aluminium framed window	m ²	16	150.0	2,400
31	Remove asphalt surfacing	m ²	48	20.0	960
SP - Site Preparation					45,430
SB Substructure					
16	Reinforced concrete floor slab complete	m ²	48	400.0	19,200
SB - Substructure					19,200
FR Frame					
18	Allowance for structural frame to "glazed box"	m ²	48	1,200.0	57,600
30	Allowance for structural frame to Masonic elevation	m ²	77	1,000.0	77,000
FR - Frame					134,600
WW Windows and Exterior Doors					
19	Glazed box with "spider fixings"	m ²	151	2,400.0	362,400
32	EV for pair of auto doors	No	2	15,000.0	30,000
WW - Windows and Exterior Doors					392,400
FF Floor Finishes					
33	Basalt floor tiles	m ²	88	400.0	35,200
FF - Floor Finishes					35,200
CF Ceiling Finishes					
23	Make good ceiling	m ²	48	75.0	3,600
CF - Ceiling Finishes					3,600
HV Heating and Ventilation Services					
22	Allowance for alterations and additions to the heating and ventilation system	Item			30,000
HV - Heating and Ventilation Services					30,000
FS Fire Services					
7	Relocate fire sprinkler valve room and mimic panel	No	1	50,000.0	50,000
21	Allowance for alterations and additions to the fire protection system	Item			15,000
FS - Fire Services					65,000
EL Electrical Services					
20	Allowance for power and lighting	Item			30,000
EL - Electrical Services					30,000

**TAURANGA CIVIC CENTRE MASTERPLAN
TAURANGA ART GALLERY MODIFICATIONS
OCTOBER 2022**



LOCATION ELEMENTS/MAIN HEADING ITEM

A MASONIC CORNER (continued)

Rates Current At October 2022

Ref	Description	Unit	Qty	Rate NZD	Total Cost NZD
SU	Sundries				
40	Allowance for signage	Item			10,000
34	BWIC	Item			12,000
35	Allowance for passive fire	Item			39,000
36	Allowance for sundries	Item			19,000
	SU - Sundries				80,000
PG	Preliminaries				
37	Preliminary and General	Item			167,000
	PG - Preliminaries				167,000
MG	Margins				
38	Main Contractor's Margin	Item			70,000
41	Rounding	Item			(430)
	MG - Margins				69,570
MASONIC CORNER					1,072,000

TAURANGA CIVIC CENTRE MASTERPLAN
TAURANGA ART GALLERY MODIFICATIONS
OCTOBER 2022



LOCATION ELEMENTS/MAIN HEADING ITEM

B WHARF STREET CORNER

Rates Current At October 2022

Ref	Description	Unit	Qty	Rate NZD	Total Cost NZD
SP Site Preparation					
8	Remove floor tiles	m ²	21	100.0	2,100
9	Remove vinyl floor covering	m ²	14	30.0	420
10	Remove external concrete paving	m ²	14	100.0	1,400
11	Remove glazed double door	No	1	200.0	200
12	Remove pair of glazed auto doors	No	1	1,000.0	1,000
13	Remove reinforced concrete wall/eyebrow	No	1	10,000.0	10,000
14	Remove glazed surround to "eyebrow"	No	1	1,000.0	1,000
15	Remove PVC clad corner including framing	No	1	1,500.0	1,500
SP - Site Preparation					17,620
SB Substructure					
16	Reinforced concrete floor slab complete	m ²	13	400.0	5,200
SB - Substructure					5,200
FR Frame					
17	Allowance for structure frame to existing building corner	Item			5,000
18	Allowance for structural frame to "glazed box"	m ²	13	1,200.0	15,600
FR - Frame					20,600
RF Roof					
39	Extend glazed canopy to match existing	m ²	29	3,000.0	87,000
RF - Roof					87,000
WW Windows and Exterior Doors					
19	Glazed box with "spider fixings"	m ²	63	2,400.0	151,200
WW - Windows and Exterior Doors					151,200
FF Floor Finishes					
24	Flooring to match existing	m ²	48	150.0	7,200
FF - Floor Finishes					7,200
CF Ceiling Finishes					
23	Make good ceiling	m ²	33	75.0	2,475
CF - Ceiling Finishes					2,475
HV Heating and Ventilation Services					
22	Allowance for alterations and additions to the heating and ventilation system	Item			10,000
HV - Heating and Ventilation Services					10,000
FS Fire Services					
21	Allowance for alterations and additions to the fire protection system	Item			10,000
FS - Fire Services					10,000

TAURANGA CIVIC CENTRE MASTERPLAN
TAURANGA ART GALLERY MODIFICATIONS
OCTOBER 2022



LOCATION ELEMENTS/MAIN HEADING ITEM

B WHARF STREET CORNER (continued)

Rates Current At October 2022

Ref	Description	Unit	Qty	Rate NZD	Total Cost NZD
EL	Electrical Services				
20	Allowance for power and lighting	Item			15,000
				EL - Electrical Services	15,000
SU	Sundries				
34	BWIC	Item			4,000
35	Allowance for passive fire	Item			16,000
36	Allowance for sundries	Item			9,000
				SU - Sundries	29,000
PG	Preliminaries				
37	Preliminary and General	Item			71,000
				PG - Preliminaries	71,000
MG	Margins				
38	Main Contractor's Margin	Item			30,000
41	Rounding	Item			(295)
				MG - Margins	29,705
WHARF STREET CORNER					456,000

TAURANGA CIVIC CENTRE MASTERPLAN
TAURANGA ART GALLERY MODIFICATIONS
OCTOBER 2022



LOCATION ELEMENTS/MAIN HEADING ITEM

C STAIR UPGRADE

Rates Current At October 2022

Ref	Description	Unit	Qty	Rate NZD	Total Cost NZD
SC Stairs and Balustrades					
1	Allowance for upgrading existing stair for new public fire egress stair	M/R	5	5,000.0	25,000
SC - Stairs and Balustrades					25,000
SU Sundries					
36	Allowance for sundries	Item			1,000
SU - Sundries					1,000
PG Preliminaries					
37	Preliminary and General	Item			5,000
PG - Preliminaries					5,000
MG Margins					
38	Main Contractor's Margin	Item			2,000
MG - Margins					2,000
STAIR UPGRADE					33,000

TAURANGA CIVIC CENTRE MASTERPLAN
TAURANGA ART GALLERY MODIFICATIONS
OCTOBER 2022



LOCATION ELEMENTS/MAIN HEADING ITEM

D INTERNAL WORKS

Rates Current At October 2022

Ref	Description	Unit	Qty	Rate NZD	Total Cost NZD
SP	Site Preparation				
2	Remove steel and timber framed stair	No	1	23,000.0	23,000
3	Remove timber and plasterboard partition	m ²	138	50.0	6,900
4	Remove glazed partition	m ²	15	75.0	1,125
6	Remove reception desk	No	1	500.0	500
	SP - Site Preparation				31,525
SC	Stairs and Balustrades				
5	Glazed balustrade to match existing	m	9	1,500.0	13,500
	SC - Stairs and Balustrades				13,500
PN	Interior Walls				
25	Framed partition complete	m ²	38	500.0	19,000
	PN - Interior Walls				19,000
SU	Sundries				
36	Allowance for sundries	Item			2,000
	SU - Sundries				2,000
PG	Preliminaries				
37	Preliminary and General	Item			13,000
	PG - Preliminaries				13,000
MG	Margins				
38	Main Contractor's Margin	Item			6,000
41	Rounding	Item			(25)
	MG - Margins				5,975
INTERNAL WORKS					85,000

**TAURANGA CIVIC CENTRE MASTERPLAN
TAURANGA ART GALLERY MODIFICATIONS
OCTOBER 2022**



LOCATION ELEMENTS/MAIN HEADING ITEM

E FRONT OF HOUSE STAIRCASE

Rates Current At October 2022

Ref	Description	Unit	Qty	Rate NZD	Total Cost NZD
SC Stairs and Balustrades					
42	Allowance for front of house staircase & handrails	M/R	5	21,000.0	105,000
SC - Stairs and Balustrades					105,000
SU Sundries					
36	Allowance for sundries	Item			3,000
SU - Sundries					3,000
PG Preliminaries					
37	Preliminary and General	Item			22,000
PG - Preliminaries					22,000
MG Margins					
38	Main Contractor's Margin	Item			9,000
MG - Margins					9,000
FRONT OF HOUSE STAIRCASE					139,000