



# **AGENDA**

## **Late Reports**

### **Ordinary Council meeting**

### **Monday, 3 April 2023**

**Date: Monday, 3 April 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](http://www.tauranga.govt.nz).*

**Marty Grenfell  
Chief Executive**



## Order of Business

<b>11</b>	<b>Business.....</b>	<b>4</b>
11.8	Memorial Park aquatics and indoor courts update.....	4

## 11 BUSINESS

### 11.8 Memorial Park aquatics and indoor courts update

**File Number:** A14414569

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

#### PURPOSE OF THE REPORT

1. The purpose of this report is to present a general update on progress on the Memorial Park aquatics and indoor courts project, and wider park master planning, and request approval for the re-classification of capital budget to allow the planned programme of work to continue.

#### RECOMMENDATIONS

That the Council:

- (a) Receives the report "Memorial Park aquatics and indoor courts update".
- (b) Approves \$1.15 million of 2023/24 capital budget be re-classified as operational expenditure in financial year 2023/24, to be loan funded over 10 years.

#### EXECUTIVE SUMMARY

2. Redevelopment of the Memorial Park pools and indoor sports facilities has been consulted on, and a total of \$103 million has been budgeted for as part of the Long-term Plan 2021-31.
3. The project is currently proceeding as proposed in the 2020 feasibility study however, some planned capital expenditure in financial year 2023/24 needs to be re-classified as operational expenditure, to be loan funded over 10 years, so the planned programme of works can continue.
4. Procurement of two commissions, an architectural led multi-disciplinary design team, and an ECI contractor, are underway. Procurement of a consultant to lead the wider Memorial Park master planning process will be in the market in early April.
5. Once appointments are in place, the design will commence. The initial stage of design will result in a preferred design, and will be supported by a business case and masterplan for the wider park environment.

#### BACKGROUND

6. Memorial Park, located on the waterfront in the centre of Tauranga City, is a recreation park which supports a wide range of leisure activity and infrastructure, including Memorial Pool, Queen Elizabeth Youth Centre (QEYC), Daniels in the Park, and the Memorial Hall.
7. Memorial Pool is over 70 years old and has significant issues around its quality, design and functionality. The pool is currently under-utilised despite its central location. Utilisation is expected to improve if upgraded and a wider variety of facilities are provided.
8. QEYC is over 65 years old and at the end of its useful life, with aging cladding and roof materials, leaks and other water issues, and a low seismic rating. The hall is a popular venue for indoor court sports and is used regularly by many community groups.
9. A feasibility study was completed by Visitor Solutions in November 2020, with input from Architecture HDT and Boffa Miskell. This identified an immediate need for the following facilities, to be combined under the "Aquatics and Courts Memorial Park Project":

- aquatic facilities (indoor and outdoor pools, hydro-slide and entertainment areas) with new changing facilities;
  - additional indoor court space – refurbishment of the existing QEYC hall and a smaller new facility;
  - a café, meeting rooms and circulation space;
  - a large fitness centre; and
  - a spa and wellness centre.
10. Noting that the current Memorial Park mini-golf activity is likely affected and will be considered as part of the wider master planning work. Possible relocation of the model railway will also be considered, if required.
11. In response to the above, the project objectives were defined as follows:
- replace and upgrade well-located facilities that are nearing the end of their useful life;
  - increase Tauranga’s sport and leisure offering in accordance with market tested community requirements;
  - engage meaningfully with local iwi and deliver against TCC’s Community Outcomes; and
  - engage with operational experts to ensure functionality and whole-of-life usability is well considered.

## PROJECT UPDATE

12. In the Visitor Solutions (2020) feasibility study, the project was envisaged for delivery in two phases, with the existing QEYC courts intended to be retained and remain in use during the demolition and construction of the courts and new aquatics centre.
13. Commissioners enquired as to whether the project could be delivered in one single phase, to create cost efficiencies and expedite delivery, and a programme has been developed to accommodate that direction.
14. During development of that programme and in preparation for the start of the design phase of the project, testing was undertaken on the existing structures. These tests revealed that the seismic performance of the QEYC building is very poor and that it will require significant seismic strengthening.
15. Analysis of what is likely to be required, weighed against the benefits of being able to design and then construct a new indoor courts facility without the constraints and compromises of working around existing aged infrastructure, lends itself to changing the scope of the project in favour replacement over refurbishment.
16. Any issues and/or cost implications associated with that decision will be tabled as part of the Long-term Plan 2024-34 process later in the year.
17. That change in direction also does not need to hold up current procurement plans. An RFP is currently in the market for an architectural-led multidisciplinary team to lead the design process for both the indoor courts and aquatics centre.
18. Procurement of an ECI contractor for the same projects will follow in early April.
19. A different consultant will deliver the Memorial Park master plan and this work will be undertaken in parallel with the concept design phase of the indoor courts and aquatics project. Procurement of this consultant team will also follow in early April.
20. It is planned that the contracts for these three commissions will be awarded by June 2023.
21. Development of the functional design specification, stakeholder and iwi engagement, concept design, and community master planning engagement will all begin soon afterwards, in July 2023.

22. The current plan is for early ground works and site demolition to begin in second quarter 2024. Construction is currently planned to begin in early 2025 with project completion expected in 2027.
23. An interim governance group was created to oversee project progress. Now that a Programme Manager is on board to deliver the project, a formal governance structure is being created and meetings will commence in April.

### **FINANCIAL CONSIDERATIONS**

24. Project funding has been allocated in the in the Long-term Plan 2021-31.
25. Cost estimates were prepared as part of the original feasibility study (in 2020) and were peer reviewed in early 2022. These costs had escalated significantly from the original estimate and there remains continued escalation pressures on construction projects.
26. These predicted cost escalations have been allowed for in the Draft Long-term Plan 2024-34, as will any additional costs associated with the full replacement of the QEYC.
27. The design will be developed in stages and costs estimates will be updated at each design stage. We will work with the ECI contractor to validate construction costs as part of our project processes.
28. There are some aspects of the project that will need to be further explored during the design, including the detail of what is and what isn't included in the broader master planning of Memorial Park. The project team will also need to consider the implications of an aspiration for Green Star rating, as this was not included in the original feasibility study.
29. For the current programme of work to continue as planned, \$1.15 million of capital expenditure in financial year 2023/24 needs to be re-classified as operational expenditure, to be loan funded over 10 years.
30. This change will not impact the overall project cost materially (there is no impact on rates in financial year 2023/24), but does however ensure that funding is available to maintain an expedient delivery programme.

### **LEGAL IMPLICATIONS / RISKS**

31. The professional services and construction market are under pressure from the volume and scale of work locally, and nationally. The aquatics component of the project demands specialist skills both in the design and construction, which could impact on the availability of key companies and people.
32. To mitigate this risk, we have engaged with the market and kept them informed of the opportunity. We have worked to select companies with a solid track record and experienced staff. Using the ECI contractor delivery model, the main contractor will have a clear line of sight of the project and be able to plan and commit to the delivery in a timely manner.
33. Construction cost escalation is a significant project factor in schemes of this size. We have established a delivery plan that is realistic but that can also take advantage of early works packages.
34. TCC and Bay Venues staff are working on possible contingency plans for alternative indoor court facilities for use while the new facilities are being constructed. Although this is outside the scope of the project, it remains a reputational and operational risk.

### **CONSULTATION / ENGAGEMENT**

35. Original consultation on this project was done as part of the Visitor Solutions feasibility study in 2020, and as part of consultation for the Long-term Plan 2021-31.
36. A comprehensive iwi and stakeholder engagement programme as part of the design process will begin in July 2023. This will be followed by wider community consultation as the design process progresses during the later parts of 2023, in particular, in regard to the community's aspirations for the master planning of the wider Memorial Park.

## STRATEGIC / STATUTORY CONTEXT

37. Redevelopment of the Memorial Park pool and indoor sports facility has been consulted on, and a total of \$103 million has been budgeted for, as part of the Long-term Plan 2021-2031.
38. This is part of broader Council plans to replace old facilities and create new spaces and places, to enable our varied and growing community to connect, explore, and engage in valued recreation experiences across the city.

## SIGNIFICANCE

39. 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.
40. 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 matter; and
  - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
41. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the matter is of medium significance. However, as no decisions are required and this report only serves as an update on progress to date, it is considered that the matter is of low significance.

## ENGAGEMENT

42. Taking into consideration the above assessment, that the issue is of medium significance but this report is of low significance, officers are of the opinion that no further engagement is required.

## NEXT STEPS

43. Procurement of the architectural-led multidisciplinary team is underway.
44. Procurement of an ECI contractor will follow in early April.
45. Procurement of a consultant to deliver the Memorial Park master plan will also follow in early April.
46. It is planned that the contracts for these three commissions will be awarded by June 2023.
47. Development of the functional design specification, stakeholder and iwi engagement, concept design, and community master planning engagement will all begin soon afterwards, in July 2023.
48. The current plan is for early ground works and site demolition to begin in second quarter 2024.
49. Construction is currently planned to begin in early 2025 with project completion expected sometime in 2027.

## ATTACHMENTS

Nil